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TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

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

SEP 05 2002

T:EP:RA:T:A1

In re:

Dear

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.

This conditional waiver for the plan year ended December 31, 2001, 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 June 30 fiscal year end. The Company had negative earnings from 1998 through 2001, primarily due to decreased sales caused by the contraction of the manufacturing sector. At the fiscal year end of June 30, 2001, the Company had negative net worth.

In 2001 the company filed for Chapter 11 bankruptcy protection. The company expects to emerge from bankruptcy with a restructuring of debt and an infusion of capital. The company has implemented cost cutting measures, exited from unprofitable businesses and has implemented price increases. However, the outlook for recovery is still uncertain.

As of January 1, 2001, the value of the assets of the plan was equal to 80% of the plan's current liability. Because the prospects for recovery are uncertain and 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 2003, are to be timely made as defined in section 412(c)(10) of the Code (without a waiver being granted for such years).

(2) The plan of reorganization will contain language providing for this conditional waiver.

If either of these conditions are not satisfied, the waiver is retroactively null and void. You agreed to these conditions in a letter dated August 2, 2002.

Nothing in this letter precludes a request for a modification of these conditions. Please note that should such a request be made, a new user fee will be required, and that the facts and circumstances at the time of such request as well as the facts and circumstances at the time of the initial request will be considered.

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 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,

Norman Greenberg
Acting Manager, Actuarial Group 1