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

200510040

**TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION**

DEC 1 5 2004

SE: T: EP: RA: T: A1

In re:

Company =

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 March 31, 2004.

This conditional waiver for the plan year ended March 31, 2004, 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.

This letter also acknowledges the modification of your request of June 15, 2004. As your authorized representative stated by letter of December 13, 2004, (which was transmitted by facsimile) you have withdrawn your requests for a waiver of the minimum funding standard for the plan year ending ███████████, and you have withdrawn your request for a waiver of the ██% excise tax due under section 4971 of the Code on the accumulated funding deficiency for the plan year ending March 31, 2003.

The company has an April 1 to March 31 fiscal year. The information furnished indicates that the Company had negative earnings for the fiscal years ending ████ ███████ ████████████ and ███████████ In response to these losses, and its inability to service its debt, the Company significantly reduced fixed payroll costs and sold off its real estate facilities (leasing back a portion for its own use), using the proceeds to pay off a substantial portion of its debt to its principal lender. Concurrently, the lender agreed to convert the remaining debt to preferred stock under an agreement under which the Company is required to repurchase such stock over three years beginning with the fiscal year ending ████████████

After these changes, the Company was able to report positive earnings for the fiscal year ending ███████████ However, through the first four months of the fiscal year ending ███████████ the Company has reported negative earnings.

As of ███████████ the value of the assets of the plan was equal to ██% 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 ███████████ and ███████████, 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 Company pays, within 90 days of the date of the ruling letter, the 10% excise tax applicable under section 4971(a) of the Internal Revenue Code associated with the funding deficiency for the plan year ended ███████████.

If these conditions are not satisfied, the waiver is retroactively null and void. You agreed to these conditions in a letter dated December 13, 2004 ((which was transmitted by facsimile).

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 a profit sharing plan or any other retirement plans (covering employees covered by this plan) maintained by the Company, 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. Similarly, the establishment of a new profit sharing plan or any other retirement plan by the Company (covering employees covered by this plan) 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.
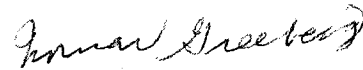
When filing Form 5500 for the plan year ended ███████████ the date of this letter should be entered on Schedule B (Actuarial Information). A copy of this letter is being furnished to your authorized representative pursuant to a power of attorney (Form 2848) on file. A copy of this letter is also being 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,

Norman Greenberg, Manager
Employee Plans Actuarial Group 1