Significant Index No. 0412.06-00

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

TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

JUL 1 1 2007

T:EP:RA:T:A2

Number: **200740019**
Release Date: 10/5/2007

In re:

Company =

Dear :

This letter constitutes notice that a waiver of the minimum funding standard for the Plan for the plan year ending December 31, , has been granted subject to the following conditions:

1. Collateral acceptable to the PBGC be provided to the Plan for the full amount of the waiver, plus the amount of the lien that can be imposed on the Company under section 412(n) of the Internal Revenue Code, by the later of (a) 120 days from the date of the ruling letter or (b) the earlier of (i) the date the PBGC notifies the Service in writing that this condition has not been met or (ii) 360 days from the date of the ruling letter;

2. The Company makes monthly contributions in the amount of to the Plan in by each of the following dates: , and . These contributions will be applied to meet the minimum funding standard of the Plan for the plan year ending ;

3. The Company makes monthly contributions in the amount of to the Plan, by each of the following dates: , , , , , and .

4. The Company makes monthly contributions in the amount of to the Plan, by each of the following dates: , , , , , , , , and ,

5. The Company makes monthly contributions in the amount of to the Plan, by each of the following dates: , , and .

6. The Company makes monthly contributions in the amount of to the Plan, by each of the following dates: , , , , , and

7. The Company makes contributions to the Plan in amounts sufficient to meet the minimum funding standard for the Plan for the plan years ending , through , by , through , respectively.

8. 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, , are not carried over as a separate amortization base for post- plan years, the Company will make annual contributions to the Plan for each of the plan years beginning , through , 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 , and by the amount of such excess,

   (b) maintain a prefunding balance for the plan years beginning , and , 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 , 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 , through , will be the amount that is the excess of:

      (i) the amortization amount of the , , and funding waivers based on the law prior to PPA, over

      (ii) the amount that would be needed to amortize the unamortized balance of the , , and funding waivers as of , over years.

For purposes of (c)(ii) above, the unamortized balance of the funding waivers as of , and the -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 .

9. The Company provides proof of payment of all contributions described above within 30 days from the date of the contribution tc of this office, by facsimile at or to the following address:

You agreed to these conditions in facsimile dated July 11, 2007. If any one 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 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, .

The Company manufactures and markets a broad product line of products consisting of steel lockers, steel shelving and storage racks, specialty storage products, modular drawer cabinets, ergonomic workplace furniture, stool storage and storage products. These products are used for scholastic, athletic, business, club and industrial applications.

The business hardship being experienced by the Company is due to decreased sales volume and increased costs of raw materials, energy, and healthcare. The Company had sales of for the fiscal year ending . Sales then dropped to a low of for the fiscal year ending . Sales later increased to , , and for the fiscal years ending , , and , respectively, still below the level of sales in . The Company has incurred losses for the fiscal years ending through . The cost of the Company's primary raw material, steel, has increased by nearly in . The Company responded by increasing prices, however, the Company was unable to raise prices in sufficient amounts to be profitable, offset the increased steel costs, and still remain cost competitive.

In order to effect a recovery, the Company has focused on the reduction of product costs through the utilization of lower cost manufacturing plants, outsourcing of certain production to lower cost plants, and the reduction of its dependence of higher cost union plants. The Company expects that the increases in steel prices will abate as supply comes back in line with demand on a domestic and international basis. The Company has also hired a management consultant to focus additional resources on returning the Company to profitability.

The Plan is poorly funded on a current liability basis. However, the Company has shown its determination to fund the Plan by committing to a realistic schedule of payments that will allow the Company to meet the minimum funding requirements for the plan years ending , and . Hence, the waiver of the minimum funding standard for the plan year ending , has been granted subject to the conditions stated 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
and to the

If you require further assistance in this matter, please contact

Sincerely yours,

Joseph Grant, Director
Employee Plans