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February 10, 1998

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

Dear Sir or Madame:

This statement is filed under DOL Regulations § 2520.104-23.

Effective for 1998, the Employer, **Vertical Systems, Inc.**, has adopted the following plan primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees:

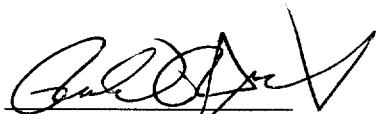
<b>Plan</b>	<b>Number of Participants</b>
Vertical Systems, Inc., Phantom Stock Plan	<u>4</u>

**Employer ID  
Number:** 41-1423744

The Employer's address is as noted on the letterhead.

The Employer will provide plan documents to the Secretary of Labor on request.

Sincerely,



President  
Vertical Systems, Inc.

