Internal Revenue Service

Department of the Treasury

200039035

Washington, DC 20224

Significant Index No. 0412.06-00

Person to Contact:

Telephone Number:

Refer Reply to:
T:EP:RA:T:A2

Date:
JUL 05 2000

In re:

This letter constitutes notice that a conditional waiver of the minimum funding standard has been granted for the above named pension plan for the plan year ended December 31, 1999. The conditional waiver 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 amount for which the waiver has been granted is the contribution which would otherwise be required to reduce the balance in the funding standard account of the plan to zero as of the end of the plan year for which the waiver has been granted.

The is a located in which has sponsored a defined benefit plan for its employees since January 1, 1996. A year after adopting the plan, the company began to experience temporary substantial business hardship as evidenced by the loss of several large clients, very slow collections and a substantial bad debt write-off. As a result of these problems, the company experienced losses in net income in both fiscal years ended December 31, 1998, and December 31, 1999.

The company has taken several steps to recover from this temporary substantial business hardship. In 1999 the company made several strategic decisions to restructure the organization, including reducing overhead, becoming more selective in accepting clients and, where appropriate, obtaining retainers in an effort to minimize future bad debts. In addition, the company has restructured its lease, outsourced a number of services at reduced costs, and made significant reductions in owner compensation. The company's financial losses for the 1999 fiscal year were much reduced when compared to the 1998 fiscal year. Further, the company is considering a reduction in the rate of future benefit accruals under the plan.

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The waiver has been granted subject to the following condition, which you have agreed to:

(1) The minimum funding requirement for the plan year ending December 31, 2000 (which includes the initial amortization payment hereby granted for the plan year ended December 31, 1999) will be paid by September 15, 2001.

If the company fails to meet the above condition, the waiver is retroactively null and void.

Your attention is called to section 412(f) of the Code and section 304 of ERISA which describes the consequences which result in the event the plan is amended to increase benefits, to change the rate in the accrual of benefits, or to change the rate of vesting while any portion of the waived amount remains unamortized.

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

When filing Form 5500 for the plan year ending December 31, 1999, the date of this letter should be entered on Schedule B (Actuarial Information). A copy of this letter has been sent to pursuant to a power of attorney (Form 2848) on file. We have sent a copy of this letter to the Area Manager in

Sincerely yours,

Martin L. Pippins

Martin L. Pippins, Manager
Employee Plans Actuarial Group 2
Tax Exempt and Government
Entities Division