

September 28, 1976

Dear :

This is in response to your inquiry whether an agreement between (named), Inc., and Mr. (x), an employee and 50-percent stockholder, to provide him additional retirement compensation for past services in return for certain considerations, is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

You state that Mr. (x) is being bought out and, in addition, an individual contract was made to provide him with supplemental compensation.

Under the circumstances, the agreement is an individual contract with Mr. (x) to render specific personal services and does not constitute an employee pension benefit plan within the contemplation of section 3(2) of the ERISA.

Sincerely,