200301042

Significant Index No. 0412.06-00

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

OCT 08 2002

T:EP:RA:T1

In re:

Company =

This letter constitutes notice that with respect to the above-named defined benefit pension plan we have granted a conditional waiver of the minimum funding standard for the plan year ended December 31, 2001.

The conditional waiver for the plan year ended December 31, 2001, has been granted in accordance with section 412(d) of the Internal Revenue Code (the "Code") and section 303 of the Employee Retirement Income Security Act of 1974 (ERISA). The waived amount is the contribution which would otherwise be required to reduce the balance in the funding standard account to zero as of the end of the plan year for which this conditional waiver has been granted.

The Company has a calendar year fiscal year. The Company had net losses in each of the last five years with the exception of 2000, when a net loss was avoided only through the sale of one of its divisions. In response, the Company has concentrated its efforts on its more profitable lines, streamlined its workforce and operating overhead, and undergone a financial restructuring to reduce debt costs. These efforts have shown some success as the Company has reduced both the cost of sales, and selling and administrative expenses, as percentages of net sales, and, for the first six months of 2002, reported a de minimus net profit.

As of January 1, 2001, the value of the assets of the plan was equal to 54% of the plan's current liability. Because the prospects for recovery are uncertain and because the plan is under-funded, we are granting this waiver subject to the following conditions:

(1) The contributions required to satisfy the minimum funding standard for the plan years ending December 31, 2002, and December 31, 2003, shall be timely made within the meaning of section 412(c)(10) of the Code (without a waiver being granted for such years).

(2) The waiver of the minimum funding standard for the plan year ended December 31, 2001, shall be secured, within twelve months of the date of this letter, in a manner acceptable to the

If these conditions are not satisfied, the waiver is retroactively null and void. You agreed to these conditions in a letter dated September 17, 2002.

Your attention is called to section 412(f) of the Code and section 304(b) of ERISA which describe the consequences that would result in the event the plan is amended to increase benefits, change the rate in the accrual of benefits or to change the rate of vesting, while any portion of the waived funding deficiency remains unamortized. Please note that any amendment to other retirement plans maintained by the company or to the company's profit sharing plan, to increase the liabilities of those plans would be considered an amendment for purposes of section 412(f) of the Code and section 304(b) of ERISA.

This ruling is directed only to the taxpayer that requested it. Section 6110(k)(3) of the Code provides that it may not be used or cited by others as precedent.

When filing Form 5500 for the plan year ended December 31, 2001, the date of this letter should be entered on Schedule B (Actuarial Information). A copy of this letter is being sent to your authorized representative in accordance with a power of attorney (Form 2848) on file. A copy of this letter is also being sent to the Manager, Employee Plans Classification in A copy of this letter should be furnished to the enrolled actuary for the plan.

If you have any questions on this ruling letter, please contact

Sincerely,

Carol D. Gold
Director, Employee Plans