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

TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

SEP 30 2005

EIN:

Company =

Silver =

This letter constitutes notice that a waiver of the minimum funding standard for the above-named plan for the plan year ending [redacted], has been granted subject to the following conditions:

(1) collateral acceptable to the PBGC will be provided to the Plan for the full amount of the waiver 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 provide to the PBGC a copy of all ruling requests it makes under section 412(f)(1) of the Code;
(3) the Company makes the required quarterly contributions to the Plan that are due October 15, [redacted], and January 15, [redacted], for the plan year ending [redacted], in a timely manner; and
(4) the Company makes contributions to the Plan in amounts sufficient to meet the minimum funding requirements for the Plan for the plan year ending [redacted], by [redacted] (without applying for a waiver of the minimum funding standard).

Your authorized representative agreed to these conditions in a fax dated September 15, 2005. 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 ("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 Plan is a defined benefit plan maintained by the Company for the benefit of all eligible employees of the Company and Silver. No other members of the Company's controlled group contribute to the Plan. Effective June 7, [redacted], benefit accruals to the Plan ceased. The Plan is a floor-offset arrangement with its benefits offset by those provided by a separate, qualified defined contribution plan ("ESOP").

The Company is a publicly held company. The Company is a global manufacturer and distributor of a diversified line of kitchenware, flatware, cooking implements. Within the last several years, the Company has gone through a number of changes that have redirected its focus from manufacturing to sourcing. This includes the closure and impending closure of all the Company-operated manufacturing facilities worldwide. The Company is the parent of a large number of subsidiaries, which are all members of the controlled group.

The Company's tableware business is presently focused in three market segments: Foodservice, Consumer, and International. The segment sells directly or through distributors to e operations worldwide, including . The Consumer segment sells directly to a broad base of including . The International segment sells to a variety of .

While the Company is a worldwide leader in , and has been profitable and financially strong until recently, a number of factors have contributed to the Company's current business hardship. Declining sales, poor plant cost performance, debt burdens from acquisitions, and a greatly increased pension funding obligation caused by a decline in Company stock and the general decline in the equity markets.

Over the last four fiscal years, sales have progressively dropped from $509,071,000 to $417,624,000, while expenses have steadily increased from $482,906,000 to $501,740,000. This has resulted in a decline in operating revenues from $26,165,000 to $(84,116,000), and a drop in net income from $7,023,000 to $(47,247,000). These financial results are being driven by the direct and indirect impact of the terrorist attacks of September 11, 2001 (primarily the conversion by airlines from to), the general economic decline from late 2001 through 2003, a continued shift to casual lifestyles, increased foreign competition, and dual sourcing by customers. Furthermore, the Company's liquidity problems have led to inventory imbalances which in turn led to poor service levels, loss of customer confidence, and further loss of sales.

As a result of the sales declines and the falling prices of competitive imported products, the Company's domestic manufacturing operations have become increasingly noncompetitive. By closing these manufacturing facilities, a major cause of the Company's financial distress will be eliminated. Moreover, the Company's current business restructuring from manufacturing to sourcing is designed adjust its cost structure to match current lower sales levels and reestablish profitability.

The decline in the Company's stock value has decreased the value of the benefits provided by the ESOP, which is invested in Company stock. This has increased underfunding in the Plan by $35 million. Decreases in equity investments in the Plan itself have caused an additional increase in underfunding of $5.5 million.

The Company's hardship appears to be temporary. The Company's current business restructuring is focused on returning the Company to profitability. The problems are well-defined and the Company is highly confident that the restructuring will be successful. Many key initiatives are either completed or well underway. The restructuring plan does not rely significantly on new business ventures, new markets, or new products. Furthermore, additional assets are available for sale to help the Company fund business operations, and new senior management has been hired to continue the restructuring. 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 [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 [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,

Carol D. Gold

Carol D. Gold, Manager
Employee Plans