



TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

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

AUG 30 2005

T:EP:BA:T:A2

Company = :

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

1. The Company makes contributions to the Plan equal to the amount of the minimum funding standard for the plan year beginning [REDACTED], in six equal monthly installments of [REDACTED] each, beginning [REDACTED] and continuing through [REDACTED]. This amount is based on the actuarial valuation report for the plan year beginning [REDACTED], and includes interest charges for missed quarterly contributions. Note that the [REDACTED] installment should be credited to the [REDACTED] funding standard account and that the waiver is granted for the remaining amount necessary to avoid a deficiency in the funding standard account.
2. At the end of each of the plan years beginning [REDACTED], through [REDACTED], a credit balance is maintained in the funding standard account of the plan that is not less than the outstanding balance of the amortization base with respect to the waived amount that is established and maintained under section 412(b)(2) of the Internal Revenue Code.
3. The Company makes contributions to the Plan in amounts sufficient to meet the minimum funding standard for the Plan for the plan year beginning [REDACTED] (without applying for a waiver), by [REDACTED].
4. Starting with the plan year beginning [REDACTED], the Company makes all required quarterly payments by the appropriate deadlines while the waiver for the plan year beginning [REDACTED], is in effect.

You agreed to these conditions in a letter dated August 11, 2005. If any one of these conditions is 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 [REDACTED].

The Company is 100% family-owned. It operates as a wholesale distributor to independent retailers nationwide with a complete advertising program for its clientele. The products it distributes include :

The Company devoted a significant commitment of capital and management time to expanding their core business from a monthly advertising program to include a new division and increase import sales, including products imported from [REDACTED]. However, there was a contraction in the independent retail market, so the anticipated growth did not occur. This, combined with loss of management focus on the core business, resulted in a decline of the monthly advertisement sales revenue from [REDACTED] in [REDACTED] to [REDACTED] in [REDACTED] and [REDACTED] in [REDACTED]. This in turn was largely responsible for net losses to the Company of [REDACTED] in 2004 and [REDACTED] in [REDACTED].

The Company has taken a number of steps to improve its position, including hiring new members for its management team and development of a recovery plan that includes implementation of a new budget process, reduction of overhead and refocus on the core business while continuing to support the new division and increased imports. Shareholders/family members have accepted reductions in compensation, have loaned substantial amounts to the Company, and are in the process of selling non-essential assets to raise necessary cash.

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 that increases the liabilities of a profit sharing plan or any other retirement plans (covering employees covered by this plan) maintained by the Company 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.

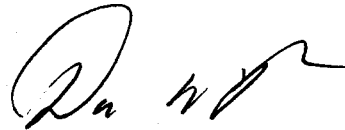
This ruling is directed only to the taxpayer that requested it. Section 6110(k)(3) of the Code provides that it may not be used or cited by others as precedent.

When filing Form 5500 for the plan year ending [REDACTED] 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 Manager, EP Classification in [REDACTED] to the Manager, EP Compliance Unit in [REDACTED], 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 [REDACTED]

Sincerely yours,

A handwritten signature in black ink, appearing to read "Donna M. Prestia". The signature is fluid and cursive, with a large initial "D" and a long, sweeping tail.

Donna M. Prestia, Manager
Employee Plans Actuarial Group 2