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

TAX EXEMPT AND
GOVERNMENT ENTITIES

5 2004

Company =

Consulting Firm X

Consulting Firm Y =

Dear

This letter constitutes notice that waivers of the percent excise tax due under section 4971(f)(I) of the Internal Revenue Code have been granted with respect to the liquidity shortfalls for the Plan for the first, second, and third quarters of the plan year ending December 31, 2002 (hereinafter, the "Impacted Quarters").

The waivers of the 10 percent tax have been granted in accordance with section 4971(f)(4) of the Internal Revenue Code. For any quarter for which these waivers have been granted, the amount of the waiver is equal to 10 percent of the amount of the excess of **(1)** the liquidity shortfall of the Plan (as determined under section 412(m)(5)(E) of the Code) for the quarter, over (2) the aggregate amount of any contributions paid in the form of liquid assets which served to reduce the liquidity shortfall for the quarter and which were paid to the Plan between the last day of the quarter and the due date of the required installment under section 412(m) for such quarter.

The liquidity shortfall for the Plan arose as a result of the inability of the Company to satisfy the liquidity requirement of section 412(m)(5) of the Code for the quarters ending March , June 30, , and September 30, The information furnished indicates that the Company was unaware that liquidity shortfalls existed for the Impacted Quarters until December . At that time the Company was first informed by Consulting Firm Y of the liquidity shortfalls for the Impacted Quarters and that the Company was liable for excise taxes of 10 percent of such shortfalls. After being informed of the liquidity shortfalls and the tax due, the Company shortly thereafter made contributions to the Plan in amounts such that liquidity shortfalls did not exist for the fourth quarter of the plan year ending December 31, Since these contributions were made, the Plan has continued to satisfy the liquidity requirements of section 412(m)(5).

In the late summer of , Consulting Firm Y replaced Consulting Firm X as the actuaries for the Plan. As part of its system implementation and while performing plan liability calculations, Consulting Firm Y discovered that the Plan did not satisfy the liquidity requirements during the Impacted Quarters and immediately informed the Company. Until this notification, the Company was unaware that liquidity shortfalls existed for the Plan for the Impacted Quarters.

Consulting Firm X had material in its possession, before the payment due dates of the Impacted Quarters to put it on notice of the potential for liquidity shortfalls but did not timely make any calculations, nor did it inform the Company of the potential for liquidity shortfalls in a timely manner. There was no other information available to the Company that was sufficient for it to determine that there was a liquidity shortfall.

Based on the information above it is concluded that the liquidity shortfall experienced by the Plan was due to reasonable cause and not willful neglect and that reasonable steps were taken to remedy such liquidity shortfall.

This ruling is being given with the understanding that all the representations made pursuant to this request are accurate. If such representations made pursuant to this request are not accurate, the Company may not rely upon this ruling letter.

This ruling letter is directed only to the taxpayer that requested it. Section 6110(k)(3) provides that it may not be used or cited by others as precedent. Furthermore, this letter does not address any possible fiduciary violations that may have occurred due to failure to limit distributions to life annuities paid by the plan as required under section 206(e) of Title I of ERISA.

A copy of this letter has been sent to the Manager, Employee Plans Classification in

If you have any questions on this ruling letter, please contact

Sincerely,

Norman Greenberg

Norman Greenberg, Manager
Employee Plans Actuarial Group 1