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

TAX EXEMPT AND GOVERNMENT ENTITIES DIVISION

T:EP:RA:T:A2

Dec 20, 2006

In re:

Company =

Sub 1 =

Sub 1a =

Sub 2 =

Sub 3 =

Business =

This letter constitutes notice that (A) pursuant to your authorized representative's letter of December 8, 2006, withdrawing your request for a waiver of the minimum funding standard for the above-named Plan for the plan year ending December 31, 2006, the case has been closed by this office; and (B) pursuant to your request of March 14, 2006, your request for a waiver of the minimum funding standard for the Plan for the plan year ending December 31, 2005, has been granted subject to the following conditions:

(1) collateral acceptable to the be provided to the Plans for the full amount of the waivers within 30 days from the date of the ruling letter;

(2) starting with the quarterly contribution due on January 15, 2007, the Company will make the required quarterly payments to the Plan in a timely fashion while the Plan is subject to a waiver of the minimum funding standard;

(3) the Company makes contributions to the Plans in amounts sufficient to meet the minimum funding requirements for the Plan for the plan years ending December 31, 2006, through 2010, by September 15, 2007 through 2011, respectively (without applying for a waiver of the minimum funding standard);

(4) the Company provides to the a copy of any ruling requests it makes under section 412(f)(1) of the Code; and

(5) if the Service determines that funding waivers granted with respect to plan years beginning before the first plan year beginning on or after January 1, 2008, are not carried over as a separate amortization base for post-2007 plan years, the Company will make annual contributions to the Plan for each of the plan years beginning January 1, 2008, through 2010, in excess of the minimum required contribution (as described below), and the Company will:

    (a) elect (pursuant to section 430(f)(6)(B)(i) of the Code and section 303(f)(6)(B)(i) of ERISA) to increase the prefunding balance for the plan for the plan year beginning January 1, 2009, and 2010 by the amount of such excess,

    (b) maintain a prefunding balance for the plan years beginning January 1, 2009, and 2010, that is at least equal to the accumulated amount of such excess contributions, and

    (c) elect (pursuant to section 430(f)(5)(A) of the Code and section 303(f)(5)(A) of ERISA) to reduce its prefunding balance for the plan year beginning January 1, 2011, by the accumulated amount of such excess contributions. The amount of each annual contribution in excess of the minimum required contribution for the plan years beginning January 1, 2008, through 2010, will be the amount that is the excess of:

        (i) the 5-year amortization amount of the 2005 funding waiver based on the law prior to PPA, over

        (ii) the amount that would be needed to amortize the unamortized balance of the 2005 funding waiver as of January 1, 2008, over 7 years.

For purposes of (c)(ii) above, the unamortized balance of the funding waiver as of January 1, 2008, and the 7-year amortization amount will both be determined using the segment rates (as defined in section 430(h)(C) of the Code and section 303(h)(2)(C) of ERISA) in effect for the plan year beginning January 1, 2008.

Your authorized representative agreed to these conditions in a letter dated December 19, 2006. If any one of the conditions is not met, the waiver for the plan year ending December 31, 2005, is retroactively null and void.

The 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, 2005.

The Plan was established in May 1998 as the result of the merger of various plans sponsored by Sub 1, and a plan sponsored by Sub 2. Benefit accruals for non-bargaining participants ceased effective December 31, 2005. Sub 2's employees ceased to be active participants in the Plan effective July 31, 2003.

The Company operates as a holding company that invests in and manages a diverse group of businesses. The Company's primary business is Sub 1, which is a diversified industrial manufacturer and the parent company of a family of materials engineering and specialty manufacturing companies. Sub 1's products include electronic components, specialty fasteners, engineered materials, stainless steel tubing, specialty tubing, and fabricated precious metals. Sub 1a is a subsidiary of Sub 1.

In 2000, the Company's business included Sub 2 and six of Sub 2's subsidiaries. These companies are involved in the steel business, especially the manufacture of value-added and flat rolled steel products. On November 16, 2000, the Sub 2 and is subsidiaries filed petitions for relief under Chapter 11 of the U.S. Bankruptcy Code. Pursuant to the plan of reorganization, Sub 2 and its subsidiaries ceased to be a subsidiary of the Company effective August 1, 2003, and have operated as an independent company from that date forward.

In July 2002, the Company sold Sub 3, a wholly-owned subsidiary. Sub 3 is a leading manufacturer of steel framing and other products for commercial and residential construction.

On published its Notice of Determination and on filed a summons and complaint seeking the involuntary termination of the Plan. On the Company filed an answer to this complaint contesting the action. In July 2003, the and the Company entered into an agreement under which the Company agreed (1) that the Plan was a single employer plan, (2) to contribute funds to the Plan equal to money spent (if any) to purchase the Company's 10.5% Senior Notes in future open market transactions, and (3) to grant the a security interest of up to $ in the event the Company obtained any future financing on a secured basis or provides any security or collateral for the Senior Notes.

On the Company filed a voluntary petition under to reorganize under Chapter 11 of the U.S. Bankruptcy Code. The Company continued to operate its businesses and own and manage its properties as debtor-in-possession until its plan of reorganization became effective on The bankruptcy filing was primarily intended to reduce the Company's debt, simplify its capital structure, reduce its overall cost of capital, and provide it with better access to capital markets.

The downturn in the Company's business from through is due to several factors:

(1) a downturn in the domestic auto industry upon which several of the Company's subsidiaries rely,
(2) high raw material costs that the Company has been unable to pass on to its customers,
(3) the relocation of several business units to lower cost countries which entailed costs in both the U.S. and abroad which production was moved;
(4) the unexpected costs associated with the environmental remediation of one of the Company's former properties that was sold in 2003; and
(5) the high cost of debt and the costs of the 2005 bankruptcy filing.

According to the Company, factors (1) and (2) have abated, and factors (3), (4), and (5) were one-time events. Operations have improved for 2006. For the fiscal quarter ended September 30, 2006, net sales have increased to $ from $ for the same quarter in 2005. Operating income has increased from a loss of $ loss to a gain of $, and net income has increased from a loss of $ to a gain of $ during the same timeframe. Furthermore, current management is in the midst of a restructuring plan which includes closing marginal business units and combining operations to increase capacity utilization of existing infrastructure, which should improve the Company's operating income in the coming few years. The Company is also pursuing avenues to refinance its current loan arrangements.

In mid-2006, the owner of the Business approached the Company about a sale of assets to the Company and Sub 1a. The Business is the main competitor of Sub 1a, and such a sale to the Company and Sub 1a means a greatly increased market share and an immediate infusion of operating income. Furthermore, economies of scale would allow Sub 1a to cut overhead and increase profitability over the next few years. The Company has entered into a tentative agreement to buy the Business. As part of this acquisition, the Company has arranged a net increase of $ in its loan facility. The acquisition of the Business is expected to be finalized shortly after the issuance of this ruling letter.

The restructuring of the Company, the refinancing of its loan arrangements, and the acquisition of the Business is expected to greatly increase the Company's cash flow over the next few years. While the Plan was only 87.0% funded on a current liability basis as of January 1, 2006, the Company has withdrawn its request for a waiver of the minimum funding standard for the plan year ending and has paid the balance of the required quarterly contributions due to the Plan through for the plan year ending . Furthermore, the Company has committed to funding the plan for each of the plan years ending through 2010, and will accelerate contributions to the Plan for the plan years ending through 2010. Hence, the waiver of the minimum funding standard for the plan year ending has been granted, subject to the conditions set forth 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 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,

Joseph H. Grant
Director, Employee Plans