

respect to the IRA;⁸ provided that the following conditions are met:

(a) The sale is a one-time cash transaction;

(b) The IRA receives the current fair market value for the Property, as established at the time of the sale by an independent, qualified appraiser; and

(c) the IRA pays no commissions or other expenses associated with the sale.

Summary of Facts and Representations

1. The IRA is an individual retirement account, as described in section 408(a) of the Code, which was established by Hayden O. Grona (Mr. Grona) in 1989. As of March 19, 2003, the IRA had approximately \$6,701,128 in total assets. The Trust Company, N.A., located at 711 Navarro, Suite 750, in San Antonio, Texas, is the custodian of the IRA (the Custodian). Mr. Grona is the trustee for the IRA (the Trustee). The Children are identified as Mr. Nelson Grona, Ms. Suzanne Grona White, and Mr. James Grona.

2. On February 8, 2001, the IRA purchased the Property from Leigh Stelmach, an unrelated third party, for \$1,791,403. The IRA paid the entire amount of the purchase price in cash at closing. At the time of purchase, the Property represented approximately 21% of the IRA's total assets. The applicant represents that the Property is not adjacent to any other property owned individually, or jointly, by Mr. Grona and/or the Children. It is represented that Mr. Grona, as the Trustee, made the decision to purchase the Property for the IRA as an investment, to be developed by the IRA into an income-producing asset. However, it is represented, that shortly after acquisition, Mr. Grona realized that the Property was not a suitable investment for the IRA. The IRA has paid approximately \$5,484 in real estate taxes due to its ownership of the Property. There have been no additional expenses incurred by the IRA as a result of its ownership of the Property.

3. The Property is an approximately 1,515 acre tract of unimproved land, located in Medina and Bandera Counties, Texas. The applicant represents that since the acquisition of the Property by the IRA, the Property has not been leased to or used by any disqualified persons, as defined under section 4975(e)(2) of the Code. In addition, the Property has not generated any income for the IRA since its acquisition.

4. The Property was appraised on February 27, 2003 (the Appraisal). The Appraisal was prepared by Grady Hoermann, MSA (Mr. H), who is an independent, Texas state certified, general real estate appraiser. Mr. H is with Grady Hoermann Appraisal Service, which is located in San Antonio, Texas. Mr. H relied primarily on the sales comparison approach, with an analysis of recent sales of similar properties in the local geographic area. After examining available sales data, Mr. H determined that the Property's fair market value would be approximately \$900 per acre.

Accordingly, Mr. H represents that the Property had a fair market value of approximately \$ 1,363,000, as of February 27, 2003.

5. The applicant proposes that the Children purchase the Property from the IRA in a one-time cash transaction. The applicant represents that the proposed transaction would be in the best interest and protective of the IRA. The IRA will be able to dispose of the Property, which has depreciated in value since it was originally acquired, at its fair market value and will not pay any commissions or expenses associated with the sale. The Appraisal will be updated at the time the transaction is consummated. It is represented that Mr. Grona is currently age 68. He will be required to begin receiving distributions from the IRA when he attains age 70½. The applicant states that the sale of the Property will increase the IRA's liquidity, therefore putting the IRA into a better position to make distributions to Mr. Grona once he reaches the age of 70½. In this regard, the Children will pay the IRA an amount in cash equal to the current fair market value of the Property at the time of the transaction, based on an update of the Appraisal. Thus, the applicant maintains that the sale of the Property by the IRA to the Children will: (i) Increase the liquidity of the IRA's portfolio; (ii) enable the Trustee to diversify the assets of the IRA; (iii) enable the IRA to sell an illiquid non-income producing asset; and (iv) facilitate future distributions of assets to Mr. Grona.

6. In summary, the applicant represents that the proposed transaction satisfies the statutory criteria of section 4975(c)(2) of the Code because:

(a) The sale will be a one-time cash transaction;

(b) The IRA will receive the current fair market value for the Property, as established at the time of the sale by an independent, qualified appraiser;

(c) The IRA will pay no commissions or other expenses associated with the sale; and

(d) The sale will:

(i) Provide the IRA with more liquidity and facilitate future distributions to Mr. Grona;

(ii) Enable the IRA to diversify its assets;

(iii) Allow the IRA to divest itself of a non-income producing asset that has depreciated in value; and

(iv) Allow the IRA to reinvest the proceeds of the sale in other investments that potentially could yield greater returns.

Notice to Interested Persons

Because Mr. Grona is the sole participant of the IRA, it has been determined that there is no need to distribute the notice of proposed exemption to interested persons (other than the Custodian). Comments and requests for a hearing are due thirty (30) days from the date of publication of this notice in the **Federal Register**.

For Further Information Contact:
Ekaterina A. Uzlyan of the Department at (202) 693-8540. (This is not a toll-free number.)

Newspaper Agency Corporation Pension Trust (the Plan) Located in Salt Lake City, Utah

[Application No. D-11194]

Proposed Exemption

The Department is considering granting an exemption under the authority of 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, 32847, August 10, 1990).⁹

I. Transactions

If the exemption is granted, the restrictions of sections 406(a)(1)(A)-(D), 406(b)(1), and 406(b)(2) of the Act and the sanctions resulting from the application of section 4975 of the Code, by reason of section 4975(c)(1)(A) through (E) of the Code, shall not apply to: (1) The leasing of certain improved real property (the Property) by the Plan to the Newspaper Agency Corporation (the Employer), a party in interest with respect to the Plan, pursuant to the terms of a lease (the New Lease), effective August 1, 2003; and (2) the guarantee by MediaNews Group, Inc. (MediaNews) and Deseret News Publishing Corporation (Deseret) (collectively, the Owners of the Employer) of the obligations of the Employer under the terms of the New Lease.

⁹ For purposes of this exemption, references to specific provisions of Title I of the Act, unless otherwise specified, refer to the corresponding provisions of the Code.

⁸ Pursuant to CFR 2510.3-2(d), there is no jurisdiction with respect to the IRA under Title I of the Act. However, there is jurisdiction under Title II of the Act, pursuant to section 4975 of the Code.