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TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

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

NOV - 3 2006

In re:

Company =

This letter constitutes notice that a waiver of the minimum funding standard for the Plan for the plan year ending December 31, 2005, has been granted subject to the following conditions:

1. The Company makes contributions to the Plan in the amount of \$ _____ by the _____ and _____ following dates: _____
 These contributions will be applied to meet the minimum funding standard of the Plan for the plan year ending December 31, 2006;
2. The Company makes contributions to the Plan in the amount of \$ _____ by the _____ and _____ following dates: _____
 These contributions will be applied to meet the minimum funding standard of the Plan for the plan year ending December 31, 2007;
3. The Company makes contributions to the Plan in amounts sufficient to meet the minimum funding standard for the Plan for the plan years ending _____ and _____, by _____ and _____ respectively (without applying for a waiver of the minimum funding standard), and
4. The Company provides proof of payment of all contributions described above within 30 days from the date of the contribution to _____ of this office, by facsimile at _____ or to the following address:

You agreed to these conditions in letter dated October 26, 2006, sent via facsimile. If any one of these conditions is not satisfied, the waiver is retroactively null and void.

This conditional waiver 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 amount for which this conditional waiver has been granted is the contribution that would otherwise be required to reduce the balance in the funding standard account to zero as of December 31, 2005.

The Company is primarily engaged in the manufacturing of edible food decorations. The Company previously was involved in the manufacture of bakery equipment. The assets of the "bakery equipment" portion of the business were sold effective

The Company's operating revenue decreased from \$ for the fiscal year ending to \$ for the fiscal year ending December 31, 2005. Over this same period, the Company sustained losses in every year. For the current fiscal year, the Company has a year to date loss of \$ as of

The current financial hardship was brought on by many factors. Included in these factors is the poor performance of the bakery equipment portion of the Company. The 2004 sales of the remaining food decorating portion of the Company were lower than in the previous three years. The Company has also experienced high transitional costs as the central corporate office was closed, and the administration and computer functions were consolidated into the operation of the food decorating portion of the Company.

In order to effect a recovery of its business, the Company has taken a number of steps to improve its financial situation. The Company has implemented price increases on all major product lines. The Company has eliminated three employee positions providing a savings of \$ The Company is also focusing its sales efforts on independent retail bakeries which carry a high gross margin. The Company has also completed an initial market test to get a product into a major retail chain store, and additional tests were very successful. The results of these additional tests led to a chain-wide roll out. The rent on the building which houses the main warehouse and sales and administrative offices, which is owned by the shareholders and rented to the Company, has been reduced by 40 percent, which is now below current market rates. The annual salary of the CEO and majority shareholder of the Company has been reduced by \$ for

The Plan is poorly funded on a current liability basis. However, the Company has shown its determination to fund the Plan by agreeing to make the payments as described in the conditions of this waiver. Hence, the waiver of the minimum funding standard for the plan year ending December 31, 2005, has been granted subject to the conditions stated above.

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.

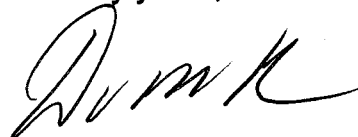
This ruling is directed only to the taxpayer that requested it. Section 6110(k)(3) of the Code provides that it may not be used or cited by others as precedent.

When filing Form 5500 for the plan year ending December 31, 2005, the date of this letter should be entered on Schedule B (Actuarial Information). For this reason, we suggest that you furnish a copy of this letter to the enrolled actuary who is responsible for the completion of the Schedule B.

We have sent a copy of this letter to the Manager, EP Classification in _____, and to the Manager, EP Compliance Unit in _____, and to your authorized representative pursuant to a power of attorney on file in this office.

If you require further assistance in this matter, please contact _____ at _____.

Sincerely yours,



Donna M. Prestia, Manager
Employee Plans Actuarial Group 2