Significant Index No. 0412.06-00

TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

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

200236055

JUN 21 2002

T:EP:RA:T:A1

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 ended

This conditional waiver for the plan year ended , 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. The Company had negative earnings from through primarily due to large interest expenses associated with a restructuring that occurred in . At the end of , the Company had negative net worth. In , the Company underwent another restructuring. This restructuring resulted in a positive net worth position at the end of and an extraordinary income gain that enabled the Company to report positive earnings in However, absent the extraordinary income gain, the Company would have a consecutive earnings loss in , primarily due, for that year, to a percent decrease in net sales from the levels reported in .

The restructuring enabled the Company to significantly reduce its interest expense, the primary cause of its losses in the through period. To return net sales to the level reached in , and thus eliminate the primary cause (absent the extraordinary restructuring gain) of the loss, the Company has adopted a two-pronged strategy of increased penetration in existing foreign markets and expansion of its product base in domestic markets. In addition, the Company has undergone a cost-cutting program to reduce selling and administrative costs.

As of ., the value of the assets of the plan was equal to 57% 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 Γ 2 and 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 waiver for the plan year ended is to be secured, within twelve months of the date of this letter, in a manner acceptable to the Pension Benefit Guaranty Corporation.

If this condition is not satisfied, the waiver is retroactively null and void. You agreed to this condition in a letter dated June 10, 2002.

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 your authorized representative in accordance with 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,

Carol D. Gold
Director, Employee Plans