



TAX EXEMPT AND  
GOVERNMENT ENTITIES  
DIVISION

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

200809041

DEC 06 2007

T: EP: RA: T3

In re:

Company =

Manufacturer =

Amount 1 =

Amount 2 =

Amount 3 =

Date 1 =

Dear:

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

- (1) The contributions required to satisfy the minimum funding standard for the plan years ending December 31, , and December 31, , 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 quarterly contributions required under section 412(m) of the Code due October 15, 2007, and January 15, 2008, for the plan year are to be made on a timely basis.
- (3) The four quarterly contributions required under section 412(m) of the Code for the plan year are to be made on a timely basis.

Your authorized representative agreed to these conditions by letter dated December 31, 2006. If these conditions are 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, 2006.

The Company maintains a Manufacturer dealership. The Company does not have any executive deferred compensation arrangements. The information furnished indicates that, from        to       , the Company experienced steadily decreasing net income and cash flow. During this period, the Company's cash on hand decreased from Amount 1 to Amount 2.

In response to the declining sales and its reduced cash position, the Company ceased benefit accruals in the Plan (as of Date 1), decreased employee head count by approximately one-third, reduced inventory by approximately 60 percent, and developed a marketing plan based on superior customer sales and service to increase sales and profitability. These efforts have borne some success as the Company has been able to acquire an additional Amount 3 line of credit from the Manufacturer.

The financial information provided by the Company clearly shows that the Company suffered a substantial business hardship. However, as noted above, the Company has made significant expense reductions. In addition, the Manufacturer's action to provide an additional line of credit to the Company clearly demonstrates that the Manufacturer believes that the Company's hardship is temporary. Thus, it is reasonable to conclude that the Company may be merely experiencing a temporary business hardship from which it will ultimately recover. Hence, the waiver for the plan year ended December 31,       , has been granted subject to the conditions set forth 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, , 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 \_\_\_\_\_ 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