



TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

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

SEP 13 2004

In re:

Company =

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, 2003.

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 and its subsidiaries design, manufacture, import, and market comfort. The Company has experienced substantial business hardship as evidenced by net losses for the , and fiscal years. These losses, in addition to product re-orders falling short of their expected levels, and higher than expected order cancellations and inventories, have resulted in a reduced cash position for the Company.

Efforts to effect a recovery in the Company's financial position have included:

- Employing an experienced turnaround professional as the CEO on an interim basis;
- Selling assets in one line of business in order to concentrate on the Company's comfort;
- Focusing on a fast-to-market, product-design, market-driven orientation;

- Realigning the Company's manufacturing and sourcing operations;
- Streamlining management structure and seeking to reduce selling, general and administrative costs; and
- Reducing inventory levels.

The Plan, as currently named, was the result of the merger on of the Company's non-salaried plan into the Company's salaried plan. The Plan was amended to cease benefit accruals, effective . For the plan year, the Plan's current liability funded percentage is .

This conditional waiver has been granted subject to the following condition:

The Company will contribute the minimum funding standard to the plan by the period described in § 412(c)(10) of the Code for the plan year beginning (i.e., by September 15 of the following year), including the amortization payment for the conditional waiver granted for the plan year

The Company has agreed to the above condition. If the Company fails to meet the above condition, this conditional waiver is retroactively null and void.

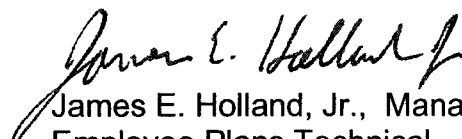
Your attention is called to section 412(f) of the Code and section 304 of ERISA, which describe the consequences that result in the event the Plan is amended to increase benefits, to change the rate in the accrual of benefits, or to change the rate of vesting, while any portion of the waived amount remains unamortized. Please note that any amendment to other retirement plans maintained by the Company to increase the liabilities of those plans, or the establishment of new plans, 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 organization 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 December 31, 2003, the date of this letter should be entered on Schedule B (Actuarial Information). We have sent a copy of this letter to the Manager, EP Classification, in and to your authorized representatives (Form 2848) on file with this office :

If you have any questions concerning this letter, please contact: _____
In any correspondence
relating to this letter, please refer to: _____ as well.

Sincerely,


James E. Holland, Jr., Manager
Employee Plans Technical