199950043

Internal Revenue Service

Department of the Treasury

Significant Index No. 0412.06-00

Washington, DC 20224

Contact Person:

Telephone Number:

In Reference to:
OP:E:EP:A:1

Date: SEP 20 1999

In re:

This letter constitutes notice that with respect to the above-named defined benefit pension plan, your request for a waiver of the minimum funding standard for the plan year ended December 31, 1998 has been denied.

The information furnished indicates that the company had a net operating loss for its fiscal year ended July 31, 1998. Also, On July 15, 1999, the company filed for reorganization under Chapter 11 of the U.S. Bankruptcy Code. Regarding the plan, as of January 1, 1998, the plan's assets were equal to 81% of the plan's present value of accrued benefits.

The information furnished failed to demonstrate that the hardship was temporary, and a denial of the request was proposed. The company was informed of our tentative denial and was offered a conference of right in our letter dated August 9, 1999. You were given 21 days to have a conference concerning our proposed denial. The 21-day period stated in our letter has passed. No new information has been furnished and you have not communicated with us to arrange a conference. Therefore, our tentative denial is now final.

Accordingly, the minimum funding standard under section 412 of the Code and section 302 of the Employee Retirement Income Security Act of 1974 (ERISA) will apply to the plan for the plan year ended October 31, 1997. Unless the company contributes to the plan an amount at least equal to the minimum funding requirement by September 15, 1999, there will be an accumulated funding deficiency, as of December 31, 1998, on which a 10% tax is imposed, under section 4971(a) of the Code.

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.

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We have sent a copy of this letter to the Key District Director in

Sincerely yours,

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

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