Significant Index No. 0412.06-00

T:EP:RA:T:A2

In re:

This letter constitutes notice that a conditional waiver of the minimum funding standard has been granted for the above-named pension plan for the plan year ended August 31, 2000.

The conditional waiver has been granted in accordance with section 412(d) of the Internal Revenue Code (the "Code") and section 303 of the Employee Retirement Income Security Act of 1974 (ERISA). The amount for which the waiver has been granted is the contribution that would otherwise be required to reduce the balance in the funding standard account of the plan to zero as of the end of the plan year for which the waiver has been granted.

(the "Company") is a printing firm located in . The Company has sponsored a defined benefit plan for its non-collectively bargained employees since September 15, 1966. A total of 42 participants were covered under the Plan as of August 31, 1999.

There have been two events that have had a significant impact on the Company's ability to meet the minimum funding requirement for the 2000 plan year. The improved technology of the has had a major negative impact on the especially the , in recent years. The second event was the retirement of two of the Company's largest producing salespeople. When they left the company the relationship with certain customers was lost.

The Company experienced temporary substantial business hardship as evidenced by net losses in income for the 1998, 1999, and 2000 fiscal years (excluding a one-time credit to income for a debt that was forgiven for the 2000 year). During these years, sales on an annual basis were approximately 50% lower than for prior years,

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The steps taken to recover from this business hardship are as follows: The Company has downsized and given up approximately 40% of their lease space to reduce capital overhead. In addition, the workforce has been reduced from 70 employees to 34 at the time of the waiver request. The Company has hired a new sales person as well as a new Chief Financial Officer. The Company's sales efforts are being redirected more towards the financial and banking markets, which, in the Company's opinion, have not been as drastically affected by changes in

In addition, a shareholder loan totaling approximately $400,000 has been converted to stock. This combined with the forgiveness of debt has reduced the Company's liabilities from approximately $2.15 million as of December 31, 1999 to approximately $1.41 million as of December 31, 2000.

The Plan had accumulated funding deficiencies for the plan years ended August 3 1, 1995 through August 31, 1999. According to the information received, the Company has paid the excise taxes under section 4971(a) of the Code related to the plan years ended August 31, 1996 and August 31, 1999.

The waiver has been granted subject to the following conditions, which you have agreed to:

(1) The Company will make contributions necessary to satisfy the minimum funding requirement (including the waiver amortization payment for the plan year ended August 31, 2000) of the Plan for the plan year ending August 31, 2001, by May 15, 2002.

(2) The ten percent excise taxes imposed, under section 4971(a) of the Code, on the accumulated funding deficiencies for the plan years ended August 31, 1995, 1997 and 1998 shall be paid in full within 120 days from the date of this letter.

If the Company fails to meet the above conditions, this waiver is retroactively null and void.

Your attention is called to section 412(f) of the Code and section 304 of ERISA which describes the consequences which result in the event the plan is amended to increase benefits, to change the rate in the accrual of benefits, or to change the rate of vesting while any portion of the waived amount remains unamortized.

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

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When re-tiling Form 5500 for the plan year ending August 3 1, 2000, the date of this letter should be entered on Schedule B (Actuarial Information). Copies of Form 5330 (Return of Excise Taxes Related to Employee Benefit Plans) have been enclosed for your convenience. We have sent a copy of this letter to the Area Manager in York and to the authorized representatives listed on the power of attorney (Form 2848) on tile with this office.

If you have any questions concerning this matter, please contact

Sincerely yours,

Martin L. Pippins

Martin L. Pippins, Manager
Employee Plans Actuarial Group 2
Tax Exempt and Government
Entities Division