

responsibility provisions of section 404 of the Act, which among other things require a fiduciary to discharge his duties respecting the plan solely in the interest of the participants and beneficiaries of the plan and in a prudent fashion in accordance with section 404(a)(1)(B) of the Act; nor does it affect the requirement of section 401(a) of the Code that the plan must operate for the exclusive benefit of the employees of the employer maintaining the plan and their beneficiaries;

(2) This exemption is supplemental to and not in derogation of, any other provisions of the Act and/or the Code, including statutory or administrative exemptions and transactional rules. Furthermore, the fact that a transaction is subject to an administrative or statutory exemption is not dispositive of whether the transaction is in fact a prohibited transaction; and

(3) The availability of this exemption is subject to the express condition that the material facts and representations contained in the application accurately describes all material terms of the transaction which is the subject of the exemption.

Signed in Washington, DC, this 11th day of April, 2003.

Ivan Strasfeld,

*Director of Exemption Determinations,
Employee Benefits Security Administration,
U.S. Department of Labor.*

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DEPARTMENT OF LABOR

Employee Benefits Security Administration

[Prohibited Transaction Exemption 2003-06; Exemption Application No. D-11059]

Grant of Individual Exemption To Replace Prohibited Transaction Exemptions (PTEs) 81-56, 85-19 and 89-5, Involving the Truman Arnold Companies Retirement Plan and Trust (the Plan) Located in Texarkana, TX

AGENCY: Employee Benefits Security Administration, Department of Labor.

ACTION: Grant of individual exemption to replace PTEs 81-56, 85-19 and 89-5.

SUMMARY: This document contains a final exemption before the Department of Labor (the Department) which will replace PTEs 81-56 (46 FR 36273, July 17, 1981), 85-19 (50 FR 3045, January 23, 1985) and 89-5 (54 FR 4348, January 30, 1989). These are individual exemptions (the Prior Exemptions) that were previously issued by the

Department to the Truman Arnold Companies, a party in interest with respect to the Plan. Each of the Prior Exemptions permitted the Employer to contribute and/or lease from the Plan certain improved real property under the provisions of three distinct written leases.

The final exemption incorporates many of the facts and representations contained in the Prior Exemptions and updates information to the extent there have been changes. Because it appears that PTE 81-56 expired on September 30, 1999 and the parties have not been covered by an administrative exemption since that time, the final exemption provides retroactive exemptive relief from October 1, 1999 until September 30, 2002. In addition, to resolve uncertainty regarding the expiration dates of the leases described in PTE 81-56 and PTE 85-19, the exemption merges the leases, along with the lease described in PTE 89-5, under a new master lease (the Master Lease) and provides retroactive exemptive relief, effective October 1, 2002, with respect to such past and continued lease arrangements.

Further, the final exemption permits the replacement of AmSouth Bank, the Plan's former independent fiduciary, with Regions Bank, the Plan's current trustee. Thus, the exemption affects participants and beneficiaries of the Plan, as well as Plan fiduciaries.

EFFECTIVE DATE: This exemption is effective from October 1, 1999 until September 30, 2002 with respect to the leasing arrangement described in PTE 81-56. In addition, this exemption applies retroactively from October 1, 2002 with respect to the consolidation of the properties described in the Prior Exemptions under the Master Lease.

FOR FURTHER INFORMATION CONTACT: Ms. Jan D. Broady, Office of Exemption Determinations, Employee Benefits Security Administration, U.S. Department of Labor, telephone (202) 693-8556. (This is not a toll-free number.)

SUPPLEMENTARY INFORMATION: On February 6, 2003, the Department published a notice of proposed exemption in the **Federal Register** at 68 FR 6205. The proposed exemption would replace PTEs 81-56, 85-19 and 89-5. The Prior Exemptions provided exemptive relief from the prohibited transaction restrictions of the Employee Retirement Income Security Act of 1974 (the Act) and from the sanctions resulting from the application of section 4975 of the Internal Revenue Code of 1986 (the Code).

The proposed exemption was requested in an application filed on behalf of the Plan pursuant to section 408(a) of the Act and section 4975(c)(2) of the Code, and in accordance with the procedures set forth in 29 CFR part 2570, subpart B (55 FR 32836, August 10, 1990). Effective December 31, 1978, section 102 of Reorganization Plan No. 4 of 1978 (43 FR 47713, October 17, 1978) transferred the authority of the Secretary of the Treasury to issue exemptions of the type requested to the Secretary of Labor. Accordingly, this exemption is being issued solely by the Department.

The proposed exemption gave interested persons an opportunity to comment and to request a hearing. In this regard, all interested persons were invited to submit written comments or requests for a hearing on the pending exemption on or before March 24, 2003. All comments were to be made a part of the record. During the comment period, the Department received no written comments or requests for a public hearing.

For further information regarding the exemption application or other matters discussed therein, interested persons are encouraged to obtain copies of the exemption application file (Exemption Application No. D-11059) the Department is maintaining in this case. The complete application file, as well as all supplemental submissions received by the Department are made available for public inspection in the Public Disclosure Room of the Employee Benefits Security Administration, Room N-1513, U.S. Department of Labor, 200 Constitution Avenue, NW., Washington, DC 20210.

Accordingly, after giving full consideration to the entire record, the Department has decided to grant the exemption.

General Information

The attention of interested persons is directed to the following:

(1) The fact that a transaction is the subject of an exemption under section 408(a) of the Act and section 4975(c)(2) of the Code does not relieve a fiduciary or other party in interest or disqualified person from certain other provisions of the Act and Code, including any prohibited transaction provisions to which the exemption does not apply and the general fiduciary responsibility provisions of section 404 of the Act, which require, among other things, a fiduciary to discharge his or her duties respecting the plan solely in the interest of the participants and beneficiaries of the plan and in a prudent fashion in accordance with section 404(a)(1)(B) of