200127056

Internal Revenue Service

Significant Index No. 0412.06-00

Department of the Treasury

Washington, DC 20224

Contact Person:

Telephone Number:

In Reference to:

T:EP:RA:T:A1

Date:

APR 13 2001

In re:

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 ending December 31, 2000.

This conditional waiver for the plan year ended December 31, 2000, has been granted in accordance with section 412(d) of the Internal Revenue 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. For the 1998 and 1999 fiscal years, the company had positive working capital and net worth. For the 2000 fiscal year, the company had negative working capital and net worth. For the 1999 and 2000 fiscal years, the company had negative net earnings.

The company is working with an outside consulting service to effect a recovery. As a result, the company has discontinued collateral lines in order to reduce overhead expense and simplify the management of its operations and focus on its core businesses. Other measures are being taken as well so that the company anticipates a small profit in 2001 and larger profits and positive net worth and working capital in subsequent years.

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As of January 1, 2000, the value of the assets of the plan was equal to 68% 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 condition:

> The contributions required to satisfy the minimum funding standard for the plan years ending December 31, 2001 and 2002, are to be timely made as defined in section 412(c)(10) of the Code (without a waiver being granted for such years).

If this condition is not satisfied, the waiver is retroactively null and void. You agreed to this condition in a letter dated April 3, 2001.

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, 2000, 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 Form 2848 (power of attorney) on file. A copy of this letter has also been sent to the Manager, Employee Plans Classification in

Sincerely,

James E. Holland, Jr., Manager
Employee Plans Actuarial Group 1
Tax Exempt and Government
Entities Division

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