Significant Index No. 0412.06-00

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TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

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

OCT 08 2002

T:EP:RA:T1

In re:

Company =

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 information furnished indicates that the Company had net losses for the fiscal years ending January 30, 2000, January 28, 2001, and February 3, 2002, primarily due to decreased profit margins and the bankruptcies of several of its major customers. The Company also saw a decline in net worth of 43 percent from the fiscal year ending January 1, 1999, to the fiscal year ending February 3, 2002. In response to these losses the Company closed four unprofitable manufacturing facilities and put into place numerous cost-cutting initiatives. The Company also intends to close one additional manufacturing facility in 2002, and expects a return to profitability in 2003. However, the prospects for recovery are still uncertain.

As of January 1, 2001, the value of the assets of the plan were equal to 79% 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 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 waiver for the plan year ending December 31, 2001, is to be secured, within twelve months of the date of this letter, in a manner acceptable to the

If these conditions are not satisfied, the waiver is retroactively null and void. You agreed to these conditions in a letter dated September 16, 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 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