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**RETIREMENT ONLY SALARY CONTINUATION
SPECIMEN ERISA MEMORANDUM STATEMENT**

U.S. DEPT. OF LABOR
PUBLIC DISCLOSURE
98 SEP 15 PM 3:08

DATE: August 14, 1998

TO: Office of Pension and Welfare Programs
Labor Management - Services Administration
U.S. Department of Labor
Washington, DC 20216

FROM: Cole Haan
Employer Identification Number 22-2256331
One Cole Haan Drive
Yarmouth, Maine 04096

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This statement is with respect to Non-Qualified Deferred Compensation Plans maintained by Employers under the requirements of 29 CFR Section 2520.104-23(a).

Employer currently maintains one non-qualified salary continuation plan for Executives who are members of a "select group of management" or who are "highly compensated."

The number of participants are:

Plan 1: 1

Plan Administrator: Cole Haan

Employer: Cole Haan

Plan 2: 1

Plan Administrator: Cole Haan

Employer: Cole Haan

**SPECIMEN EMPLOYER COVER LETTER TO
EXECUTIVE RE ERISA COMPLIANCE**

U.S. DEPT. OF LABOR
PWA/PUBLIC DISCLOSURE

98 SEP 15 PM 3:08

DATE: August 14, 1998

TO: James Clopton

FROM: Cole Haan

ERISA COMPLIANCE

The life insurance split ownership arrangement you recently entered into with your employer is considered a "Split Dollar" arrangement as that term has been defined in Rev. Rul. 64-328 and related rulings.

The Employee Retirement Income Security Act of 1974 (ERISA) considers Split Dollar plans a "welfare benefit" but exempts such plans from Compliance with most of the Act's provisions.

Three ERISA provisions would nevertheless seem to apply to Split Dollar Plans:

1. Reporting and Disclosure (Summary Plan Description)
2. Fiduciary Responsibility
3. Administration and Enforcement

REPORTING AND DISCLOSURE:

Generally, regulatory provisions under Part I of the Acts are inapplicable under the "fewer than 100 participants" exemption. Only one aspect of Part I appears to apply to Split Dollar plan's "Summary Plan Descriptions." Since the essentials of a summary plan description are included within the Assignment form creating the Split dollar arrangement, your receipt of this document (or photocopies thereof) should constitute compliance.

FIDUCIARY RESPONSIBILITY:

Part 4 of ERISA requires the following for all "welfare plans:"

1. A Named Fiduciary or Fiduciaries who have authority to control and manage the operation of the plan;
2. A procedure for carrying out a funding policy and method;
3. A procedure for allocation of responsibilities;
4. A procedure for amending the plan;
5. A basis upon which payments are made to and from the plan.

Language to satisfy these Part 4 requirements is included in the attached "Split Dollar ERISA Provisions."

ADMINISTRATION AND ENFORCEMENT:

Part 5 of ERISA requires a "claims procedure." Language to satisfy this provision is likewise included in the attached "Split Dollar ERISA Provisions."

SUMMARY

The Split Dollar arrangement provided you offers an extremely valuable fringe benefit at nominal costs to you. Your receipt of reproduced copies of the Split Ownership assignment, Computer and Written Proposals and the attached Split dollar ERISA Provisions should fully inform you of all your rights and privileges under this special, additional fringe benefit.

Col Haan



Grant W. Hanson

Vice President & General Counsel

SPLIT DOLLAR ERISA PROVISIONS

A Split Dollar Fringe Benefit for James Clopton, was established through a special Split-Owner Assignment by and between James Clopton and Cole Haan on June 2, 1998.

This Supplemental Agreement and the terms of the Split Owner Assignment (the provisions of which are hereby incorporated by reference as though fully restated) are intended to meet the requirements of "ERISA '74."

I. NAMED FIDUCIARY AND PLAN ADMINISTRATOR

Cole Haan is hereby designated the "Named Fiduciary" and Plan Administrator

II. FUNDING

The funding policy for the Split Dollar arrangement shall be to maintain the subject policy in force by paying, when due, all premiums required.

III. AMENDMENT

The Split Dollar plan may be amended at any time and from time to time by a written instrument executed by James Clopton and Cole Haan.

IV. BASIS OF PREMIUM PAYMENTS AND BENEFITS

Payments to and from the Split Dollar Plan adopted herein shall be in accordance with the provisions of the Split Ownership Assignment described above.

V. CLAIMS PROCEDURE FOR LIFE INSURANCE POLICY AND SPLIT DOLLAR PLAN

Claim forms or claim information as to the subject policy can be obtained by contacting The Guardian Life Insurance Company of America.

When the Named Fiduciary has a claim which may be covered under the provisions described in the insurance policy, he would contact the agent or agency named above who will either complete a claim form and forward it to the Insurer or advise the Named Fiduciary what further requirements are necessary. The Insurer will evaluate the claim and make a decision as to payment within 90 days of the date the claim is received by the Insurer. If the claim is payable, a check will be issued to the Named Fiduciary and forwarded through the office or person named above.

If for any reason a claim for benefits under the policy is denied by the Insurer, the Insurer will notify the Named Fiduciary of the denial. Such notification will be made in writing within 90 days of the date the claim is received and will be transmitted through the office of the agent or agency named above. The notification will include the specific reasons for the denial as well as specific reference to the policy provisions upon which the denial is based. The Named Fiduciary will also be informed as to the steps which may be taken to have the claim denial reviewed.

A decision as to the validity of a claim will ordinarily be made within 10 working days of the date the claim is received by the Insurer. Occasionally, however, certain questions may prevent the Insurer from rendering a decision on the validity of the claim within the specific 90-day period. If this occurs, the Named Fiduciary will be notified of the reasons for the delay as well as the anticipated length of the delay, in writing and through the office of the agent or agency named above. If further information or other material is required, the Named Fiduciary will be so informed.

If the Named Fiduciary is dissatisfied with the denial of the claim or the amount paid, he has 60 days from the date he receives such notice of a claim denial to file his objections to the action taken by the Insurer. If the Named Fiduciary wishes to contest a claim denial, it should notify the agent or agency named above who will assist in making inquiry to the Insurer. All objections to the Insurer's actions should be in writing and submitted to the agent or agency named above for transmittal to the Insurer.

The Insurer will review the claim denial and render a decision of the claim denial. The Named Fiduciary will be informed in writing of the decision of the Insurer within 60 days of the date the claim request is received by the Insurer. This decision will be final.

Once a decision has been rendered as to the distribution of proceeds under the claim procedure described above as to the policy, claims for any benefits due under the plan or the surrender of the policy may be made in writing by Cole Haan or Cole Haan's designated beneficiary and James Clopton or his designated beneficiary, as the case may be, to the Named Fiduciary.

In the event a claim for benefits is wholly or partly denied or disputed, the Named Fiduciary shall within a reasonable period of time after receipt of the claim, notify Cole Haan or Cole Haan's designated beneficiary and James Clopton or his designated beneficiary, as the case may be, of such total or partial denial or dispute, listing:

- A. The specific reason or reasons for the denial or dispute;
- B. Specific reference to pertinent plan provisions upon which the denial or dispute is based;
- C. A description of any additional information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary;
- D. An exception of the plan's review procedure.

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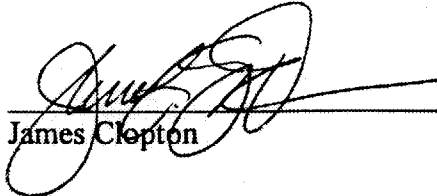
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Within 60 days of denial or notice of claim under the plan, a claimant may request that the claim be reviewed by the Named Fiduciary in a full and fair hearing. A final decision shall be rendered by the Named Fiduciary within 60 days after receipt of request for review.

This supplemental Agreement was executed at Yarmouth, Maine, this 14th day of August, 1998.



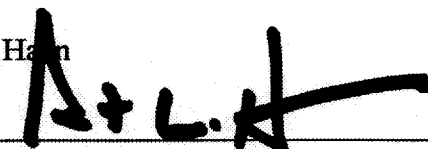
(WITNESS)



James Clepton

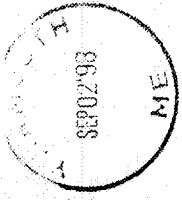
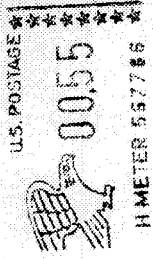


(WITNESS)

Cole Han
By: 

Grant W. Hanson
Vice President & General Counsel

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8/14/98



COLE HAAN

OFFICE OF PENSION AND WELFARE BENEFITS
LABOR MANAGEMENT - SERVICES ADMINISTRATION
U.S. DEPARTMENT OF LABOR
WASHINGTON DC 20216

ONE COLE HAAN DRIVE, YARMOUTH, MAINE 04096-1515