



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

TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

SEP 01 2004

In re:

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.

This 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 conditional 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.

("Company") is primarily a manufacturer of piston rings for automotive and light truck applications for the replacement market. The Company has experienced temporary substantial business hardship as evidenced by losses in income in of the last fiscal years.

In an effort to recover from this hardship, the Company has entered into alliance agreements with other manufacturers allowing them to increase product offerings. Additionally, the Company has undertaken significant cost cutting efforts allowing it to better compete on price with larger the suppliers. The Company has also significantly reduced costs associated with retiree health care benefits and has negotiated a new five-year labor agreement that is expected to result in significant savings over the term of the contract.

As of January 1, _____, the market value of assets was \$ _____ and the current liability was \$ _____, resulting in a funded ratio of _____ on a market value basis. The Plan has been frozen since _____.

This waiver has been granted subject to the following condition:

The Company will make contributions necessary to satisfy the minimum funding requirement (including the waiver amortization payment for the plan year ended December 31, _____) for the Plan for the plan year ending December 31, _____, by September 15, _____.

In a letter dated August 31, 2004, your authorized representative agreed to this condition. If the above condition is not satisfied, this waiver is retroactively null and void.

Your attention is called to section 412(f) of the Code and section 304 of ERISA which describes the consequences which 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.

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 as others as precedent.

When filing Form 5500 for the plan year ending December 31, _____, the date of this letter should be entered on Schedule B (Actuarial Information). We have sent a copy of this letter to the EP Classification Manager in _____ and to the authorized representatives listed on the power of attorney (Form 2848) on file with this office.

If you have any questions concerning this matter, please contact _____.

Sincerely,


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