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Bay State Envelope, Inc.
65 Shawmut Road
Canton, MA 02021

DOL-PWBA
PUBLIC DISCLOSURE
94 DEC 20 AM 10:33

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

Re: Filing under Department of Labor
Reg. Sec. 2520.104-23

Dear Sir or Madam:

This statement is filed in accordance with the above-captioned regulation. The following information is provided:

1. Name and address of employer: Bay State Envelope, Inc., 65 Shawmut Road, Canton, MA 02021
2. IRS employer identification number: 04-3056048
3. The employer maintains one plan primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees; there is one employee in the plan.
4. A copy of the plan document is enclosed.

Would you kindly acknowledge receipt of this filing by signing or stamping the enclosed copy of this letter and returning it in the envelope provided.

Yours truly,

Bay State Envelope, Inc.

By: 

DEFERRED COMPENSATION AGREEMENT

DOL-PWBA
PUBLIC DISCLOSURE

BAY STATE ENVELOPE, INC.

94 DEC 20 AM 10:33

and

BRIAN S. HEWITT

THIS AGREEMENT is made as of the 28TH day of NOVEMBER, 1994, by and between Bay State Envelope, Inc., a Massachusetts corporation with its principal place of business in Canton, Massachusetts (the "Company"), and BRIAN S. HEWITT, of Massachusetts (the "Executive").

WHEREAS, the Company wishes to provide a deferred compensation benefit for the Executive, in order to provide an additional incentive for his continued service with the Company;

NOW THEREFORE, the parties agree as follows:

1. Accrual and Deferral of Additional Compensation. Beginning on the effective date of this Agreement, and continuing for so long as the Executive remains in the employ of the Company, the Company shall accrue additional compensation for the Executive at the rate of Seven Thousand Dollars (\$7,000.00) per annum. Such additional compensation shall not be paid to the Executive, but shall be set credited to a book reserve (the "Deferred Compensation Account") established for this purpose.

2. Investment of Deferred Compensation. Any funds credited to the Deferred Compensation Account may be kept in cash or invested and reinvested in policies of insurance on the life of the Executive, in mutual funds, stocks, bonds, securities, or any other assets as may be selected by the Company in its discretion. The Executive agrees on behalf of himself and his designated beneficiary to assume all risk in connection with any decrease in value of the funds which are invested or which continue to be invested in accordance with the provisions of this Agreement. Title to and beneficial ownership of any assets, whether, cash, insurance policies, or other investments which the Company may earmark to pay the deferred compensation hereunder shall at all times remain in the Company, and the Executive and his designated beneficiary shall not have any property interest whatsoever in any specific assets of the Company. The parties acknowledge that the original planned investment of the Deferred Compensation Account shall be in a life insurance policy issued by the Penn Mutual Life Insurance Company, with an original face amount of

Dollars (\$250,000^{00/100}), Policy No. 8 005 763
(250,000^{00/100}) " " 8 504 962

3. Payment of Retirement Benefits. Benefits hereunder shall begin with the Executive's attainment of age sixty-two or the Executive's actual retirement from the Company, whichever is later. Such date is referred to herein as the "Benefit Commencement Date." Starting on the first day of the month following the Benefit Commencement Date, the Company shall make monthly payments to the Executive in an amount equal to $1/120$ (0.8333%) of the balance in the Deferred Compensation Account as of the Benefit Commencement Date. On the first anniversary of the Benefit Commencement Date, the balance in the Deferred Compensation Account shall be redetermined, and the twelve monthly payments following such redetermination shall each be in an amount equal to $1/108$ (0.9259%) of the redetermined balance in the Deferred Compensation Account; on the second anniversary of the Benefit Commencement Date, the balance in the Deferred Compensation Account shall be redetermined, and the twelve monthly payments following such redetermination shall each be in an amount equal to $1/96$ (1.0417%) of the redetermined balance in the Deferred Compensation Account; and so forth; any remaining balance in the Deferred Compensation Account shall be paid to the Executive on the tenth anniversary of the Benefit Commencement Date.

4. Payment of Death Benefits. Upon the death of the Executive (whether before or after the commencement of benefits under the provisions of Section 3), if the Deferred Compensation Account includes any policy of insurance on the life of the Executive, the balance in the Deferred Compensation Account shall be increased by the excess of the net death benefit payable to the Company under such policy over the value at which the policy was carried in the Deferred Compensation Account immediately prior to the Executive's death. The Company shall thereafter pay to the Executive's designated beneficiary the value of the Deferred Compensation Account, together with interest at the "Prime Rate" as quoted in the Wall Street Journal on the date of the Executive's death, in sixty equal monthly payments commencing on the first day of the month following the Executive's death. If the beneficiary should die prior to receipt of all such payments, any remaining payments shall be made to the beneficiary's estate. For purposes of this Section 3, the Executive's beneficiary shall be the person or entity designated by the Executive on a form similar to Schedule I hereto, and filed with the Company prior to the Executive's death. Such a designation may be changed at any time and from time to time. In the absence of an effective beneficiary designation, the beneficiary shall be the Executive's estate.

5. Payments on Pre-Retirement Termination of Employment. If the Executive's employment with the Company should terminate prior to his attainment of age sixty-two for reasons other than death, then:

(a) If such termination is involuntary and not for just cause, the Executive shall be entitled to the amount in his Deferred Compensation Account. The Company may, in its sole discretion, satisfy its obligations hereunder by delivering to the Executive any assets (including any life insurance policy) which have been used to fund the Deferred Compensation Account, to the extent of the value of such assets at the time of their delivery to the Executive. For purposes of this Section 5, a termination of employment by reason of the Executive's total and permanent disability, as defined in Section 22(e)(3) of the Internal Revenue Code, shall be considered to be an involuntary termination. An involuntary termination shall be considered to be for just cause if it is the result of (i) willful and continuous failure or refusal to comply with the policies, standards, and regulations of the Company established from time to time; (ii) habitual intoxication, addiction to drugs, or conviction of a felony or any other crime involving moral turpitude; or (iii) fraud, dishonesty, or other act of misconduct in the performance of the Executive's duties on behalf of the Company and which materially adversely affects the Company.

(b) If such termination is voluntary, or is involuntary for just cause, the Executive shall be entitled to the following percentage of the amount in his Deferred Compensation Account:

<u>If termination occurs after:</u>	<u>But before:</u>	<u>Percentage</u>
September 30, 1994	October 1, 1999	0%
September 30, 1999	October 1, 2003	20%
September 30, 2003	October 1, 2009	40%
September 30, 2009	October 1, 2014	60%
September 30, 2014	October 1, 2019	80%
September 30, 2019	---	100%

The Company may, in its sole discretion, satisfy its obligations hereunder by delivering to the Executive any assets (including any life insurance policy) which have been used to fund the Deferred Compensation Account, to the extent of the value of such assets at the time of their delivery to the Executive.

6. Distributions Prior to Termination of Employment. If the Executive and the Company mutually agree to do so, the Company may at any time after August 1, 2003, distribute to the Executive all or any portion of the vested balance in the Deferred Compensation Account (i.e., the amount which would be distributed under the provisions of Section 5(b) if the Executive were to terminate his employment voluntarily at the time of reference) for the purpose of assisting the Executive with college expenses of his children, or for such other purposes as may be agreed upon after discussion between the Executive and representatives of the Company, bearing in mind, however, that the principal purpose of this arrangement is to

provide retirement income for the Executive and income for the Executive's beneficiary in the event of the Executive's death.

7. Source of Payments. The Executive, his beneficiary, and any other person or persons having or claiming a right to payments hereunder or to any interest in this Agreement shall rely solely on the unsecured promise of the Company set forth herein, and nothing in this Agreement shall be construed to give the Executive, his beneficiary, or any other person or persons any right, title, interest or claim in or to any specific asset, fund, reserve, account or property of any kind whatsoever owned by the Company or in which it may have any right, title or interest now or in the future. The Executive or his beneficiary or successor shall have the right to enforce his claim against the Company in the same manner as any unsecured creditor.

If the Company shall elect to purchase a life insurance policy to provide the Company with funds to make payments hereunder, the Company shall at all times be the sole and complete owner and beneficiary of such contract and shall have the unrestricted right to use all amounts and exercise all options and privileges thereunder without the knowledge or consent of the Executive or the Beneficiary or any other person. If the Company purchases such a policy, the Executive agrees to sign any papers that may be required for that purpose and to undergo any medical examination or tests which may be necessary.

Any insurance company issuing such a policy shall be fully discharged from its obligations under the policy by payment of the policy death benefit to the beneficiary or beneficiaries named in the policy, subject to the terms and conditions of the policy. In no event shall the insurer be considered a party to this Agreement, or any modification or amendment hereof. No provision of this Agreement, nor of any modification or amendment hereof, shall in any way be construed as enlarging, changing, varying, or in any other way affecting the obligations of the insurer as expressly provided in the policy.

8. Non-Assignability of Benefits. Neither the Executive nor his beneficiary nor any other person entitled to payment hereunder shall have the power to transfer, assign, anticipate, mortgage or otherwise encumber in advance any of such payments, nor shall such payments be subject to seizure for the payment of public or private debts, judgments, alimony or separate maintenance, or be transferable by operation of law in the event of bankruptcy, insolvency or otherwise.

9. Named Fiduciary, Claims Procedure and Administration.

a. The Company is hereby designated as the named fiduciary under this Agreement. The named fiduciary shall have authority to control and manage the operation and

administration of this Agreement, and it shall be responsible for establishing and carrying out a funding policy and method consistent with the objectives of this Agreement.

b. (1) Claim.

A person who believes that he or she is being denied a benefit to which he or she is entitled under this Agreement (hereinafter referred to as a "Claimant") may file a written request for such benefit with the Company, setting forth his or her claim. The request must be addressed to the Treasurer of the Company at the Company's then principal place of business.

(2) Claim Decision.

Upon receipt of a claim, the Company shall advise the Claimant that a reply will be forthcoming within ninety (90) days and shall, in fact, deliver such reply within such period. The Company may, however, extend the reply period for an additional ninety (90) days for reasonable cause.

If the claim is denied in whole or in part, the Company shall adopt a written opinion, using language calculated to be understood by the Claimant, setting forth: (i) the specific reason or reasons for such denial; (ii) the specific reference to pertinent provisions of this Agreement on which such denial is based; (iii) a description of any additional material or information necessary for the Claimant to perfect his or her claim and an explanation why such material or such information is necessary; (iv) appropriate information as to the steps to be taken if the Claimant wishes to submit the claim for review; and (v) the time limits for requesting a review under subsection (3) and for review under subsection (4) hereof.

(3) Request for Review.

Within sixty (60) days after the receipt by the Claimant of the written opinion described above, the Claimant may request in writing that the Board of Directors of the Company review the determination of the Company. Such request must be addressed to the Board of Directors of the Company, at the Company's principal place of business. The Claimant or his or her duly authorized representative may, but need not, review the pertinent documents and submit issues and comments in writing for consideration by the Company. If the Claimant does not request a review of the

Company's determination by the Board of Directors of the Company within such sixty (60) day period, he or she shall be barred and estopped from challenging the Company's determination.

(4) Review of Decision.

Within sixty (60) days after the Board of Directors' receipt of a request for review, the Board of Directors of the Company will review the Company's determination. After considering all materials presented by the Claimant, the Board of Directors will render a written opinion, written in a manner calculated to be understood by the Claimant, setting forth the specific reasons for the decision and containing specific references to the pertinent provisions of this Agreement on which the decision is based. If special circumstances require that the sixty (60) day time period be extended, the Board of Directors will so notify the Claimant and will render the decision as soon as possible, but no later than one hundred twenty (120) days after receipt of the request for review.

10. Not a Contract of Employment. Notwithstanding anything herein contained to the contrary, this Agreement is not an agreement of employment, and nothing herein shall be construed to give the Executive any right to remain in the employ of the Company. Nothing herein shall restrict the right of the Executive to enter into an agreement with the Company concerning other terms and conditions of his employment.

11. Amendment. This Agreement may not be amended, altered or modified, except by a written instrument signed by the parties hereto, or their respective successors or assigns, and may not be otherwise terminated except as provided herein.

12. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Company and its successors and assigns, and the Executive and her successors, assigns, heirs, executors, administrators and beneficiaries.

13. Notice. Any notice, consent or demand required or permitted to be given under the provisions of this Agreement shall be in writing, and shall be signed by the party giving or making the same. If such notice, consent or demand is mailed to a party hereto, it shall be sent by United States certified mail, postage prepaid, addressed to such party's last known address as shown on the records of the Company. The date of such mailing shall be deemed the date of notice, consent or demand.

14. Governing Law. This Agreement, and the rights of the parties hereunder, shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, in duplicate as of the day and year first above written.

Witness:

BAY STATE ENVELOPE, INC.

Russell E. Frizzell

By: James A. Goyette
Hereunto duly authorized

Russell E. Frizzell

Brian S. Hewitt
BRIAN S. HEWITT
Executive

Bay State Envelope, Inc. - Brian S. Hewitt

Deferred Compensation Agreement

Designation of Beneficiary

I hereby designate that any death benefit which may become payable under Section 4 of the Agreement between Bay State Envelope, Inc. and myself be paid as follows:

Primary Beneficiary: Valerie Ann Hewitt

Contingent Beneficiary: Brian M. Hewitt
(If Primary Beneficiary Ruby S. Hewitt
Does Not Survive)

This beneficiary designation has been executed by me on the 27 day of NOVEMBER, 1994.

Russell C. Tringali
(Witness)

Brian S. Hewitt
Brian S. Hewitt

THIS BENEFICIARY DESIGNATION MAY BE CHANGED BY THE EXECUTIVE AT ANY TIME BY THE FILING OF A NEW BENEFICIARY DESIGNATION.

THIS BENEFICIARY DESIGNATION IS EFFECTIVE ONLY WHEN RECEIVED BY THE COMPANY. IF YOU WISH CONFIRMATION OF ITS RECEIPT, PLEASE SUBMIT A DUPLICATE COPY WHICH WILL BE SIGNED AND RETURNED TO YOU.

Receipt of this Beneficiary Designation is hereby acknowledged, this 28 day of NOVEMBER, 1994.

BAY STATE ENVELOPE, INC.

By: James H. Gray
Hereunto duly authorized