

Significant Index No. 0412.06-00



TAX EXEMPT AND  
GOVERNMENT ENTITIES  
DIVISION

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

200445028

AUG 10 2004

SE:T:EP:PA:T:A2

In re: :

Company =

Plan No. 001

EIN:

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 beginning January 1,

The conditional waiver has been granted in accordance with section 412(d) of the Internal Revenue Code (Code) and section 303 of the Employee Retirement Income Security Act of 1974 (ERISA). The amount for which the conditional waiver has been granted is the contribution that 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 conditional waiver has been granted.

The Company has experienced substantial, temporary hardship as evidenced by a net loss for the fiscal year, negative net worth for the through fiscal years, and negative working capital for the and fiscal years. The Company has stated that the current financial hardship is due primarily to two one-time occurrences, remediation at a former and the loss of their largest customer.

The Company has taken steps to effect recovery, including cutting back the Company's manufacturing staffing and eliminating certain fixed costs, adding a \_\_\_\_\_ to help regain lost business in this market, expanding volume and increasing their market share in the Company's \_\_\_\_\_ business, and lowering prices in the Company's \_\_\_\_\_ in order to increase sales.

The Plan was amended to freeze participation, effective March 1, \_\_\_\_\_, with only employees participating in the Plan at that date continuing to accrue benefits under the Plan. The ratio of current liability to the actuarial value of assets is 75.7%.

This waiver has been granted subject to the following condition, which the Company has agreed to:

The Company will timely satisfy the minimum funding standard for the plan for the plan years beginning January 1, \_\_\_\_\_, and January 1, \_\_\_\_\_, including the amortization payments for the conditional waiver granted by this letter, by the period described in § 412(c)(10) of the Code.

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

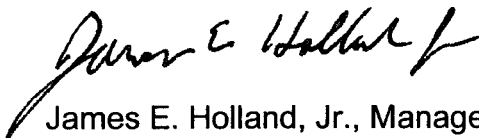
Your attention is called to section 412(f) of the Code and section 304(b) of ERISA which describe the consequences that would result in the event the plan is amended to increase benefits, change the rate in the accrual of benefits or to change the rate of vesting, while any portion of the waived funding deficiency remains unamortized. Please note that any amendment to its profit sharing plan to increase the liabilities of that plan, or the establishment of new 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 organization 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 beginning January 1, \_\_\_\_\_, the date of this letter should be entered on Schedule B (Actuarial Information). We have sent a copy of this letter to the Manager, EP Classification, in \_\_\_\_\_.

If you have any questions concerning this letter, please contact  
In any correspondence relating  
to this letter, please refer to SE:T:EP:RA:T:A2 as well.

Sincerely,



James E. Holland, Jr., Manager  
Employee Plans Technical