

Step-by-Step, Inc.

2520040154896

69 Public Square
Wilkes-Barre, Pa. 18701
Telephone (717) 829-3477

March 25, 1996

Top Hat Plan Exemption
Pension and Welfare Benefits Administration
Room N-5644
U.S. Department of Labor
200 Constitution Avenue, NW
Washington, DC 20210

RE: Step-by-Step, Inc. Key Executive Equity Program (the "Plan")

Dear Sir/Madam:

On behalf of Step-by-Step, Inc. (the "Employer"), we are hereby submitting the following information with respect to the above-referenced Plan pursuant to DOL Reg. 2520.104-23:

1. The name and address of the sponsoring employer is:
Step-by-Step, Inc.
Public Square
Wilkes-Barre, PA 18701
2. The Employer Identification Number assigned to Step-by-Step, Inc. is 23-2053563.
3. The Plan is maintained primarily for the purpose of providing life insurance/death benefits to a select group of management and highly compensated employees.
4. The Plan has eight participants.
5. The Employer will provide a copy of relevant documents to the Department Labor upon request.

The Employer believes that the foregoing arrangement, which involves life insurance/death benefits is not a "pension" benefit plan for purposes of Title I of ERISA, but rather is a welfare benefit plan for a select group of management of highly compensated executives which is not subject to the reporting and disclosure requirements of ERISA pursuant to DOL Reg. 2520.104-24. This letter is sent as a protective filing for purposes of DOL Reg. 2520.104-23.

Very truly yours,

Ruth Borland

Attorney Ruth Borland
Corporate Counsel

Certified Mail # Z 282 706 018

Return Receipt Requested

Affirmative Action/Equal Opportunity Employer