Significant Index No. 0412.06-00

201513006

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

TAX EXEMPT AND GOVERNMENT ENTITIES DIVISION

DEC 31 2014

T:EP:RA:A2

Re:

Dear :

This letter constitutes notice that your request for waiver of the minimum funding standard for the Plan for the plan year ending December 31, 2011, has been granted subject to the following conditions:

1. The Company makes one or more contributions to the Plan by December 31, 2015, in an amount that equals or exceeds the aggregate unpaid minimum required contribution (within the meaning of section 4971(c)(4) of the Internal Revenue Code (Code)) as of December 31, 2014;

2. Collateral acceptable to the Pension Benefit Guaranty Corporation ("PBGC") is provided to the Plan for the full amount of the 2011 waiver by the later of (a) 120 days from the date of the ruling letter or (b) the earlier of (i) the date the PBGC notifies the Service in writing that this condition has not been met or (ii) 360 days from the date of the ruling letter; and

3. The Company provides proof of payment of the contributions described above in a timely manner to the Internal Revenue Service and to the PBGC using the fax numbers or addresses below:

   Mr. Chris Huxtable
   IRS-EP Classification
   400 North Eighth Street, Room 480
   Richmond, VA 23219
   Fax: 804-916-8222

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PBGC
Corporate Finance and Restructuring Department
1200 K Street NW
Washington, DC 20005
Fax: 202-842-2643

If these conditions are not met, the waiver of the minimum funding standard granted for the Plan for the plan year ending December 31, , is retroactively null and void.

The conditional waiver granted for the Plan for the plan year ending December 31, has been approved in accordance with section 412(c) of the Code and section 303 of ERISA. The amount for which this waiver has been granted is equal to the amount that is needed to satisfy the minimum funding standard for the plan year ending December 31,

The Company is
The Company's primary business is providing child care services for children from low income families from birth to five years of age. The Company is a not-for-profit organization that receives its funding from the State of (State) and the Federal government.

The current financial hardship was mostly brought on by major cuts in funding from the State. The State restricted the eligibility criteria for parents who can be enrolled in the After-Care Program. The financial impact of this change is that the revenue from the State decreased approximately 72% from to . At the same time, the Company's director of thirty years retired. Her successors were not familiar with accounting and budgeting and caused the Company to overspend from to and left the Company with no resources to make pension plan contributions. The Company has initiated efforts to seek funds from other sources but was not successful. These facts, along with the financial information provided by the Company, show that the Company has experienced a substantial business hardship.

In response to its business hardship, the Company has implemented many cost recovery initiatives, such as hiring back the former retired director, increasing employees' cost share of health plan coverage, and strictly adhering to the budget. The Company is also in the process of obtaining a loan to repay the aggregate unfunded minimum required contribution.

Financial data indicates that long term funding of the Plan is not certain and the Company will struggle to satisfy both the loan payments and the required minimum contributions to the Plan. Accordingly, we are granting this waiver conditioned on the Company fully funding the Plan by June 30, Your attention is called to section 412(c)(7) of the Code and section 302(c)(7) of the 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 plan (covering employees covered by this Plan) maintained by the Company, to increase, or any action by the Company or its authorized agents or designees (such as the Board of Directors or the Board of Trustees) that has the effect of increasing the liabilities of those plans would be considered an amendment for purposes of section 412(c)(7) of the Code and section 302(c)(7) of the 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(c)(7) of the Code and section 302(c)(7) of the 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 SB (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 SB.

We have sent a copy of this letter to the Manager, EP Classification in Baltimore, Maryland, to the Manager, EP Compliance Unit in Chicago, Illinois, 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

Sincerely,

William Hulteng, Manager
Employee Plans Technical

cc:

Manager, EP Classification
Baltimore, Maryland

Manager, EP Compliance Unit
Chicago, Illinois