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KAMENSKY & RUBINSTEIN

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

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January 10, 1994

THE MONADNOCK BUILDING
SUITE 1410
53 WEST JACKSON BOULEVARD
CHICAGO, ILLINOIS 60604
TELEPHONE (312) 368-1776

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

Re: Lawrence L. Kerns, M.D. & Associates, S.C.
Deferred Compensation Plan
FEIN: 36-3802039

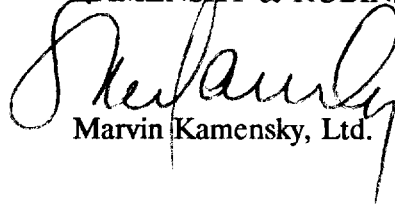
Dear Sir or Madam:

Enclosed please find a copy of the Deferred Compensation Plan for the above-captioned company. This company has provided one (1) plan for the purpose of providing deferred compensation to one (1) highly compensated employee.

Should you have any questions regarding the enclosed document please do not hesitate to contact our office.

Very truly yours,

KAMENSKY & RUBINSTEIN



Marvin Kamensky, Ltd.

MK:dp
Enclosure
[#12288-2700]

cc: Lawrence L. Kerns, M.D.
Steve Blohm, C.P.A., C.F.P.

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LAWRENCE L. KERNS, M.D. & ASSOCIATES, S.C.
DEFERRED COMPENSATION PLAN

THIS AGREEMENT, entered into this 30 day of December, 1993, by and between LAWRENCE L. KERNS, M.D. & ASSOCIATES, S.C., an Illinois corporation, (hereinafter referred to as the "Company") and LAWRENCE L. KERNS, M.D. of Barrington Heights, Illinois (hereinafter referred to as the "Employee").

WITNESSETH:

WHEREAS, the Employee is now employed by the Company and has been for many years;
and

WHEREAS, the Employee's past services have contributed materially to the successful operation and growth of the Company; and

WHEREAS, the Company desires to reward the Employee for his prior services and provide him with a benefit; and

WHEREAS, after reviewing the Employee's record of past compensation, the Company believes that it is in the best interest of the Company to enter into this Plan to provide a deferred compensation to the Employee payable over time; and

WHEREAS, the Employee desires to enter into this Plan with the Company under which the Company will agree to make certain payments to the Employee under the terms and conditions of this Plan.

NOW, THEREFORE, in consideration of the covenants and agreements herein set forth, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto covenant and agree as follows:

ARTICLE I

Deferred Compensation

The Company hereby provides non-forfeitable deferred compensation to the Employee in accordance with this Plan.

ARTICLE II

Employee's Vesting

The Employee is immediately and fully vested in this Plan.

ARTICLE III

Amount of Monthly Payments

The amount of the payments to be made by the Company to the Employee shall be designated by the specific Deferred Compensation Obligation(s) attached hereto as Exhibit A and incorporated in this Plan by this reference.

ARTICLE IV

Administration

Section 1. Named Fiduciary and Plan Administrator. For purposes of the Employment Retirement Income Security Act of 1974, as amended ("ERISA"), the Company will be the "named fiduciary" and the "plan administrator" of this plan for which this Plan is hereby designated the written plan instrument.

Section 2. Right to Employ Others. The Company's board of directors may authorize a person or group of persons to fulfill the responsibilities of the Company as plan administrator. The named fiduciary or the plan administrator may employ others to render advice with regard to its responsibilities under the Plan. The named fiduciary may also allocate fiduciary responsibilities to others and may exercise any other powers necessary for the discharge of its duties to the extent not in conflict with ERISA.

Section 3. Claims Procedure.

- (a) Claims for Benefit. Claims for benefits under the Plan shall be made in writing to the named fiduciary or the committee, division or board handling or administering the Plan, or any officer of the Corporation.
- (b) Notice of Denial of Claim. If such claim for benefits is wholly or partially denied, the named fiduciary shall, within ninety (90) days after receipt of the claim, notify the claimant of the denial of the claim. Such notice of denial (i) shall be in writing, (ii) shall be written in a manner calculated to be understood by the claimant, and (iii) shall contain (a) the specific reason or reasons for denial of the claim, (b) a specific reference to the pertinent provisions upon which the denial is based, (c) a description of any additional material or information necessary for the claimant to perfect the claim, along with an explanation why such material or information is necessary, and (d) an explanation of the claim review procedure.

- (c) **Request for Review of Denial of Claim.** Within one hundred twenty (120) days of the receipt by the claimant of the written notice of denial of the claim, or such later time as shall be deemed reasonable taking into account the nature of the benefit subject to the claim and any other attendant circumstances or if the claim has not been granted within a reasonable period of time, the claimant may file a written request with the named fiduciary that he conduct a full and fair review of the denial of the claimant's claim for benefits, including the conduct of a hearing, if deemed necessary by the reviewing party. In connection with the claimant's appeal of the denial of his benefit, the claimant may review pertinent documents and may submit issues and comments in writing.
- (d) **Decision on Review of Denial of Claim.** The named fiduciary shall deliver to the claimant a written decision on the claim promptly, but not later than sixty (60) days after the receipt of the claimant's request for review, except that if there are special circumstances (such as the need to hold a hearing, if necessary) which require an extension of time for processing, the aforesaid sixty (60) day period shall be extended to one hundred twenty (120) days. Such decision shall (1) be written in a manner calculated to be understood by the claimant, (ii) include specific reasons for the decision, and (iii) contain specific references to the pertinent provisions upon which the decision is based.

ARTICLE V

Miscellaneous Provisions

Section 1. Assignment. The right of the Employee or any other person to the payment of benefits under this Plan shall not be assigned, transferred, pledged or encumbered, nor subject to the claims of the Employees' creditors.

Section 2. Disability. If the plan administrator shall find that any person to whom any payment is payable under this Plan is unable to care for his affairs because of illness or accident, or is under any legal disability, any payment due (unless a prior claim thereof shall have been made by a duly appointed guardian, committee, or other legal representative) may be paid to the spouse, a child, a parent, or a brother or sister of such person, or to any party designated by the Employee. Any such payment shall be a complete discharge of the liability of the Company under this Plan for such payment.

Section 3. Binding Effect. This Plan shall be binding and inure to the benefit of the Company, its successor and assigns and the Employee and the Employee's, heirs, executors, administrators and legal representatives.

Section 4. Claims of Creditors. Notwithstanding any of the provisions of this Plan to the contrary, it is understood and agreed that any payments received by the Company or assets maintained by the Company shall be subject to valid claims of its general creditors.

Section 5. Interpretation. This Plan shall be construed in accordance with and governed by the laws of the State of Illinois.

IN WITNESS WHEREOF, the Company has caused this Plan to be executed by its duly authorized officers and the Employee has signed this Plan as of the date first above written.

LAWRENCE L. KERNS & ASSOCIATES, S.C.

By:



President

ATTEST:

Secretary



Lawrence L. Kerns, M.D.

12-30-93.

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DEFERRED COMPENSATION OBLIGATION

IN CONSIDERATION OF the valuable services performed by **LAWRENCE L. KERNS, M.D.** ("Employee") on behalf of **LAWRENCE L. KERNS & ASSOCIATES, S.C.** ("Company"), Company hereby agrees that it shall pay to Employee an amount equal to One Hundred Seventy Thousand and no/100 Dollars (\$170,000.00) (the "Deferred Compensation Obligation").

Said Deferred Compensation Obligation shall be a fixed but unsecured liability of Company to Employee and Company shall not be obligated to segregate any funds or to provide a sinking fund for the payment of these monies.

Company shall pay the Deferred Compensation Obligation as provided above in two (2) equal installments of Eighty-Five Thousand and no/100 Dollars (\$85,000.00) payable on December 31, 1994 and December 31, 1995.

Company shall have the right to prepay this obligation to Employee, in whole or in part, at any time after January 15, 1994 with the unanimous approval of Company's Board of Directors.

IN WITNESS WHEREOF, Company has caused this Agreement to be signed by its duly authorized officers, and Employee has signed this Agreement indicating Employee's acknowledgement and acceptance of this Agreement on the 31 day of December, 1993.

**LAWRENCE L. KERNS &
ASSOCIATES, S.C.**

BY: 

President

ATTEST:

Secretary



Lawrence L. Kerns, M.D.

EXHIBIT A