

Internal Revenue Service

Department of the Treasury

Significant Index No. 0412.06-00 Third Party Contact: Participants
Washington, DC 20224

Person to Contact:

Telephone Number:

1999 14058

Refer Reply to:

Date: JAN 15 1999

In re:

This letter constitutes notice that with respect to the above-named defined benefit pension plan we have granted a waiver of a portion of the minimum funding standard for the plan year ending December 31, 1998. We will not rule upon your request for a waiver of the minimum funding standard for the plan year ending December 31, 1999 at this time. A separate request should be made when the financial results and funding requirements can be determined with greater certainty.

This waiver for the plan year ended December 31, 1998, 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, after taking into account the contributions made to the plan through the end of 1998, to reduce the balance in the funding standard account to zero as of the end of the plan year for which this waiver has been granted.

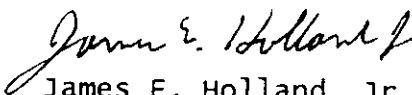
The plan sponsor is a member of a controlled group. The sponsor and the controlled group had losses for its fiscal years ended September 30, 1997 and 1998. The sponsor and the controlled group had negative net worth for the fiscal years ended September 30, 1997 and 1998. The sponsor and the controlled-group maintained positive working capital for the fiscal year ended September 30, 1998, but the sponsor's cash flow was not sufficient both to meet routine operating expenses such as payroll and to contribute the minimum funding requirement. The company's business plan anticipates a return to profitability in the fiscal year ending September 30, 1999. The company also expects that its working capital position will continue to improve.

As of January 1, 1998, the value of the assets of the plan was equal to 97% of the plan's current liability. In addition, benefit accruals under the plan were frozen as of December 31, 1998. The company expects that the January 1, 1999 valuation will show that the plan has a full funding limitation of zero.

Your attention is called to section 412(f) of the Code and section 304(b) of ERISA which describe the consequences which 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, the Employee Stock Ownership Plan (ESOP) or the Savings 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.

When filing Form 5500 for the plan year ended December 31, 1998, the date of this letter should be entered on Schedule B (Actuarial Information). A copy of this letter should also be sent to the enrolled actuary for the plan. We have sent a copy of this letter to the Key District Director in

Sincerely yours,



James E. Holland, Jr.
Chief, Actuarial Branch 1