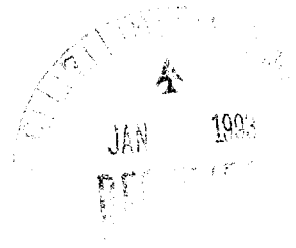




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Cardiothoracic and Vascular Surgeons

December 28, 1992



1010 West 40th
Austin, Texas 78756
(512) 459 8753
(800) 766 2365
Fax (512) 459 0586

Pension and Welfare Benefits
Administration
United States Department of Labor
P. O. Box 75212
Washington, D.C. 20013-5212

RE: Cardiothoracic and Vascular Surgeons, P.A. Deferred
Compensation Agreement

TO WHOM IT MAY CONCERN:

The purpose of this letter is to comply with the Department of Labor's expanded program for assessing civil penalties under section 502(c)(2) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), for failing to file timely annual returns/reports, as that program is described in a Department of Labor (PWBA) notice published in the Federal Register (57 Fed. Reg. 14436) on April 20, 1992, as modified and supplemented by the notice published in the Federal Register (57 Fed. Reg. 43477) on September 21, 1992 (the "Notice").

The following information is provided pursuant to Department of Labor Regulations Section 2520.104-23, to exempt, by regulation under the authority of Section 104(a)(3) of the Employee Retirement Income Security Act of 1974, an unfunded plan, which is maintained by the employer primarily for the purpose of providing benefits for a select group of management or highly compensated employees and for which benefits are paid as needed solely from the general assets of the employer.

Employer: Cardiothoracic and Vascular Surgeons, P.A. (the
"Association")

Address: 1010 West 40th Street
Austin, Texas 78756

E.I.N.: 74-1796484

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The Association maintains a single unfunded plan which provides for deferred compensation to Shareholder Physician Employees upon termination of employment. The deferred compensation agreement is incorporated in the Association's Associate Employment Agreements of the Association and the plan has an effective date coinciding with the execution of such Employment Agreements by each employee. Plan documents will be provided upon the request of the Secretary of Labor.

- Jim H. Calhoun, M.D.
- H.S. Arnold, M.D.
- Thomas D. Kirksey, M.D.
- Robert A. Tate, M.D.
- Gerald A. Baugh, M.D.
- John D. Oswald, M.D.
- Emery W. Dilling, M.D.
- Robert A. Bridges, M.D.
- Phillip J. Church, M.D.
- Stephen J. Dewan, M.D.
- Mark T. Stewart, M.D.
- Lewis G. King, M.D.

Barry R. Gray, Administrator

Pension and Welfare Benefits
Administration
December 28, 1992
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This filing replaces the timely filing of the alternative method of compliance under the Department of Labor Regulations Section 2520.104-23, utilizing the Grace Period established by the Pension and Welfare Benefits Administration.

In addition, in accordance with the Notice, we hereby submit a check for \$1,000 in payment of the civil penalty described under the Notice.

If you have any questions, please contact David I. Kuperman at (512) 322-8101.

Sincerely,

Handwritten signature of Robert A. Tate in cursive script.

Robert A. Tate, M.D. (Officer)
Secretary/Treasurer

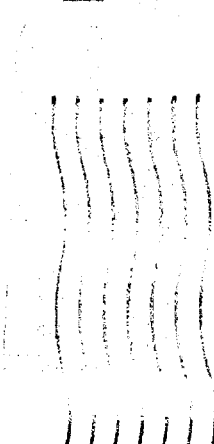
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Cardiothoracic and Vascular Surgeons

12111 West 40th
Austin, Texas 78756



Pension & Welfare Benefits Administration
United States Department of Labor
P.O. Box 75212
Washington, D.C. 20013-5212

