Significant Index No. 0412.06-00

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

TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

AUG 28 2002

T:EP:RA:T2

In re:

Dear

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 ending December 31, 2001.

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 primary business of (the "Company") is defending issues. The Company is a privately held company with a total of six shareholders as of January 1, 2002. In 2001, the firm had approximately 30 full-time employees. In order to further grow, the firm signed a lease for office space in and hired two more attorneys and one secretary.

The (the "Plan") was adopted on December 28, 1994 and became effective on January 1, 1994. As of January 1, 2001, a total of 23 employees were covered under the Plan.

The Company experienced temporary substantial business hardship as evidenced by net losses in income for 2000 and 2001. The 2001 loss is primarily a result of the reduced productivity of several attorneys due to maternity leave, deaths in the immediate family, and personal health problems. An additional smaller financial loss resulted from the indirect impact of the September 11th tragedy.

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The Company has taken several steps to reduce expenses in an effort to recover from this hardship. For 2001 and 2002 the shareholders have taken substantial reductions in salaries, with further reductions decided on a bimonthly basis. In April 2002 the Company closed its office. The Company is also taking steps to increase revenues by hiring more attorneys and expanding to represent cities and counties with similar legal issues.

An amendment was adopted on December 30, 2001 to freeze benefit accruals under the Plan as of January 15, 2002. As part of that amendment, the Plan will maintain the Code section 415(b) limits that were in effect before the enactment of the Economic Growth and Tax Relief Reconciliation Act of 2001 in order to prevent additional liabilities from accruing. An additional amendment became effective February 28, 2002, which discontinues service for purposes of the 10-year phase-in under section 415(b)(5)(B).

This waiver has been granted subject to the following condition, which you have agreed to:

> The Company will make contributions necessary to satisfy the minimum funding requirement (including the waiver amortization payment for the plan year ended December 31, 2001) of the Plan for the plan year ending December 31, 2002, by September 15, 2003.

If the Company fails to meet the above condition, 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.

When filing Form 5500 for the plan year ending December 31, 2001, the date of this letter should be entered on Schedule B (Actuarial Information). We have sent a copy of this letter to the Area Manager

If you have any questions concerning this matter, please contact

Sincerely,

Martin L. Pippins

Martin L. Pippins, Manager
Employee Plans Actuarial Group 2