



LAKE SHORE COUNTRY CLUB

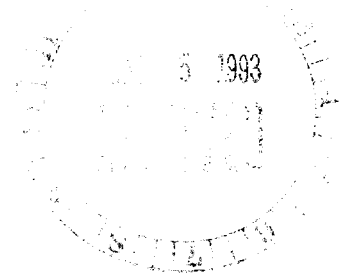
1255 SHERIDAN ROAD
GLENCOE, ILLINOIS 60022

2520032903181

December 23, 1992

CERTIFIED MAIL/RETURN RECEIPT REQUESTED

Pension and Welfare Benefits Administration
P.O. Box 75212
Washington, DC 20013-5212



TOP HAT PLAN FILING UNDER CIVIL PENALTY RELIEF PROGRAM

RE: A PLAN OF DEFERRED COMPENSATION SPONSORED BY
LAKE SHORE COUNTRY CLUB (the "Employer")

Dear Sir or Madam:

In accordance with Pension and Welfare Benefits Administration ("PWBA") Notice on Civil Penalty Relief for Top Hat Plans, Late Filers, as published in the Federal Register on July 24, 1992 (57 FR 33019), the following information is disclosed and the accompanying payment is being made to the U.S. Department of Labor ("DOL") in order to comply with the reporting and disclosure requirements of the Employee Retirement Income Security Act of 1974 ("ERISA"), under the alternative method of compliance as set forth by DOL Regulation 2520.104-23.

- 1) The above-referenced Employer maintains a plan of deferred compensation in the form of the Club Managers Association of America Master Deferred Compensation Plan Pursuant to Section 457 of the Internal Revenue Code (the "Plan").
- 2) The address of the Employer is 1255 Sheridan Road, Glencoe, Illinois 60025.
- 3) The employer identification number of the Employer is 36-1356630.
- 4) The Employer maintains the Plan primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees.
- 5) The number of employees in the Plan is 1.

If you require a copy of the plan document or any additional information, please do not hesitate to contact the undersigned.

LAKE SHORE COUNTRY CLUB

By *Alfred E. Simon*
President

19,078



CLUB COMMENTS

URGENT - IMMEDIATE ACTION REQUIRED

DOL REPORTING REQUIREMENTS FOR DEFERRED COMPENSATION PLANS

We have received several telephone calls requesting clarification of recent correspondence sent by the *Club Managers Association of America* to clubs participating in the *Aetna Deferred Compensation Plan*. It is important to note that the following guidance on Department of Labor ("DOL") reporting requirements applies to all deferred compensation plans subject to Section 457 of the Internal Revenue Code. Clubs should also be advised that if any employee is contributing to such a plan, the club, in effect, sponsors the plan and must meet the reporting requirements, described below.

In general, unfunded deferred compensation plans for the benefit of a "select group of management or highly compensated individuals" (commonly referred to as "top hat" plans) must file annual reports with the DOL. However, ERISA relieves clubs of the annual filing requirements with regards to unfunded or insured "top hat" plans if a statement is filed with the Secretary of Labor within 120 days, after the inception of the plan. Usually, the plan administrator assumes the responsibility of filing the necessary forms. However, in the case of the *Aetna Deferred Compensation Plan*, it appears that they transferred this responsibility to each individual club. Many clubs are reporting that they were not clearly informed of this fact and, as a result, no statement was ever filed.

Clubs which have not filed this statement are required to file an annual return/report. DOL has the power under ERISA to assess clubs that fail to file an annual report/return a penalty of \$300 a day per plan, up to \$30,000 per year/per plan. In addition, these penalties apply to previously filed, but late reports.

Under a "Civil Penalty Relief Program for Late Filers", the DOL is waiving the penalties described above if the club files the necessary statement by December 31, 1992, along with a payment of \$50 a day per plan, for each day the statement is delinquent, up to a maximum of \$1,000. Filing the unfunded top hat deferred compensation plan statement with payment of the penalty under this program by December 31, 1992, will relieve the club of having to file reports on an annual basis and reduce what would otherwise be excessive penalties. Checks should be made payable to the U.S. Department of Labor and, together with the required statement, mailed to:

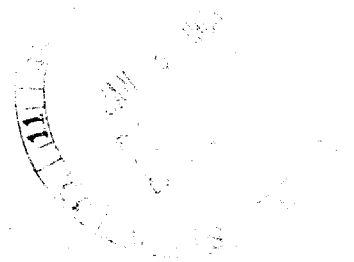
PENSION AND WELFARE BENEFITS ADMINISTRATION
P.O. Box 75212
Washington, D.C. 20013-5212

If there is any doubt whatsoever as to whether the required form was initially filed, we strongly recommend that the club send the DOL the necessary statement and penalty payment by December 31, 1992. We have attached a sample which provides spaces to enter all information required to be disclosed on the statement.

It should also be pointed out that the above grace period and reduced penalty terms of this DOL program apply to health plans which are required to file annual reports unless the plan has under 100 participants and is unfunded or fully insured, or both.

If you have any questions with respect to this information, please contact your BDO Seidman Client Service Partner or one of our Tax Specialists at (312) 856-9100.

19,078





LAKE SHORE COUNTRY CLUB
1255 SHERIDAN ROAD
GLENCOE, ILLINOIS 60022

Fold at line over top of envelope to the right of the return address.

CERTIFIED

P 892 389 186

MAIL

U.S. POSTAGE
229
GLENCOE, ILL.
DEC 2 1982
MP 600

Pension and Welfare Benefits Administration
P.O. Box 75212
Washington, DC 20013-5212

CERTIFIED MAIL/RETURN RECEIPT REQUESTED

