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

TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

SEP 03 2005

SE:T:EP:RA: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 December 31, [redacted] has been granted subject to the following conditions:

(1) The Company makes monthly contributions of at least $10,000 to the Plan for each of the months beginning September [redacted] through December [redacted]

(2) The Company makes contributions to the Plan in amounts sufficient to meet the minimum funding requirements for the Plan for the plan year ending December 31, [redacted] by September 15, [redacted] without applying for a waiver of the minimum funding standard.

Your authorized representative agreed to these conditions in an e-mail dated September 7, 2005. If either 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 ("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 December 31, [redacted]

The Company manufactures portable instruments that detect, measure and record gases for its customers in the industrial and HVAC markets. The Company is a member of a controlled group of businesses; however, only the Company maintains the Plan.

The current financial hardship was brought on by the Company's acquisition of several new product lines since 1998. The sales and profit margins of those lines have not met business forecasts, and the costs associated with the product lines have been greater than anticipated. New competition has also entered the Company's market, which eroded the Company's market share. Furthermore, the Plan experienced poor investment income performance for the plan years beginning January 1, [redacted] through [redacted] which have created unanticipated funding obligations for the Company.

The Company has implemented a number of measures to correct its business hardship. In September 2002, the Company began the process of reducing manufacturing overhead and production costs. The Company reorganized and consolidated in all areas of its business. The Company closed 2 manufacturing facilities and 3 service centers. The Company's workforce was reduced by 23% from [redacted] employees in [redacted] to [redacted] employees currently. Salaried employee merit increases have been frozen for the last 3 years, and medical premium increases have been passed on to employees. The Company has also raised prices on its low margin products and restructured its product lines. These steps allowed the Company to return to profitability in 2004. However, contributions in the amount of $[redacted] that were made in [redacted] for the [redacted] funding obligations have continued to pinch the Company's cash flow.

The Company's hardship appears to be temporary. Preliminary financial results for 2004 and interim results for the first 7 months of 2005 show the Company returning to operating profitability. Because the prospects for the Company's recovery appear solid, the waiver of the minimum funding standard for the Plan for the plan year ending December 31, [redacted] has been granted, subject to the conditions listed above.

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 to a profit sharing plan or any other retirement plans (covering employees covered by this plan) maintained by the Company, to increase the liabilities of those plans 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 December 31, [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 , to the Manager, EP Compliance Unit in 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

Sincerely yours,

Donna M. Prestia, Manager
Employee Plans Actuarial Group 2