

SECURITIES AND EXCHANGE COMMISSION

FORM S-8

Initial registration statement for securities to be offered to employees pursuant to employee benefit plans

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FILER

ANDERSEN GROUP INC

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SIC: **3843** Dental equipment & supplies

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Securities Act of 1933, which states that the fee shall be "one-twenty ninth of one percentum of the maximum aggregate price at which such securities are proposed to be offered".

PART I
INFORMATION REQUIRED IN THE SECTION 10(a) PROSPECTUS

Item 1. Plan Information.

Omitted in accordance with Rule 428 under the Securities Act and the Note to Part I of Form S-8.

Item 2. Registrant Information and Employee Plan Annual Information.

Omitted in accordance with Rule 428 under the Securities Act and the Note to Part I of Form S-8.

PART II
INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. Incorporation of Documents by Reference.

There are hereby incorporated by reference in this Registration Statement the following documents and information heretofore filed with the Securities and Exchange Commission:

1. The Annual Report on Form 10-K of Andersen Group, Inc. (the "Company") for the fiscal year ended February 28, 1997 filed pursuant to Section 13 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") (File No. 0-1460).

2. All other reports filed by the Company pursuant to Section 13(a) or 15(d) of the Exchange Act since February 28, 1997.

All documents filed by the Company pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act on or after the date of this Registration Statement and prior to the filing of a post-effective amendment which indicates that all securities offered have been sold or which deregisters all securities then remaining unsold shall be deemed to be incorporated by reference in this Registration Statement and to be part hereof from the date of filing of such documents.

Item 4. Description of Securities.

Not applicable.

Item 5. Interests of Named Experts and Counsel.

Not applicable.

Item 6. Indemnification of Directors and Officers.

Article Seven of the Company's Amended and Restated Certificate of Incorporation eliminates the personal liability of directors of the Company to the Company or its shareholders for monetary damages for breach of fiduciary duty to the full extent permitted by the Connecticut Stock Corporation Act.

Section 33-320a of the Connecticut General Statutes provides that a corporation shall indemnify its directors, officers, and certain other persons provided such party is successful on the merits in the defense of the relevant proceeding or it shall be concluded that such person acted in good faith and in a manner he reasonably believed to be in the best interests of the corporation or, in the case of a person serving as a fiduciary of an employee benefit plan or trust, either in the best interests of the corporation or in the best interests of the participants and beneficiaries of such employee benefit plan or trust and

consistent with the provisions of such employee benefit plan or trust and, with respect to any criminal action or proceeding, that he had no reasonable cause to believe his conduct was unlawful or a court shall have determined that in view of all the circumstances such person is fairly and reasonably entitled to be indemnified, and then for such amount as the court shall determine.

Article V of the By-laws of the Company provides that the Company shall indemnify its directors, employees and agents to the fullest extent permitted by law and the Certificate of Incorporation. The Corporation shall advance the payment of legal expenses to a Director, officer, employee or agent in the defense of any claim for which indemnification may be available to the fullest extent permitted by law and the Certificate of Incorporation.

The effect of these provisions is to permit indemnification by the Company for liabilities arising under the Securities Act of 1933, as amended.

The Company maintains directors' and officers' liability insurance to provide indemnification for its directors and officers against certain liabilities.

Item 7. Exemption from Registration Claimed.

Not applicable.

Item 8. Exhibits.

Exhibit No.	Description
4.1*	Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Company's Annual Report on Form 10-K for the year ended February 29, 1992 (Commission File No. 0-1460)).
4.2*	Amended and Restated By-Laws of the Company (incorporated by reference to Exhibit 3.2 to the Company's Annual Report on Form 10-K for the year ended February 28, 1997 (Commission File No. 0-1460)).
4.3	Andersen Group Individual Retirement Plan, and Amendments No. 1, 2 and 3.
4.4	Trust Agreement with the Chase Manhattan Bank under the Andersen Group Individual Retirement Plan.
4.5	Trust Agreement with Oliver R. Grace, Jr. and Francis E. Baker under the Andersen Group Individual Retirement Plan.
4.6	Form of stock certificate.
5.	Opinion of the Company's Assistant Secretary and Director of Law and Taxation Regarding Legality.
23	Consent of KPMG Peat Marwick LLP.
24	Power of Attorney (filed herewith as part of the signature page)

* Incorporated by reference.

Item 9. Undertakings.

(a) The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

- (i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;
- (ii) To reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective

amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement;

- (iii) To include any material information with respect to the plan of distribution not previously disclosed in this Registration Statement or any material change to such information in this Registration Statement.

Provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if the information required to be included in the post-effective amendment by those paragraphs is contained in periodic reports filed by the Registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in this Registration Statement.

(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new Registration Statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration, by means of a post-effective amendment, any of the securities being registered, which remain, unsold at the termination of the offering.

(b) The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in this Registration Statement shall be deemed to be a new Registration Statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

(d) The undersigned Registrant hereby undertakes that, in lieu of furnishing exhibits required under Item 601(b)(5) of Regulation S-K, the Company has previously submitted the Plan to the Internal Revenue Service ("IRS") and has received a determination letter and will submit all amendments to the Plan to the IRS in a timely manner and has made or will make all changes required by the IRS in order to qualify the Plan.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of New York, State of New York, on this 16th day of December, 1997.

ANDERSEN GROUP, INC.

By: /s/ Oliver R. Grace, Jr.
Oliver R. Grace, Jr.
Its President
Principal Executive Officer

POWER OF ATTORNEY

Each of the officers and directors of Andersen Group, Inc. whose signature appears below hereby constitutes and appoints Bernard F. Travers, III and Andrew M. O'Shea and each of them, their true and lawful attorneys-in-fact and agents with full power of substitution, each with the power to act alone, to sign and execute on behalf of the undersigned any amendment or amendments to this Registration Statement (including post-effective amendments), and to perform any acts necessary to be done in order to file such amendment, and each of the undersigned does hereby ratify and confirm all that said attorneys-in-fact and agents, or their or his substitutes, shall do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on December 16, 1997.

Signature	Title
/s/ Oliver R. Grace, Jr. Oliver R. Grace, Jr.	President (Principal Executive Officer)
/s/ Andrew M. O'Shea Andrew M. O'Shea	Treasurer (Principal Financial Officer)

Signature	Title
/s/ Francis E. Baker Francis E. Baker	Chairman, Secretary and Director
/s/ Peter N. Bennett Peter N. Bennett	Director
/s/ John S. Grace John S. Grace	Director
/s/ Louis A. Lubrano Louis A. Lubrano	Director
/s/ James J. Pinto James J. Pinto	Director

Pursuant to the requirements of the Securities Act of 1933, the plan administrator has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the Town of Bloomfield, State of Connecticut, on this 16th day of December, 1997.

ANDERSEN GROUP INDIVIDUAL
RETIREMENT PLAN

By: /s/ Lynn Foy-Pion
Andersen Group, Inc., Plan Administrator

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

EXHIBIT INDEX

REGISTRATION STATEMENT ON FORM S-8

ANDERSEN GROUP, INC.

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ANDERSEN GROUP INDIVIDUAL RETIREMENT PLAN

Amended and Restated
Effective January 1, 1989
Except as Otherwise Provided Herein

ANDERSEN GROUP INDIVIDUAL RETIREMENT PLAN

Table of Contents

	PAGE
PREAMBLE.....	1
ARTICLE I. DEFINITIONS.....	2
ARTICLE II. ADMINISTRATION OF THE PLAN.....	14
2.01. Appointment of Plan Administrator.....	14
2.02. Named Fiduciaries.....	14
2.03. Agents.....	15
2.04. Procedures.....	15
2.05. Administrator's Powers and Duties.....	15
2.06. Liability and Indemnification of Administrator.....	17
2.07. Standard of Review.....	18
2.08. Resignation or Removal.....	18

2.09.	Miscellaneous.....	18
2.10.	Establishment of Funding Policy.....	18
ARTICLE III. PARTICIPATION IN PLAN		20
3.01.	Conditions of Eligibility	20
3.02.	Participation	20
3.03.	Termination of Participation	20
ARTICLE IV. CONTRIBUTIONS		21
4.01.	Employee Salary Reduction Contributions	21
4.02.	Employer Contributions	26
4.03.	Limitations upon Contributions	29
4.04.	Rollover Contributions	32
4.05.	Administrative Expenses	33
ARTICLE V. ALLOCATION OF EMPLOYER CONTRIBUTIONS AND FORFEITURES		34
5.01.	Employer Minimum Contribution	34
5.02.	Forfeitures	35
		PAGE
ARTICLE VI. INVESTMENT PROVISIONS		36
6.01.	Investment Funds	36
6.02.	Investment of Contributions	36
6.03.	Transfer between Funds	36
6.04.	Investment of Investment Funds	36
6.05.	Accounting for Participants' Shares	37
6.06.	Adjustment for Investment Experience	37
6.07.	Composition of Accountings	37
ARTICLE VII. VESTING		38
7.01.	Regular Vesting	38
7.02.	Accelerated Vesting for Top-Heavy Plan	39
ARTICLE VIII. WITHDRAWALS		40
8.01.	Withdrawal of Funds	40
ARTICLE IX. DISTRIBUTION OF BENEFITS		42

9.01.	Separation from Service	42
9.02.	Death Benefits	44
9.03.	Valuation for Distribution	46
9.04.	Service Credits	46
9.05.	Joint and Survivor Annuity or Preretirement Survivor Annuity	48
9.06.	Distribution Requirements.....	51
ARTICLE X. QUALIFIED DOMESTIC RELATIONS ORDERS		54
10.01.	General Rules	54
10.02.	Definitions	54
10.03.	Distributions	56
10.04.	Notice	56
10.05.	Plan Procedures	56
10.06.	Segregation and Payment of Benefits.....	57
		PAGE
ARTICLE XI. TRUST		59
11.01.	Trustee	59
11.02.	Trust for Exclusive Benefit of Employees	59
ARTICLE XII. AMENDMENT, TERMINATION AND MERGER		61
12.01.	Amendment	61
12.02.	Termination; Discontinuance of Contributions	61
12.03.	Merger	62
ARTICLE XIII. MISCELLANEOUS		63
13.01.	Participants' Rights	63
13.02.	Non-Assignability of Benefits	63
13.03.	Delegation of Authority by Employer	64
13.04.	Construction of Plan	64
13.05.	Gender and Number	64
13.06.	Approval of Internal Revenue Service	64
13.07.	Incapacity to Receive Distributions	64
13.08.	Location of Participant or Beneficiary	65

ANDERSEN GROUP INDIVIDUAL RETIREMENT PLAN

P R E A M B L E:

Andersen Group, Inc. (the "Company") wishes to promote interest in the successful operation of its business, and provide its employees with an opportunity to accumulate funds for their retirement. To implement this wish, the Company has adopted the Andersen Group Individual Retirement Plan effective May 1, 1982 (the "Plan"). The Plan is hereby amended effective January 1, 1989, to comply with the Tax Reform Act of 1986 and other current laws and regulations and to reflect amendments to the Plan on or after such date.

ARTICLE I DEFINITIONS

1.01 "Account Balance." The amounts credited to the Salary Reduction Contribution Account, Employer Matching Contribution Account and Rollover Contribution Account established and maintained on behalf of each Participant at any point in time.

1.02 "Administrator." The person or persons appointed to manage and administer the Plan as provided in Article II.

1.03 "Allocation Date." The last day of each Plan Year and/or such other dates as the Administrator shall determine to allocate investment experience as provided in Section 6.06.

1.04 "Authorized Leave of Absence." Any absence authorized by the Employer under the Employer's standard personnel practices, provided that all persons under similar circumstances must be treated alike in the granting of such Authorized Leaves of Absence and provided further that the Employee returns within the period of authorized absence. An absence due to service in the Armed Forces of the United States shall be considered an Authorized Leave of Absence provided that the absence is caused by war or other emergency, or provided that the Employee is required to serve under the laws of conscription in time of peace, and further provided that the Employee returns to employment with the Employer within the period provided by law.

1.05 "Beneficiary." One or more persons and/or trusts and/or estates designated in accordance with this Plan to receive benefits upon the death of a Participant.

1.06 "Break in Service." A Break in Service is a Plan Year during which

the Employee completes no more than 500 Hours of Service.

1.07 "Code." The Internal Revenue Code of 1986 as it has been and as it may be amended from time to time and any regulations promulgated thereunder and interpretations thereof as such may affect this Plan.

1.08 "Company." Andersen Group, Inc., a corporation with its principal offices in the State of Connecticut.

1.09 "Compensation." The entire amount of each Employee's compensation paid by the Employer during the Plan Year to such Employee while such Employee is a Participant in the Plan, plus Salary Reduction Contributions made under this Plan and any amounts contributed by the Employee under a cafeteria plan meeting the requirements of Section 125 of the Code, but excluding any amounts contributed to any employee benefit plan for which a deduction is permitted under Section 404 of the Code. Compensation shall not include Compensation of any Employee in excess of \$200,000 (increased as permitted under Section 401(a)(17) of the Code, to reflect cost-of-living adjustments); provided, however, that effective January 1, 1994, Compensation shall not include Compensation of any Employee in excess of \$150,000 (increased as permitted under Section 401(a)(17) of the Code, to reflect cost-of-living adjustments). For all other purposes of the Plan, Compensation shall have the meaning prescribed by such Section. In determining the Compensation of a Participant for purposes of this limitation, the rules of Section 414(q)(6) of the Code shall apply, except in applying such rules, the term "family" shall include only the spouse of the Participant and any lineal descendants of the Participants who have not attained age 19 before the close of the Plan Year. If, as a result of the application of such rules the adjusted \$200,000 or \$150,000 limitation is exceeded, then the limitation shall be prorated among the affected individual's Compensation determined under this Section prior to the application of this limitation.

1.10 "Determination Date." The last day of the preceding Plan Year.

1.11 "Early Retirement Date." The first day of the month coinciding with or following the date, if any, on which a Participant who has attained the age of 55 and has completed 10 Years of Service elects to retire prior to his Normal Retirement Date.

1.12 "Effective Date." May 1, 1982, except that the provisions of this amended and restated Plan shall be effective on January 1, 1989, except as otherwise provided herein.

1.13 "Employee." A person who is receiving remuneration for personal services rendered to the Employer, or who would be receiving such remuneration except for an Authorized Leave of Absence.

1.14 "Employer." The Company and Microtime, Inc. and any successor thereto which adopts this Plan in writing and any other company (or successor thereto) which adopts this Plan in writing and in conjunction with the Company. Effective January 1, 1992, The J.M. Ney Company shall also be an Employer hereunder. Effective April 19, 1993, New Microtime, Inc. shall also be an Employer hereunder.

1.15 "Employer Matching Contributions." The matching contributions made by the Employer in accordance with Section 4.02(a).

1.16 "Employer Matching Contribution Account." The account established in accordance with Section 4.02(a) for each Participant to record the Participant's share of Employer Matching Contributions and Fund appreciation.

1.17 "Entry Date." The first day of each payroll period.

1.18 "ERISA." The Employee Retirement Income Security Act of 1974, as

it has been and may be from time to time amended and any regulations promulgated thereunder and interpretations thereof as such may affect this Plan.

1.19 "Five Percent Owner." An Employee who owns more than 5% of the value of the outstanding stock of the Employer or stock possessing more than 5% of the total outstanding combined voting power of all stock of the Employer. An Employee shall be considered to own stock that he owns directly and also stock that he is deemed to own under Section 318 of the Code but substituting "5 percent" for "50 percent" in Section 318(a)(2)(C).

1.20 "Fund." The corpus and all earnings, appreciation and additions held by the Trustee under this Plan for the exclusive benefit of Participants and their Beneficiaries.

1.21 "Highly Compensated Employee." Any Employee who, during the current or the immediately preceding Plan Year:

(a) was at any time a Five Percent Owner of the Employer;

(b) received Compensation in excess of \$75,000, as adjusted pursuant to Section 414(q)(1) of the Code;

(c) received Compensation in excess of \$50,000, as adjusted pursuant to Section 414(q)(1) of the Code, and was in the top paid 20% of all Employees (as determined in accordance with Section 414(q) of the Code); or

(d) was an officer of the Employer with Compensation in excess of one-half (1/2) times the amount then in effect under Section 415(b)(1)(A) of the Code; provided that no more than 50 Employees or, if lesser, the greater of ten percent (10%) of all Employees or three (3) Employees shall be treated as officers. If no officer receives Compensation in excess of one-half (1/2) times the amount then in effect under Section 415(b)(1)(A) of the Code, the highest compensated officer for such Plan Year shall be considered a Highly Compensated Employee.

If an Employee did not qualify as a Highly Compensated Employee under clauses (b), (c) or (d) of this Section in the preceding Plan Year, such Employee must be among the highest paid 100 Employees in the current Plan Year to be considered a Highly Compensated Employee for the current Plan Year. For purposes of this definitional Section, "Compensation" means compensation as defined in Section 414(s) of the Code but including salary reduction amounts excluded from income under Sections 125, 402(a)(8) and 402(h)(1)(B) of the Code.

For purposes of this Section, if an Employee is a member of the family (as defined in Section 414(q)(6)) of a Five Percent Owner or an Employee among the ten most Highly Compensated Employees, such individual shall not be considered as a separate Employee, but his compensation shall be treated as if it was paid to such Five Percent Owner or other Employee. For purposes of Section 4.01(e) of the Plan, members of the family who would otherwise be aggregated shall be aggregated.

For purposes of this definitional Section, the provisions of Sections (b), (c), (m), (n), and (o) of Code Section 414 shall be applied. A former Employee shall be treated as a Highly Compensated Employee if such Employee was a Highly Compensated Employee when such Employee separated from service or was a Highly Compensated Employee at any time after attaining age 55.

1.22 "Hour of Service."

(a) Each hour for which an Employee is paid, or entitled to payment, for the performance of duties for an Employer during the applicable computation period, which hours shall be credited to the Employee for the computation period or periods in which the duties were performed.

(b) Each hour, but not in excess of 501 hours in one continuous period, for which an Employee is directly or indirectly paid, or entitled to payment, by an Employer on account of a period of time during which no duties are performed by the Employee (irrespective of whether the employment relationship has terminated) due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty or leave of absence, which hours shall be credited to the computation period or periods in which the period during which no duties are performed occurs.

(c) Each hour for which back pay, irrespective of mitigation of damages, is either awarded or agreed to be paid to an Employee by an Employer, which hours shall be credited to the Employee for the computation period to which the award or agreement pertains, rather than the computation period in which the payment is made.

(d) Solely for purposes of determining whether an Employee has a Break in Service, an Employee shall be credited with up to five hundred and one (501) Hours of Service for any Plan Year during which the Employee does not perform any duties by reason of:

- (i) the pregnancy of the Employee,
- (ii) the birth of a child of the Employee,
- (iii) the placement of a child with the Employee in connection with the adoption of such child by such individual, or
- (iv) the caring for such child for a period beginning immediately following such birth or placement.

An Employee shall only be credited with the number of hours which would normally have been credited but for such absence or, if the number of such hours is unable to be determined, eight (8) hours per working day of such absence. Such hours shall be credited in the Plan Year in which the absence begins if such absence would prevent an Employee from completing more than five hundred (500) Hours of Service during such year or, in any other case, in the following Plan Year. No Hours of Service shall be credited under this paragraph unless the Employee furnishes to the Administrator timely information to establish the appropriate reasons for any absence and the number of days for which there was such an absence.

(e) Hours of Service shall be determined and credited pursuant to the rules of the Administrator which are consistent with ERISA, including Labor Regulation Section 2530.200b-2.

1.23 "Investment Funds." The investment funds provided for in Section 6.01.

1.24 "Key Employee." An Employee who during the Plan Year ending on the Determination Date or any of the four preceding Plan Years is:

(a) an officer of the Employer with Compensation in excess of one-half (1/2) times the amount then in effect under Section 415(b)(1)(A) of the Code;

(b) one of the ten (10) Employees owning the largest interests in the Employer and owning at least one-half percent (1/2%) of the Employer with Compensation in excess of the amount then in effect under Section 415(c)(1)(A) of the Code (for purposes of this subparagraph (b), the Employee having the highest Compensation shall be deemed to own the largest interest);

(c) a Five Percent Owner of the Employer; or

(d) a One Percent Owner of the Employer with Compensation in excess of \$150,000.

An Employee shall be considered to own stock that he owns directly and stock he is deemed to own pursuant to Section 318 of the Code after substituting "5 percent" for "50 percent" in Section 318(a)(2)(C). The number of officers that may be considered Key Employees is the lesser of ten percent (10%) of all Employees or fifty (50); provided, however, that at least three (3) Employees may be considered Key Employees regardless of the number of Employees. For purposes of determining the number of officers, Employees described in Section 414(q)(8) shall be excluded. For purposes of this Section, "Compensation" means compensation as defined in Section 414(s) of the Code. For purposes of this definitional Section, the term "Key Employee" shall include any former Employee or any Beneficiary of a Key Employee.

1.25 "Non-Highly Compensated Employee." Any eligible Employee who is not a Highly Compensated Employee for a Plan Year.

1.26 "Non-Key Employee." Any eligible Employee who is not a Key Employee for a Plan Year.

1.27 "Normal Retirement Date." The first day of the month coinciding with or next following the later of (i) the date on which a Participant reaches age 65 or (ii) the fifth anniversary of the date on which a Participant first became eligible to participate in the Plan.

1.28 "One Percent Owner." An Employee who owns more than one percent (1%) of the value of the outstanding stock of the Employer or stock possessing more than one percent (1%) of the total combined voting power of all stock of the Employer. An Employee shall be considered to own stock that he owns directly and also stock that he is deemed to own under Section 318 of the Code but substituting "5 percent" for "50 percent" in Section 318(a)(2)(C).

1.29 "Participant." An Employee who has met the conditions of eligibility and participation prescribed in Article III and for whose benefit, or for whose Beneficiary, the Trustee holds or will hold assets until his Accounts have been fully distributed.

1.30 "Plan." The Andersen Group Individual Retirement Plan also known as the Andersen Group 401(k) Plan, as from time to time amended.

1.31 "Plan Year." Each twelve-month period commencing on January 1 and ending on December 31.

1.32 "Rollover Contribution Account." The account established in accordance with Section 4.04 for each Participant to record the Participant's Rollover Contributions, if any, and Fund appreciation.

1.33 "Rollover Contributions." The contributions made by a Participant in accordance with Section 4.04.

1.34 "Salary Reduction Contribution Account." The account established in accordance with Section 4.01 for each Participant to record the Participant's Salary Reduction Contributions, if any, and Fund appreciation.

1.35 "Salary Reduction Contributions." The contributions made on a salary reduction basis by a Participant in accordance with Section 4.01.

1.36 "Separation from Service." The date of an Employee's death, retirement, resignation or discharge, or any absence that causes him to cease to be an Employee.

1.37 "Top-Heavy Plan."

(a) If the Employer does not maintain any other plans, the Plan shall be a Top-Heavy Plan for any Plan Year if, as of the Determination

Date, the aggregate of the Account Balances of Key Employees under the Plan exceeds sixty percent (60%) of the aggregate Account Balances of all Participants under the Plan; or

(b) If the Employer maintains or maintained any plan in addition to this Plan (whether or not terminated) and if any such other plan has any Participant who is a Key Employee or enables any plan with Key Employees to meet the discrimination and coverage tests of Sections 401(a)(4) or 410 of the Code, then the Plan shall be a Top-Heavy Plan if for such Plan Year, as determined as of the Determination Date, the sum of the present value of cumulative benefits accrued under any such other defined benefit plan, such value to be determined by applying the actuarial assumptions stated in any such plan, for Key Employees plus the aggregate of the Account Balances of Key Employees under all such other plans that are defined contribution plans and under this Plan, exceeds sixty percent (60%) of the present aggregate value of a similar sum determined for all Participants in all plans.

(c) For purposes of this Section, the Account Balances and present value of cumulative benefits accrued under any defined benefit plan of former Key Employees and of former Participants or Beneficiaries who have not performed any services for the Employer within the five (5) year period ending on the last Determination Date shall be excluded. For purposes of this Section, all distributions made within the five (5) year period ending on the last Determination Date shall be included in the Account Balances of all Key Employees, Participants, former Participants and Beneficiaries.

1.38 "Total and Permanent Disability." Incapacity, physical or mental, permanent in nature, resulting from a medically determinable physical or mental impairment, which results in an Employee being unable to continue in the service of the Employer and which can be expected to result in death or to be of long, continued and indefinite duration. The Administrator shall be the sole judge of whether a disability exists.

1.39 "Trust." The trust created by the Employer and the Trustee by a trust agreement to hold and invest the assets contributed under the terms of this Plan.

1.40 "Trust Agreement." The trust agreement entered into between the Employer and Trustee to hold and invest the assets contributed under the terms of this Plan and the Trust.

1.41 "Trustee." Such individual or corporate fiduciary or fiduciaries as may be duly appointed by the Board of Directors of the Company to hold the assets of the Fund pursuant to the terms of this Plan and the Trust.

1.42 "Valuation Date." The last day of each Plan Year and/or such other dates as the Administrator shall determine to value the Fund.

1.43 "Year of Service."

(a) For purposes of eligibility to participate in the Plan, a Year of Service shall be the 12-consecutive-month period beginning on the first day of an Employee's employment with the Employer in which the Employee completes 1,000 or more Hours of Service, or if this condition is not satisfied in that period, any Plan Year which includes the anniversary date of his commencement of employment, in which the Employee has completed 1,000 or more Hours of Service.

(b) For purposes of vesting, a Year of Service shall be a Plan Year during which the Employee completes 1,000 or more Hours of Service.

(c) Solely for purposes of eligibility, former employees of

the Digital Graphics Division of the Grass Valley Group who became Employees of New Microtime, Inc. on October 20, 1994 shall receive credit for Years of Service from the date of their original hire at the Digital Graphics Division.

ARTICLE II
ADMINISTRATION OF THE PLAN

2.01 Appointment of Administrator. The Company shall be the plan administrator within the meaning of Section 414(g) of the Code. The Company shall delegate the administration of the Plan to an Administrator who shall be appointed by and serve at the pleasure of the board of directors of the Company. All usual and reasonable expenses of the Administrator may be paid in whole or in part by the Company, and any expenses not so paid shall be paid by the Trustee out of the assets of the Trust. An Administrator who receives full-time pay from the Employer shall not receive compensation with respect to services.

2.02 Named Fiduciaries. The Company and the Administrator shall be "named fiduciaries" within the meaning of ERISA. The Company, Administrator, Employer, and Trustee shall have only such responsibilities as are specifically allocated to them in this Plan and the Trust Agreement.

(a) Trustee. The Trustee shall have exclusive responsibility for the control and management of the assets of the Fund, as provided in the Trust Agreement.

(b) Administrator. The Administrator shall have responsibility and authority to control the operation and administration of the Plan in accordance with the terms of the Plan and Trust Agreement. If more than one person is serving as the Administrator, any act which this Plan authorizes or requires the Administrator to do may be done by a majority of such persons, and the action of such majority expressed from time to time by a vote at a meeting, or in writing without a meeting, shall constitute the action of the Administrator.

(c) The Company, as Plan Sponsor. The Company shall be responsible for all functions assigned or reserved to it under the Plan and Trust Agreement, including the right to remove or replace the Trustee and the Administrator. Any authority assigned or reserved to the Company under the Plan and Trust Agreement, other than responsibilities assigned to the Administrator, shall be exercised by resolution of the Company's Board of Directors, and shall become effective, with respect to the Trustee, upon written notice to the Trustee signed by the President, Treasurer or Secretary of the Company advising the Trustee of such exercise.

(d) Employer. The Employer shall have the sole responsibility for making the contributions necessary to provide benefits under the Plan.

2.03 Agents. The Administrator may employ such agents to perform clerical and other services, and such counsel, accountants and actuaries as it may deem necessary or desirable for administration of the Plan. The Administrator may rely upon the written opinions or certificates of any agent, counsel, actuary or physician.

2.04 Procedures. The Administrator shall adopt such bylaws as it deems

desirable and shall keep all such books of account, records and other data as may be necessary for proper administration of the Plan. The Administrator shall keep a record of all actions and forward all necessary communications to the Trustee and the Company. The Administrator shall keep records containing all relevant data pertaining to any person affected hereby and his rights under the Plan.

2.05 Administrator's Powers and Duties. The Administrator shall have such powers and duties as may be necessary to discharge its function hereunder, including, but not by way of limitation, the following:

(a) To construe and interpret the Plan, to decide all questions which may arise relative to the rights of Employees, past and present, and their Beneficiaries, under the terms of the Plan;

(b) To obtain from the Employer and from Employees such information as shall be necessary for the proper administration of the Plan, and, when appropriate, to furnish such information promptly to the Trustee or other persons entitled thereto;

(c) To prepare and distribute, in such manner as the Administrator determines to be appropriate, information explaining the Plan;

(d) To furnish the Company, upon request, such reports with respect to the administration of the Plan as are reasonable and appropriate;

(e) To obtain and review reports of the Trustee pertaining to the receipts, disbursements and financial condition of the Trust;

(f) To establish and maintain such accounts in the name of the Employer and of each Participant as are necessary;

(g) To delegate in writing all or any part of its responsibilities under the Plan to the Trustee and in the same manner revoke any such delegation of responsibility. Any action of the Trustee in the exercise of such delegated responsibilities shall have the same force and effect for all purposes as if such action had been taken by the Administrator. The Trustee shall have the right, in its sole discretion, by written instrument delivered to the Administrator, to reject and to refuse to exercise any such delegated authority; and

(h) To advise the Trustee, in writing, with respect to investment and reinvestment of the Participants' and Employers' contributions under the Plan; if instructions are not forthcoming, however, the Trustee shall have full power to invest and reinvest any funds under his control. The Trustee's rights and duties relative to investments which are contained in the Trust Agreement shall inure to the benefit of, and are binding upon, the Administrator when he renders investment advice.

2.06 Liability and Indemnification of the Administrator. In connection with any action or determination, the Administrator shall be entitled to rely upon information furnished by the Employer. To the extent permitted by law, the Company shall indemnify the Administrator against any liability or loss sustained by reason of any act or failure to act in its administrative capacity, if such act or failure to act does not involve willful misconduct. Such indemnification of the Administrator shall include attorney's fees and other costs and expenses reasonably incurred in defense of any action brought against the Administrator by reason of any such act or failure to act. No bond or other security shall be required of any Administrator unless he handles funds or other property of the Plan. An Administrator shall not be liable or responsible for the acts of commission or omission of another fiduciary unless:

(a) he knowingly participates or knowingly attempts to conceal the act or omission of another fiduciary and the member knows that the act or omission is a breach of fiduciary responsibility by the other fiduciary; or

(b) he has knowledge of a breach by the other fiduciary and shall not make reasonable efforts to remedy the breach; or

(c) the Administrator's breach of his own fiduciary responsibility permits the other fiduciary to commit a breach.

2.07 Standard of Review. The Administrator and Trustee shall have sole discretion to make decisions regarding a Participant's or Beneficiary's benefits and such decision shall be conclusive and binding on all parties. The Administrator, in its discretion, shall have the authority to interpret all provisions of this Plan, and to make all decisions regarding administration of the Plan and eligibility for benefits under the Plan, and such interpretation shall be conclusive and binding on all parties. All decisions of the Administrator with respect to this Plan shall be respected unless arbitrary and capricious.

2.08 Resignation or Removal. The Administrator may resign by giving written notice to the Company not less than fifteen (15) days before the effective date of his resignation. The Administrator may be removed, without cause, by the Company's Board of Directors, which board shall fill the vacancy as soon as reasonably possible after a vacancy occurs. Until a new appointment is made, the Board of Directors shall act as the Administrator.

2.09 Miscellaneous.

(a) All actions or determinations of the Administrator or the Company hereunder shall be made or result from uniform standards applied in a nondiscriminatory manner with respect to all Employees, Participants or Beneficiaries.

(b) Any person affected hereby may consult with the Administrator on any matters relating to his interest in the Plan.

(c) The Administrator shall not vote or decide upon any matters relating solely to himself or to any of his rights or benefits under this Plan.

2.10 Establishment of Funding Policy. On a regular basis the Administrator shall determine the Plan's short- and long-range financial needs and communicate such needs to the Trustee. In determining financial needs the Administrator shall consider, among other factors, the Plan's immediate requirements to pay benefits and the Plan's needs for investment growth.

ARTICLE III PARTICIPATION IN PLAN

3.01 Conditions of Eligibility. Each Employee who has reached age 21 and has completed one Year of Service shall be eligible to become a Participant in the Plan on the Entry Date following his completion of such requirements or on any subsequent Entry Date. Each Employee who became employed on October 20, 1994 by the Graphics Systems Division of New Microtime, Inc. shall be eligible to become a Participant in the Plan on such date if they met the foregoing

eligibility requirements or on any subsequent Entry Date after meeting such eligibility requirements.

3.02 Participation. In order to become a Participant, an Employee must have filed with the Administrator a signed application, in which such Employee shall designate his contribution percentage, if any, as provided in Section 4.01, authorize deduction of his contributions to the Plan from his Compensation, agree to the terms of the Plan and designate a Beneficiary in accordance with Section 9.06 and make the election of Investment Funds specified in Section 6.02.

3.03 Termination of Participation. Participation in the Plan will terminate when a Participant or his Beneficiaries have received all benefits due to them under the Plan, except for a withdrawal of funds pursuant to Section 8.01. If a Participant terminates his employment with the Employer and is subsequently rehired he may resume participation in the Plan upon the date of his rehiring.

ARTICLE IV CONTRIBUTIONS

4.01 Employee Salary Reduction Contributions.

(a) Contributions. Subject to the provisions of Section 4.03 and to the requirements and limitations of this Section 4.01, each eligible Employee may elect to make Salary Reduction Contributions, as a whole percentage of Compensation of not less than two percent and not more than ten percent, in which event the Employer will reduce the Participant's Compensation otherwise payable currently by the percentage the Employee elects, credit the amount to a Salary Reduction Contribution Account on behalf of the Participant and contribute such amount to the Trust. A Participant may elect an amount of Salary Reduction Contributions not to exceed \$7,000 (increased as permitted under Section 402(g)(5) of the Code) in any Plan Year; provided, however, that for the Plan Year following the year in which a Participant receives a hardship distribution under Section 8.01, a Participant's Salary Reduction Contributions may not exceed \$7,000 (increased as permitted under Section 402(g)(5) of the Code) reduced by the amount of the Participant's Salary Reduction Contributions during the year in which the hardship distribution was received. Adjustments shall be made to a Participant's Salary Reduction Contribution Account if any reductions in Salary Reduction Contributions are required by Sections 4.01(b) and 4.01(e).

(b) Excess Deferrals. If a Participant's Salary Reduction Contributions exceed \$7,000, or such higher amount as may be permitted (reduced by the amount of any Salary Reduction Contributions made in the calendar year of a hardship distribution), in any calendar year, any excess plus any earnings or losses attributable thereto, determined under Section 4.01(g), shall be distributed to such Participant by April 15 following the close of such calendar year.

A Participant may also make a claim to receive all or a portion of his Salary Reduction Contributions for a calendar year. The Participant's claim

shall be in writing, shall be submitted to the Administrator no later than March 1 following the end of the calendar year to which such claim applies, shall specify the Participant's excess Salary Reduction Contributions to the Plan due to his or her participation in another plan, and shall be accompanied by the Participant's written statement that if such amounts are not distributed, such excess Salary Reduction Contributions, when added to amounts deferred under other plans or arrangements described in Sections 401(k), 408(k) or 403(b) of the Code, will exceed the limit imposed on the Participant by Section 402(g) of the Code for the year in which the Salary Reduction Contributions occurred. Any amounts so claimed shall be distributed in the manner set forth in this Section 4.01(b).

(c) Time of Salary Reduction Election. An election to make Salary Reduction Contributions may be made effective for the next pay period and shall take effect prospectively. Elections to make Salary Reduction Contributions by Employees not making such contributions to the Plan may be made effective the next pay period on which the Employee becomes eligible to participate in the Plan or on which the Employee desires to begin such contributions. A Participant may change his rate of contribution prospectively as of the first day of any payroll period for which such change is to be effective by filing an appropriate form with the Administrator.

(d) Suspension of Contributions. A Participant may elect to suspend making contributions at any time effective as of the beginning of a payroll period by filing the appropriate form with the Administrator prior to such payroll period for which such suspension is to be effective. Such Participant may later elect to resume contributing effective as of the first day of any payroll period occurring at least 6 months after the date of suspension by filing the appropriate form with the Administrator prior to the pay period for which the contribution should be resumed. Such form shall indicate a rate of contribution in accordance with Section 4.01(a). The Administrator, in his sole discretion, may permit elections to be made at other times. A Participant's Salary Reduction Contributions shall automatically be suspended as of the date of receipt of a hardship distribution under Section 8.01 and may not be resumed until at least 12 months after the date of receipt of the hardship distribution.

(e) Nondiscrimination Limitation. For each Plan Year, the Administrator shall determine the actual amount of each Participant's Salary Reduction Contributions and Employer Matching Contributions. If the aggregate Salary Reduction Contributions, determined as a percentage of Compensation rounded to the nearest 100th of one percent, for all Highly Compensated Employees eligible to participate in the Plan exceeds both limitations (i) and (ii) below, the Administrator may, in its sole discretion, add all or a portion of the Employer Matching Contributions to such amount and redetermine whether both such limitations are exceeded. If the limitations are still exceeded, the Salary Reduction Contributions of the Highly Compensated Employees shall be reduced beginning with the highest deferral percentage and moving toward lower percentages until one of such limitations is met.

- (i) The actual percentage of Salary Reduction Contributions (prior to reduction under Section 4.01(b) of the Plan) and, to the extent applicable, Employer Matching Contributions for all Highly Compensated Employees who are eligible to participate in

the Plan shall not exceed the actual percentage of Salary Reduction Contributions (after reduction under Section 4.01(b) of the Plan) and, to the extent applicable, Employer Matching Contributions for all eligible Non-Highly Compensated Employees (except family members as defined in Section 414(q) of the Code) multiplied by 1.25.

(ii) The actual percentage of Salary Reduction Contributions (prior to reduction under Section 4.01(b) of the Plan) and, to the extent applicable, Employer Matching Contributions for all Highly Compensated Employees who are eligible to participate in the Plan shall not exceed the lesser of:

(A) the actual percentage of Salary Reduction Contributions (after reduction under Section 4.01(b) of the Plan) and, to the extent applicable, Employer Matching Contributions for all eligible Non-Highly Compensated Employees (except family members as defined in Section 414(q)(6) of the Code) plus 2 percentage points; or

(B) the actual percentage of Salary Reduction Contributions (after reduction under Section 4.01(b) of the Plan) and, to the extent applicable, Employer Matching Contributions for all eligible Non-Highly Compensated Employees (except family members as defined in Section 414(q)(6) of the Code) multiplied by 2.

For purposes of this subsection (e), the actual percentage of each eligible Employee's Salary Reduction Contributions and to the extent applicable, Employer Matching Contributions shall be determined by dividing such contributions by his compensation for the Plan Year as defined in Section 414(s) of the Code.

(f) Treatment of Excess Contributions. To the extent the limitations of Section 4.01(e) are exceeded for any Participant, the amount of such excess contribution plus any earnings or losses attributable thereto under Section 4.01(g) shall be paid to such Participant in cash by the December 31 following the close of the Plan Year in which either of such limitations are exceeded; provided, however, that such amount shall be reduced by the amount of excess deferrals plus any earnings or losses attributable thereto distributed to such Participant for such Plan Year. If such Participant is a member of the family of another Participant (as defined in Section 414(q)(6) of the Code) appropriate adjustment shall be made for all members of the family as provided in the Code.

(g) Calculation of Earnings. Earnings (and losses) attributable to any excess deferrals under Section 4.01(b) or excess contributions under Section 4.01(e) shall be equal to the total income (loss) allocable to a Participant's Salary Reduction Contribution Account and, to the extent applicable, Employer Matching Contribution Account, as determined under Section 6.06, multiplied by a fraction, the numerator of which is the total amount of excess deferrals or excess contributions and the denominator of which is the balance in the Participant's Salary Reduction Contribution Account on the last day of such Plan Year.

(h) Forfeiture of Matching Contributions. If a Highly Compensated Employee's Salary Reduction Contributions must be reduced in accordance with this Section 4.01, any Employer Matching Contributions attributable to such excess contributions shall be forfeited from the Participant's Account, whether or not such amount is vested under Article VII, and reallocated as provided in Section 5.03 to other Participants on or prior to the last day of the Plan Year following the close of the Plan Year in which such limitations are exceeded.

4.02 Employer Contributions.

(a) Employer Matching Contributions. Subject to the provisions of this Section and Section 4.03, the Employer will contribute and pay to the Trustee as Employer Matching Contributions an amount equal to twenty-five percent (25%) of the Participant's Salary Reduction Contributions, in cash provided, however that effective January 1, 1990, through December 31, 1991, the Company will contribute on behalf of all Participants who were Employees of the Company on November 6, 1990, an amount equal to fifty percent (50%) of such Participant's Salary Reduction Contributions. Forfeitures allocated pursuant to this Section shall be deemed Employer Non-Elective Contributions. Such Employer Non-Elective Contributions and forfeitures shall be allocated to the Participant's Account. Employees of the Graphics Systems Division of New Microtime, Inc. who became employed on October 20, 1994 shall not be eligible to receive Employer Matching Contributions until the first payroll period beginning on or after October 20, 1995.

(b) Maximum Contribution. If the Employer Matching Contributions, to the extent not used under Section 4.01(e), under Section 4.02(a), determined as a percentage of Compensation rounded to the nearest 100th of one percent, for all Highly Compensated Employees who are eligible to participate in the Plan exceed both limitations (i) and (ii) contained in Section 4.01(e) (determined by substituting the term Employer Matching Contributions for Salary Reduction Contributions), the Employer Matching Contributions allocated to such Highly Compensated Employees shall be reduced until one of such limitations is met. Such reduction shall be accomplished by determining the amount of such excess attributable to each Highly Compensated Employee plus any earnings or losses attributed thereto under Section 4.01(g), on or prior to December 31 following the close of the Plan Year in which such limitations are exceeded. The Employer Matching Contributions shall be reduced pro rata.

Any excess aggregate contributions plus any earnings (losses) attributed thereto under Section 4.01(g) shall be distributed to such Highly Compensated Employee on or prior to December 31 following the close of the Plan Year in which such limitations are exceeded. If such Participant is a member of the family of another Participant (as defined in Section 414(q) (6) of the Code)

appropriate adjustment shall be made for all members of the family as provided in the Code.

(c) Additional Tests. After all corrections have been made under Sections 4.01(b), 4.01(f) and 4.02(b), if the percentage of Salary Reduction Contributions and, to the extent applicable, Employer Matching Contributions for Highly Compensated Employees, as determined under Section 4.01(e), plus, to the extent applicable, Employer Matching Contributions not used under Section 4.01(e) for Highly Compensated Employees, as determined under Section 4.01(e), exceed the aggregate limit for Non-Highly Compensated Employees, the percentage of Employer Matching Contributions shall be retested using only the test set forth in Section 4.01(e)(i) and if there is an excess such excess shall be corrected as provided in Section 4.02(b) above. For purposes of this Section, the aggregate limit is the greater of the following:

- (i) the sum of (i) 125% of the greater of the percentage of Salary Reduction Contributions and, to the extent applicable, Employer Matching Contributions for Non-Highly Compensated Employees, as determined under Section 4.01(e), or the percentage of, to the extent applicable, Employer Matching Contributions for Non-Highly Compensated Employees, as determined under Section 4.01(e), and (ii) two plus the lesser of the percentages under (i), but in no event more than 200% of the lesser of the percentages under (i); or
- (ii) the sum of (i) 125% of the lesser of the percentage of Salary Reduction Contributions and, to the extent applicable, Employer Matching Contributions for Non-Highly Compensated Employees, as determined under Section 4.01(e), or the percentage of, to the extent applicable, Employer Matching Contributions for Non-Highly Compensated Employees, as determined under Section 4.01(e), and (ii) two plus the greater of the percentages under (i), but in no event more than 200% of the greater of the percentages under (i).

(e) Calculation of Earnings. Earnings (and losses) attributable to any excess aggregate contributions under Section 4.02(c) shall be equal to the total income (loss) allocable to a Participant's Employer Matching Contribution Account for the Plan Year as determined under Section 6.06, multiplied by a fraction, the numerator of which is the total amount of excess aggregate contributions and the denominator of which is the balance in the Participant's Employer Matching Contribution Account on the last day of such Plan Year.

4.03 Limitations upon Contributions.

(a) The foregoing provisions of this Article IV notwithstanding, in order to comply with Section 415 of the Code, the annual additions to a Participant's Accounts for any Plan Year shall not exceed the

lesser of \$30,000 (or such other amount as the Secretary of the Treasury or his delegate may hereafter prescribe) or 25% of such Participant's Compensation.

(b) (i) For purposes of this Section 4.03, the term "annual additions" means the sum of:

- (A) the Employer's contributions (including Salary Reduction Contributions) under the Plan or any other defined contribution plan maintained by the Employer on behalf of the Participant;
- (B) forfeitures, if any; and
- (C) the Participant's voluntary contributions under any other plan maintained by the Employer.

(ii) For purposes of this Section, Compensation means compensation as defined in Section 415 of the Code.

(c) In the event any Participant is covered under one or more defined benefit plans and one or more defined contribution plans maintained by an Employer, the sum of the defined contribution fraction as described in (i) below and the defined benefit fraction as described in (ii) below shall not exceed 1.0:

(i) The numerator of the defined contribution fraction shall be the sum of the annual additions credited to the Participant for all years as of the end of the year, and the denominator shall be the sum of the lesser of:

- (A) the product of 1.25 multiplied by \$30,000 (increased as permitted pursuant to Section 415(c)(1)(A) of the Code), or
- (B) the product of 1.4 multiplied by twenty-five percent (25%) of the Participant's Compensation, for such Plan Year and for each prior year, including years when he was not a Participant either because he was not eligible to participate or because the Employer did not maintain a defined contribution plan.

(ii) The numerator of the defined benefit fraction shall be the Participant's projected annual retirement benefit under the qualified defined benefit retirement plans maintained by the Employer, determined as of the end of the year, and the denominator shall be the lesser of:

- (A) the product of 1.25 multiplied by \$90,000 (increased as permitted pursuant to Section 415(d)(1)(A) of the Code), or
- (B) the product of 1.4 multiplied by one hundred percent (100%) of the

Participant's average Compensation for his high three (3) years.

In paragraphs (i) and (ii) above "1.0" shall be substituted for "1.25" for any Plan Year in which the Plan is a Top-Heavy Plan and the Employer Matching Contributions allocated to any Participant's Account is below four percent (4%) of his Compensation or, the Plan is a Top-Heavy Plan within the meaning of Section 416(g) of the Code if "ninety percent (90%)" is substituted for "sixty percent (60%)" in Sections 416(g)(1)(A) and 416(g)(2)(B) of the Code.

(d) To the extent that the limitation on annual additions to a Participant's Accounts expressed in paragraphs (a) or (c) above would be violated in any Plan Year, the Employer Matching Contributions and forfeitures allocated to such Participant shall be reduced. If such limitations are still exceeded, the Salary Reduction Contributions shall be reduced to comply with such limitation, if the limitations are violated due to a reasonable error in determining the amount of Salary Reduction Contributions a Participant may make.

4.04 Rollover Contributions. Under such rules and procedures as the Administrator may establish, any eligible Employee may make the following Rollover Contributions to the Plan:

- (i) All or a portion of the money received in a qualified total distribution or eligible rollover distribution from another qualified defined contribution or defined benefit plan, provided that such amount must be received by the Trustee within 60 days of the Employee's receipt of the distribution.
- (ii) All or a portion of the amount received as a distribution from an individual retirement account or an individual retirement annuity which contains only those amounts described in (i) above.

For the purposes of this Section, the term "qualified total distribution" means a distribution or payment of the balance to the credit of an employee which becomes payable to him after he attains age 59-1/2, as a result of his separation from the service of the employer which maintains the plan referred to in (i) above or on account of a termination of the plan of which such trust is a part or, in the case of a profit-sharing plan, a complete discontinuance of contributions under such plan. Such distribution or payment must be made within one taxable year of the employee from a trust which forms a part of a plan described in (i) above. The term "eligible rollover distribution" means any distribution of all or any portion of the balance to the credit of an employee in a qualified defined contribution plan or qualified defined benefit plan, except as otherwise provided in Treasury Regulations issued under Section 402 of the Code.

The amount contributed pursuant to this Section shall be allocated to the Employee's Rollover Contribution Account and shall be 100% vested from the date of contribution. Such contribution shall not be subject to the limitations set forth in Section 4.03 hereof.

4.05 Administrative Expenses. The Employer hopes to provide all funds required for the administrative expenses of the Plan in addition to Employer Matching Contributions. To the extent that any administrative expenses of the Plan are not paid by the Employer, such expenses shall be paid from the Trust and shall be treated as an expense of the Trust. No amount contributed by the Employer in payment of administrative expenses shall be allocated to

Participants.

ARTICLE V
ALLOCATION OF EMPLOYER CONTRIBUTIONS AND FORFEITURES

5.01 Employer Minimum Contribution. Notwithstanding any provision of the Plan to the contrary, for any Plan Year in which the Plan is a Top-Heavy Plan, no Account Balance of any Participant who is a Non-Key Employee and who is employed on the last day of the Plan Year shall be credited with Employer Matching Contributions and forfeitures for such Plan Year that are in the aggregate less than a certain percentage of the Participant's Compensation. The required percentage is the lesser of:

- (i) three percent (3%), or
- (ii) the percentage of Salary Reduction Contributions and Employer Matching Contributions made on behalf of the Key Employee for whom such percentage is the highest for such Plan Year, such percentage to be determined by dividing the Salary Reduction Contributions, and Employer Matching Contributions made on behalf of such Key Employee by his Compensation.

Such Non-Key Employees shall be credited with Employer Matching Contributions and forfeitures pursuant to this subsection whether or not they make Salary Reduction Contributions. For purposes of this Section, Compensation means total compensation paid by the Employer to an Employee during the Plan Year as reported as wages on the Participant's Form W-2 for Federal Income Tax purposes.

5.02 Forfeitures. During each Plan Year, any forfeitures shall first be made available to reinstate previously forfeited Accounts of former Participants who have become re-employed by the Employer. The remaining forfeitures, if any, shall be allocated among the Participants' Accounts who are employed on the last day of the Plan Year and have completed 1,000 or more Hours of Service during such Plan Year in the same proportion that such Participant's Salary Reduction Contributions for the Plan Year bears to the total Salary Reduction Contributions of all such Participants for that year.

ARTICLE VI
INVESTMENT PROVISIONS

6.01 Investment Funds. The Company in its sole discretion, may establish Investment Funds.

6.02 Investment of Contributions. Each Salary Reduction Contribution, Employer Matching Contribution, and Rollover Contribution shall be invested in such of the Investment Funds as the Participant shall elect in accordance

with Section 3.02, and shall remain so invested except to the extent a transfer pursuant to Section 6.03 has been effected. Such election shall specify in such percentage increments as determined by the Administrator the percentage of such contributions to be invested in each such Investment Fund. Any change in such election must be filed such advance notice as required by the Administrator.

6.03 Transfer between Funds. A Participant may elect to transfer all or a portion of the amounts in his Salary Reduction Contribution Account, Employer Matching Contribution Account, and Rollover Contribution Account as of the time of reference, invested in any one or more Investment Funds to any one or more other Investment Funds. Such election shall specify in such percentage increments as determined by the Administrator the percentage of such contributions to be invested in each such Investment Fund. Any change in such election must be filed such advance notice as required by the Administrator.

6.04 Investment of Investment Funds. Each Investment Fund shall at all times consist of such sums of money or other property as shall be allocated or transferred to it for investment, all investments made by it and proceeds received on the disposition of such investments, and all of its earnings and profits, less the payments or transfers which at the time of reference shall have been made from each such Investment Fund as provided in the Plan.

6.05 Accounting for Participants' Shares. The Administrator shall maintain for each Participant an individual accounting showing his share in each Investment Fund in which his contributions have been invested.

6.06 Adjustment for Investment Experience.

(a) As of each Allocation Date, the Administrator shall adjust the Salary Reduction Contribution Account, Employer Matching Contribution Account, and Rollover Contribution Account Balances of each Participant to reflect the Participant's proportionate share of investment experience, including gains and losses (both realized and unrealized) of each Investment Fund since the preceding Allocation Date.

(b) For purposes of paragraph (a), each Participant's proportionate share of investment experience as of an Allocation Date shall be based on gains and losses determined with respect to the Participant's interest in the Investment Fund as of the preceding Allocation Date, decreased by any distributions made therefrom.

6.07 Composition of Accountings. With respect to each accounting of a Participant's share in the Fund, the Administrator shall segregate the portion of the amounts attributable to Salary Reduction Contributions, Employer Matching Contributions, and Rollover Contributions and shall allocate to each segregated account any earnings attributable thereto.

ARTICLE VII VESTING

7.01 Regular Vesting.

(a) Full Vesting. Each Participant shall be 100% vested in amounts in his Salary Reduction Contribution Account, and Rollover Contribution Account at all times.

Additionally, each Participant shall have a nonforfeitable interest in the entire amount of all of his Account Balances in the event of:

- (i) death prior to termination of employment,
- (ii) attainment of age 55 (after completing 10 Years of Service),
- (iii) attainment of age 65, or the fifth anniversary of the date the Participant first became eligible to participate in the Plan, if later,
- (iv) termination of employment due to Total and Permanent Disability, or
- (v) termination or partial termination of the Plan (to the extent that the Participant is affected by such partial termination) or complete discontinuance of Employer Contributions under the Plan.

(b) Vesting Schedule. Each Participant shall be vested in amounts in his Employer Matching Contribution Account according to the following schedule:

Years of Service	Percentage Vested
Less than 3 Years	0%
3 Years	20%
4 Years	40%
5 Years	60%
6 Years	80%
7 Years or more	100%

7.02 Accelerated Vesting for Top-Heavy Plan. If in any Plan Year the Plan is a Top-Heavy Plan, a Participant's nonforfeitable percentage of the balance in his Employer Matching Contribution Account shall be determined according to the following schedule:

Years of Service	Percentage Vested
-----	-----
Less than 2 Years	0%
2 Years	20%
3 Years	40%
4 Years	60%
5 Years	80%
6 Years or more	100%

If the Plan is a Top-Heavy Plan in any Plan Year, and subsequently ceases to be a Top-Heavy Plan, a Participant's nonforfeitable interest for such subsequent years shall be determined according to Section 7.01; provided, however, that the portion of a Participant's Account balance vested under this Section 7.02 shall remain vested and nonforfeitable.

ARTICLE VIII
WITHDRAWALS

8.01 Withdrawal of Funds.

(a) Withdrawals of Salary Reduction Contributions. A Participant may on an appropriate form filed with the Administrator elect to withdraw funds from his Salary Reduction Contribution Account which are solely attributable to Salary Reduction Contributions; provided, however, that a Participant may make a withdrawal only if and to the extent that the Administrator determines that a hardship (as defined in paragraph b) exists with respect to the Participant. In the absence of such a hardship, no Participant Salary Reduction Contributions may be distributed to a Participant until the earliest of the Participant's retirement, death, disability, Separation from Service, or attainment of age 59-1/2.

(b) Hardship. Hardship shall mean immediate and heavy financial needs of a Participant that cannot reasonably be met from other sources of the Participant, as determined in accordance with the provisions of this Section. Immediate and heavy financial need of a Participant shall exist in the following situations: (1) medical expenses described in Section 213(d) of the Code incurred by the Participant, the Participant's spouse or any of the Participant's dependents or necessary for those persons to obtain medical care described in Section 213(d) of the Code; (2) purchase of a principal residence by the Participant; (3) payment of tuition and related educational expenses for the next twelve (12) months of post-secondary education for the Participant, the Participant's spouse, or any of the Participant's children or dependents; or (4) the need to prevent eviction of the Participant from his principal residence or foreclosure on the mortgage of such residence. Distribution cannot reasonably be met from other sources of the Participant when the following actions occur: (1) the distribution does not exceed the amount necessary to satisfy the immediate and heavy financial need (including any amounts necessary to pay any taxes or penalties resulting from the hardship withdrawal); (2) the Participant has obtained all other available distributions and nontaxable loans available under all qualified plans maintained by the Employer; and (3) the Participant's contributions are limited and suspended as provided in Sections 4.01(a) and 4.01(d).

(c) Withdrawal After Age 59 1/2. Upon the attainment of age 59 1/2, a Participant may elect to withdraw all or a portion of the vested portion of his Employer Matching Contribution Account.

(d) General Rules. Amounts withdrawn shall be removed from the Participant's shares in the Investment Funds in the proportion the Participant's share in each Investment Fund bears to the total amount credited to the Participant in all such Investment Funds as of the date of withdrawal and shall be paid in cash. Any withdrawal distribution shall be made to the Participant as soon as practicable after such request is submitted.

ARTICLE IX
DISTRIBUTION OF BENEFITS

9.01 Separation from Service.

(a) Any Participant who has a Separation from Service for any reason including retirement, death or Total and Permanent Disability shall be entitled to receive the vested portion of his Account Balance as of the Valuation Date following his Separation from Service. Each Participant shall have the option, to be exercised by a written direction to the Administrator, to elect to receive retirement benefits in one or a combination of the following modes:

(1) Paid in a lump sum;

(2) Paid in annual or more frequent installments from the Fund, over a period certain not to exceed the longer of (i) the life of the Participant, (ii) the lives of the Participant and a designated Beneficiary, (iii) the life expectancy of the Participant, or (iv) the joint and last survivor expectancy of the Participant and a designated Beneficiary; provided that in no event shall the survival of the Participant, his spouse, or his Beneficiary be required as a condition for payment; or

(3) Applied to purchase an annuity, over a period not to exceed the longer of the life of the Participant; the lives of the Participant and a designated Beneficiary; a period certain not extending, beyond the life expectancy of the Participant; or a period certain not extending beyond the joint and last survivor expectancy of the Participant and a designated Beneficiary.

If any portion of the amount to which a Participant is entitled is to be paid in installments, the Administrator shall direct the Trustee to set aside such amount in a separate account for the Participant. At the discretion of the Trustee, each separate account may be (i) invested in fixed income mutual funds or common trust funds, U.S. Bonds, certificates of deposit, commercial paper, treasury bills, or similar investments, (ii) deposited in a savings account, or (iii) invested in mutual funds or any other type of equity investment which provides for periodic withdrawals within the limitations of this Plan. Net earnings or losses of each separate account shall be credited or debited to the Participant's Account in lieu of the allocation of earnings or losses of the Trust. If no separate account is established, the Participant's Account shall remain invested in accordance with the terms then applicable to such Account. Interest on the segregated account shall be distributed at least once a year to the person or persons receiving the installment payments.

(b) Cash-out Provisions. If the total vested portion of a Participant's Account Balance, as of the applicable Valuation Date, does not exceed \$3,500, the Administrator shall direct the Trustee to distribute the vested portion of the Participant's Accounts to which he is entitled to the Participant as soon as practicable after his Separation from Service occurs. If the total vested portion of a Participant's Account Balance exceeds \$3,500, distribution to a Participant who has a Separation from Service for any reason except death may commence prior to the time the Participant attains age 65 only with the Participant's consent. Benefits that are not so paid to a Participant shall be held by the Trustee and distributed as soon as practicable following such Participant's attainment of age 65.

(c) Commencement of Benefits. Payment of the amounts to which

a Participant is entitled shall generally commence within 60 days after the last day of the Plan Year in which a Separation from Service occurs. Notwithstanding any other provision of the Plan to the contrary, payment of the Account Balance shall not commence later than the first day of April of the calendar year following the calendar year in which the Participant attains age 70-1/2.

If the Participant's Account Balance is to be distributed in other than a lump-sum and the Participant's designated Beneficiary is not his spouse, distribution must be made over a period which complies with the incidental death benefit rules of Section 401(a)(9)(G) of the Code.

(d) Forfeitures. Any balance remaining in the Employer Matching Contribution Account of a Participant after all payments due him have been made or adequately provided for shall first be made available to reinstate previously forfeited Account Balances and any remaining forfeitures, shall be allocated as provided in Section 5.02; provided, however, that forfeitures shall not be allocated until the earlier of the date such Participant received a distribution or incurred five Breaks in Service.

9.02 Death Benefits.

(a) If a Participant dies after distribution of his retirement benefits has commenced, the remaining portion of his benefits shall continue to be distributed to the Participant's Beneficiary at least as frequently as under the method of distribution being used prior to the Participant's death.

(b) If a Participant dies before the distribution of his Account Balance has been made, distribution to the Participant's Beneficiary shall be made in one of the modes set forth in Section 9.01 as the Participant's Beneficiary, in his sole discretion, may determine. Such distribution shall be made as soon as practicable after the Valuation Date preceding the death of the Participant or at such later date as the Participant's Beneficiary may elect. In no event may the total amount credited to such Participant's Accounts be distributed to the Participant's Beneficiary after five years after the death of the Participant, subject to the following exceptions:

- (1) If payments are made in installments, distributions must be made in substantially equal installments over a period certain not exceeding the life expectancy of the designated Beneficiary, commencing no later than one year after the Participant's death;
- (2) If the designated Beneficiary is the Participant's surviving spouse, distributions may be made in substantially equal installments over a period certain not exceeding the spouse's life expectancy, commencing no later than the date on which the Participant would have attained age 70-1/2, and, if the spouse dies before payments begin, subsequent distributions shall be made as if the spouse had been the Participant. Any amount paid to a child of the Participant will be treated as if it had been paid to the surviving spouse if the amount becomes payable to the surviving spouse upon the child reaching the age of majority (or other

designated event permitted under the Code).

(c) Any death benefit shall be paid to any person or persons that the Participant has designated, in the manner prescribed by the Administrator, as primary or contingent Beneficiaries. Any designation which does not name the Participant's spouse as the Participant's Beneficiary shall only be given effect if:

- (i) the spouse of the Participant consents in writing to such election, the spouse's consent acknowledges the effect of such election and such consent is witnessed by a Plan representative or a notary public; or
- (ii) the Participant has no spouse or it is established to the satisfaction of the Administrator and in accordance with the Code that the spouse cannot be located. If the Participant is not survived by a designated Beneficiary with respect to all or a part of his Account Balance, or if the designation does not meet the requirements of this Section, the Participant's Beneficiary with respect to such Account Balance or part thereof shall be the Participant's spouse, if then living, or if not, the Participant's estate.

9.03 Valuation for Distribution. The amounts due any Participant or his Beneficiary under this Article IX shall be determined by the Administrator on the basis of his Account Balance as of the most recent Valuation Date preceding the date of distribution.

9.04 Service Credits.

(a) If a Participant has not received a distribution of any portion of his Account Balance and again becomes an Employee before he has had five consecutive Breaks in Service, his Accounts shall be recredited with the amounts forfeited under Section 9.01 and credited with the amount of earnings or losses that were attributable to the forfeited amounts based on the actual investment performance of the Fund since the date of his Separation from Service. Any amount so credited shall be treated as a reduction in the forfeitures for the Plan Year in which the restoration is made.

(b) If a Participant who receives a distribution and is not 100% vested again becomes an eligible Employee before incurring five consecutive Breaks in Service, his Accounts shall be credited with the amounts forfeited under Section 9.01, if the Participant repays to the Plan the entire amount of the distribution on or before the fifth anniversary after the date on which such Employee received such a distribution. Any amount so credited shall be treated as a reduction in the forfeitures for the Plan Year in which the restoration is made.

(c) If a vested Participant has a Separation from Service and does not again become an eligible Employee before incurring five consecutive Breaks in Service, his nonforfeitable interest shall be his remaining Account Balance (as reduced by the forfeiture under Section 9.01 and the prior distribution), if any, which shall be accounted for separately and in which he shall at all times thereafter have a 100% nonforfeitable interest. If the

Participant again becomes a Participant, new accounts shall be established for him, and his nonforfeitable interest therein shall be determined under the generally applicable provisions of the Plan.

(d) An Employee's Years of Service shall be cancelled if he has five consecutive Breaks in Service at a time when he has no nonforfeitable interest in his Account Balance. The Years of Service of a former Employee whose Years of Service have been cancelled shall be restored if he again becomes an Employee and completes a Year of Service before the number of his consecutive Breaks in Service equals or exceeds the number of his cancelled Years of Service.

9.05. Joint and Survivor Annuity or Preretirement Survivor Annuity.

(a) Qualified Joint and Survivor Annuity. If a Participant elects, pursuant to Section 9.01(a)(3) to receive a distribution in the form of an annuity, distribution shall be made by the purchase of an annuity contract with such company and containing such terms and provisions as the Administrator may deem appropriate. As long as a Participant and his spouse are married on the date payments are to commence under the annuity contract the Participant shall receive an annuity payable for the lifetime of the Participant with a survivor annuity for the Participant's spouse. The joint and survivor annuity option shall be a life annuity for the life of the Participant with a survivor annuity for the life of his spouse in an amount equal to 50% of the amount of the annuity payable during the joint lives of the Participant and his spouse. A married Participant may elect to receive smaller annuity payments with continuation of payments to his spouse at a rate of 75% or 100% of the rate payable to the Participant during his lifetime. This automatic application or an election not to take this automatic application shall be subject to revocation or change according to the election procedures described in this Section.

(b) Qualified Preretirement Survivor Annuity. If a Participant or his Beneficiary elects, pursuant to Section 9.1, to receive a distribution upon the death of the Participant prior to the commencement of payments under this Article VII, distribution shall be made by the purchase of an annuity contract or contracts, other than contracts transferable by the spouse of a Participant, with such company or companies containing such terms and provisions as the Administrator may deem appropriate. If the Participant is married on the appropriate retirement date or upon his death, the Participant's surviving spouse shall receive a preretirement survivor annuity payable for the lifetime of the Participant's spouse. A Participant or his Beneficiary shall have the right to elect not to receive a preretirement survivor annuity by making an election to receive another form of benefit as allowed by Section this Section.

(c) Notice. In the case of a qualified joint and survivor annuity, at least thirty (30) days and no more than ninety (90) days before distributions commence to a Participant, the Administrator shall provide each Participant who elects to receive an annuity with a written explanation in non-technical language of: (i) the terms and conditions of the qualified joint and survivor annuity, (ii) the optional retirement forms and the financial effect upon the Participant's retirement benefits (in terms of dollars per annuity payment) of making an election; (iii) the Participant's right to make and the effect of an election to waive the qualified joint and survivor annuity provided in Section 9.05; (iv) his right to revoke such election and the effect of such revocation; and (v) the rights of the Participant's spouse. In the case of a Participant who elects to receive a preretirement survivor annuity, the

Administrator shall provide each Participant with a notice similar to that provided for the joint and survivor annuity.

(d) General Rules. A Participant who elects to receive an annuity may only elect to waive the distribution rules contained in this Section as provided in this subsection (d). A Participant may elect to waive the joint and survivor annuity within the ninety (90) day period prior to the date distributions commence to such Participant. A Participant may elect to waive the preretirement survivor annuity within the period commencing on the earlier of (i) the Participant's Separation from Service or (ii) the first day of the Plan Year in which the Participant attains age thirty-five (35) and ending on the date of the Participant's death. A Participant who will not yet attain age thirty-five (35) as of the end of any current Plan Year may elect to waive the preretirement survivor annuity for the period beginning on the date of such election and ending on the first day of the Plan Year in which such Participant will attain age thirty-five (35). Preretirement survivor annuity coverage will automatically be reinstated as of the first day of the Plan Year in which the Participant attains age thirty-five (35). After attaining the age of thirty-five (35), a Participant must again elect to waive the preretirement survivor annuity. Any new waiver on or after such date shall be subject to the full requirements of this Section.

(e) Elections. A Participant who elects to receive an annuity may elect to waive the joint and survivor annuity or revoke such election at any time during the applicable election period. An election shall only be given effect if the spouse of the Participant consents in writing to such election; the election designates a specific Beneficiary (including any class of beneficiaries or any contingent beneficiaries), which may not be changed without spousal consent (unless the spouse expressly permits designations by the Participant without additional spousal consent); the spouse's consent acknowledges the effect of such election and such consent is witnessed by a plan representative or a notary public. A Participant's election to waive a joint and survivor annuity must designate a form of benefit payment which may not be changed without spousal consent, unless the spouse's consent expressly permits designation by the Participant without any spousal consent. If it is established to the satisfaction of the Administrator that a Participant has no spouse, his spouse cannot be located or in other circumstances provided in the regulations, no spousal consent shall be required. Any spousal consent or lack of requirement of such consent shall only be effective with respect to such spouse. A revocation of a prior waiver may be made by a Participant without the consent of the spouse at any time prior to the commencement of benefits. The number of revocations shall not be limited. No consent obtained under this provision shall be valid unless the Participant has received the notice required in this Section.

9.06 Distribution Requirements

(a) The Administrator shall furnish each Participant, no less than 30 days and no more than 90 days prior to the date such Participant will receive a distribution pursuant to this Article IX, with a written explanation of his right to elect a Direct Rollover and the withholding consequences of not making such election. A Participant may elect to waive the 30-day time period set forth in the preceding sentence.

(b) Unless a Participant elects a Direct Rollover, as defined in Section 9.06(c), 20% of the amount of the distribution shall be subject to

Internal Revenue Service Income Tax Withholding. If a Participant's Account Balance is less than \$200 (or such other amount as prescribed by the Internal Revenue Service), the foregoing withholding requirement shall not apply.

(c) A "Direct Rollover" is an eligible rollover distribution (as defined in Treasury Regulations issued pursuant to Sections 401(a)(31) and 402(c) of the Code) that is paid directly to an individual retirement plan or a qualified defined contribution plan for the Participant's benefit. A Participant may elect to have a portion of an eligible rollover distribution distributed to him and a portion distributed as a Direct Rollover. A Direct Rollover of a Participant's Account or a portion thereof may only be made to a single recipient plan. A Participant may not elect a Direct Rollover of a distribution less than \$200 (\$500 if the Participant is electing a Direct Rollover of only a portion of his Account). A Participant electing a Direct Rollover shall be required to furnish the Administrator with adequate information with respect to the recipient plan, including, but not limited to, the name of the recipient plan and a representation that the recipient plan is an eligible individual retirement plan or qualified defined contribution plan and that it will accept the Participant's Direct Rollover.

If a Participant fails to elect a Direct Rollover or provide the Administrator with adequate information in order to make a Direct Rollover prior to the date distribution is to be made to such Participant, such Participant shall be deemed not to have elected a Direct Rollover.

(d) The foregoing requirements of this Section shall apply to distributions made to the spouse of a Participant as a result of the death of the Participant or pursuant to a Qualified Domestic Relations Order, as defined in Code Section 414(p); provided, however, that if a distribution to a spouse is made as a result of the death of the Participant, such spouse may only elect to have such distribution paid directly to the spouse or paid directly to an individual retirement plan (not to a qualified defined contribution plan).

ARTICLE X QUALIFIED DOMESTIC RELATIONS ORDERS

10.01 General Rules. Notwithstanding anything contained in this Plan to the contrary, in the case of any Qualified Domestic Relations Order whereby a distribution will be made, a distribution may be made in accordance with this Article X.

10.02 Definitions. The following definitions will be used within this Article X.

(a) "Qualified Domestic Relations Order" shall mean a Domestic Relations Order (as defined in (b) below) which:

- (i) creates or recognizes the existence of an Alternate Payee's right to, or assigns to an Alternate Payee the right to, receive all or a portion of the benefits payable with respect to a Participant under this Plan;
- (ii) clearly specifies: (A) the name and last known

mailing address of the Participant and the name and mailing address of each Alternate Payee covered by such order; (B) the amount or percentage of the Participant's Account Balances to be paid by the Plan to each such Alternate Payee, or the manner in which such amount or percentage is to be determined; (C) the number of payments or period to which such order applies; and (D) each Plan to which such order applies; and

(iii) does not require:

(A) the Plan to provide any type or form of benefit, or any option, not otherwise provided under the Plan except that the order may require payment to be made prior to the time a Participant has separated from service so long as payment does not commence prior to the time the Participant attains age fifty (50);

(B) the payment of benefits to an Alternate Payee which are required to be paid to another Alternate Payee under another order previously determined to be a Qualified Domestic Relations Order.

(b) "Domestic Relations Order" shall mean any judgment, decree, or order (including approval of a property settlement agreement) which:

(i) relates to the provisions of child support, alimony payments, or marital property rights to a spouse, child, or other dependent of a Participant; and

(ii) is made pursuant to a state domestic relations law, including a community property law.

(c) "Alternate Payee" shall mean any spouse, former spouse, child or other dependent of a Participant who is recognized by a Domestic Relations Order as having a right to receive all or a portion of the benefits payable under the Plan with respect to such Participant.

10.03 Distributions. Distributions pursuant to a Qualified Domestic Relations Order shall only be made in the manner, form and time as the distribution rules set forth in Article IX of this Plan except that payment may commence prior to the time a Participant has separated from service so long as payment does not commence prior to the time a Participant has attained age fifty (50).

10.04 Notice. Upon receipt of a Domestic Relations Order, the Administrator shall promptly notify the Participant and any Alternate Payee of the receipt of such order and the procedures for determining the qualified status of such order. After making a determination as to the qualified status of such order, the Administrator shall notify the Participant and each Alternate Payee of such determination.

10.05 Plan Procedures. Upon receipt of a Domestic Relations Order, the Administrator shall give due consideration and review to the order and shall determine whether or not the order is qualified within nine (9) months of

receipt of such order unless special circumstances require an extension of time to determine the qualified status of such order. If such an extension of time is required, written notice of the extension shall be furnished to the Participant and each Alternate Payee prior to the expiration of such initial nine (9) month period. The extension notice shall indicate the special circumstances requiring an extension of time and the date by which the Administrator expects to render a final decision which date may not exceed an additional nine (9) months after the initial period expires unless the qualified status of such order is being determined by a court of competent jurisdiction. If a court of competent jurisdiction is determining the status of an order, in no event shall a final decision be rendered prior to the time the status of such order is determined to be non-qualified by the Administrator, the Administrator shall furnish the claimant with a written notice setting forth (in a manner calculated to be understood by the claimant) the specific reason or reasons for the determination of the non-qualified status of the order.

10.06 Segregation and Payment of Benefits. During any period in which the issue of whether a Domestic Relations Order is qualified is being determined by the Administrator, by a court of competent jurisdiction, or otherwise, the Administrator shall order the Trustee to determine the amount which would have been payable to the Alternate Payee during such period if the order had been determined to be a Qualified Domestic Relations Order. The amount shall be segregated and invested in a savings account or certificate of deposit. There shall be allocated to said segregated amount all interest earned on such savings account or certificate of deposit. If within eighteen (18) months after receipt of the order, or modification thereof, it is determined to be a Qualified Domestic Relations Order, the Administrator shall order the Trustee to pay the amounts plus increments thereto to the person or persons entitled thereto. If within eighteen (18) months after receipt it is determined that the order is not a Qualified Domestic Relations Order, or the issue as to whether such order is a Qualified Domestic Relations Order is not resolved, then the Administrator shall order the Trustee to pay the amounts plus increments thereto to the person or persons who would have been entitled to such amounts if there had been no order. If the determination of the qualified status of a Domestic Relations Order is made after eighteen (18) months after receipt, the order shall only apply to benefits distributed after the date of such determination.

ARTICLE XI TRUST

11.01 Trustee. All contributions to the Plan by either the Participants or the Employer shall be paid to the Trustee who shall be designated by the Company, with such powers as to investment, reinvestment, control and disbursement of the Fund as may be provided in the Trust Agreement. The Administrator shall determine the manner in which the Fund shall be disbursed, in accordance with the Plan and the provisions of the Trust Agreement.

11.02 Trust for Exclusive Benefit of Employees. Except as provided in subparagraphs (a) through (c) below, all assets of the Plan shall be held in the

Trust created for the exclusive benefit of the Employees, former Employees and their Beneficiaries.

(a) In the case of a contribution that is made to the Plan under a mistake of fact, this Article XI shall not prohibit the return to the Employer at the written direction of the Administrator of such contribution within one year after the payment of the contribution.

(b) Each contribution by the Employer is expressly conditioned on the initial qualification of the Plan under Section 401 of the Code, and if the Plan does not so qualify, then this Article XI shall not prohibit the return to the Employer at the written direction of the Administrator of such contribution within one year after the date of a denial of qualification; provided, that application for the determination was made by the time prescribed by law for filing the Company's Federal tax return for the taxable year in which the Plan was adopted or such later date as prescribed by the Secretary of the Treasury.

(c) Each contribution by the Employer is expressly conditioned upon the deductibility of the contribution under Section 404 of the Code, and to the extent the deduction is disallowed, this Article XI shall not prohibit the return to the Employer, at the written direction of the Administrator, of such contribution (to the extent disallowed) within one year after the disallowance of its deduction.

ARTICLE XII
AMENDMENT, TERMINATION AND MERGER

12.01 Amendment. The Company shall have the right at any time, and from time to time, to amend, in whole or in part, any or all of the provisions of this Plan. However, no such amendment shall authorize or permit any part of the Fund to be used for or diverted to purposes other than for the exclusive benefit of the Participants or their Beneficiaries; no such amendment shall cause any reduction in the value of funds theretofore credited to any Participant, or cause or permit any portion of the Fund to revert to or become the property of the Employer; and no such amendment which affects the rights, duties or responsibilities of the Trustee may be made without the Trustee's written consent. Any such amendment which affects the rights, duties or responsibilities of the Trustee shall only become effective upon delivery of a written instrument, executed by the Company, to the Trustee and the endorsement of the Trustee of his written consent thereto, if such consent is required.

12.02 Termination; Discontinuance of Contributions. Although the Company intends this Plan to continue indefinitely, each Employer reserves the right at any time to discontinue its contributions hereunder and the Company reserves the right at any time to terminate this Plan hereby created. Upon termination of or permanent discontinuance of contributions under the Plan, the Employer or the Company shall deliver to the Trustee written notice of such discontinuance or termination.

Upon permanent discontinuance of the Employer's contributions to or complete or partial termination of the Plan, irrespective of whether written

notice thereof was given to the Trustee, all affected Participants' Accounts shall continue to be fully vested. Upon termination of the Plan, the Company shall direct the Trustee to distribute all assets remaining in the Trust, after payment of any expenses properly chargeable against the Trust, to the Participants in accordance with the value of their Accounts as of the date of such termination. Alternatively, upon termination of or permanent discontinuance of contributions under the Plan, the Company may direct the Trustee to hold the vested funds of all Participants and to distribute such funds from the Trust, under the modes of distribution provided in Article IX, upon Separation from Service, retirement, death or disability of such Participants.

12.03 Merger. This Plan shall not be merged or consolidated with, nor shall any assets or liabilities be transferred to, any other plan, unless the benefits payable to each Participant if the Plan were terminated immediately after such action would be equal to or greater than the benefits to which such Participant would have been entitled if this Plan had been terminated immediately before such action.

ARTICLE XIII MISCELLANEOUS

13.01 Participants' Rights. Neither the establishment of the Plan hereby created, nor any modification thereof, nor the creation of any fund or account, nor the payment of any benefits, shall be construed as giving to any Participant or other person any legal or equitable right against the Employer, or any officer or Employee thereof, or the Trustee, except as herein provided. Under no circumstances shall the terms of employment of any Participant be modified or in any way affected hereby.

13.02 Non-Assignability of Benefits. The provisions of this Plan are intended as personal protection for the Participants. A Participant shall not have any right to assign, anticipate or hypothecate any assets held for his benefit, including amounts credited to his Accounts. The benefits under this Plan shall not be subject to seizure by legal process or be in any way subject to claims of the Participant's creditors, including, without limitation, any liability for contracts, debts, torts, alimony or support of any relative except as provided under a qualified domestic relations order as defined in Section 414(p) of the Code. The Plan's benefits or the Trust assets shall not be considered an asset of a Participant in the event of his insolvency or bankruptcy.

If a Participant shall attempt to assign, anticipate or hypothecate any assets held for his benefit, or should such benefits be received by anyone other than the Participant or his designated Beneficiary, the Administrator, in its sole and absolute discretion, may terminate the Participant's interest in such benefits and instruct the Trustee to hold or apply the benefits for the Participant, his spouse, children or other dependents.

13.03 Delegation of Authority by Employer. Whenever the Employer or the Company under the terms of this Plan is permitted or required to do or perform any act or matter or thing it shall be done and performed by any duly authorized

delegate.

13.04 Construction of Plan. This Plan shall be construed according to the laws of the State of Connecticut and all provisions hereof shall be administered according to the laws of such state.

13.05 Gender and Number. Wherever any words are used herein in the masculine gender they shall be construed as though they were also used in the feminine or neuter gender in all cases where they would so apply, and wherever any words are used herein in the singular form they shall be construed as though they were also used in the plural form in all cases where they would so apply, and vice versa.

13.06 Approval of Internal Revenue Service. This Plan shall be submitted, as soon as practicable, to the Internal Revenue Service for approval. Any other provision of this Plan to the contrary notwithstanding, if the Internal Revenue Service determines that the Plan does not qualify under Sections 401 and 501 of the Code, all Employer Matching Contributions shall be returned to the Employer by the Trustee and all Salary Reduction Contributions and Rollover Contributions shall be returned to the Employees to whose Accounts they are credited.

13.07 Incapacity to Receive Distributions. If any person entitled to receive any benefit under the Plan is, in the judgment of the Administrator, legally, physically or mentally incapable of personally receiving and receipting for any distribution, the Administrator may instruct the Trustee to make distribution to such other person, persons, or institutions as, in the judgment of the Administrator, then maintain or have custody of such person. Such payments shall, to the extent thereof, discharge all liability of the Company, the Employer, the Administrator and the Trust.

13.08 Location of Participant or Beneficiary. In the event that any benefit shall become payable hereunder to any person and if, after written notice from the Trustee mailed to such person's last known address as certified to the Trustee by the Administrator, such person shall not present himself to the Trustee within two years after the mailing of such notice, the Trustee shall notify the Administrator thereof. The Administrator shall thereupon attempt to locate such person or, failing in such effort, to locate such person's designated Beneficiary, if applicable. If the Administrator fails to locate such person or his Beneficiary, it shall attempt to locate such person's spouse and/or blood relatives and to allocate the benefit among such persons in such manner as the Administrator in its absolute discretion deems equitable. If such person, Beneficiary, spouse or blood relatives cannot be located, the Administrator shall treat the benefit as a forfeited amount to be used to reduce future Employer Matching Contributions; provided, however, that in the event that such person is subsequently located such benefit shall be restored and paid to him. The Administrator's obligation to locate individuals under this Section shall be satisfied if the Administrator employs reasonable efforts to that end.

IN WITNESS WHEREOF, this Plan has been executed this 13th day of October, 1994.

WITNESS:

EMPLOYER:
ANDERSEN GROUP, INC.

/s/ Susan B. Logie

By: /s/ Francis E. Baker
Its: President

AMENDMENT NO. 1 TO THE
ANDERSEN GROUP INDIVIDUAL
RETIREMENT PLAN

The Andersen Group Individual Retirement Plan (the "Plan") is hereby amended, effective April 1, 1995, pursuant to Section 12.01 as follows:

I.

Section 1.13 of the Plan is amended in its entirety as follows:

1.13 "Employee." A person who is receiving remuneration for personal services rendered to the Employer, or who would be receiving such remuneration except for an Authorized Leave of Absence. Effective April 1, 1995, employees of Digital GraphiX, Incorporated shall not be Employees for purposes of the Plan.

II.

Section 1.14 of the Plan is amended in its entirety as follows:

1.14 "Employer." The Company and Microtime, Inc. and any successor thereto which adopts this Plan in writing and any other company (or successor thereto) which adopts this Plan in writing and in connection with the Company. Effective April 1, 1995, Digital GraphiX, Incorporated shall not be an Employer hereunder.

III.

If there shall be any inconsistency between the provisions of this Amendment No. 1 and the Plan, this Amendment No. 1 shall control.

AMENDMENT executed this 13th day of April, 1995.

ANDERSEN GROUP, INC.

By:/s/Francis E. Baker
Its: President

AMENDMENT NO. 2
TO THE
ANDERSEN GROUP INDIVIDUAL RETIREMENT PLAN

The Andersen Group Individual Retirement Plan ("Plan") is amended effective November 28, 1995, pursuant to Section 12.01 thereof as follows:

I.

Article VII of the Plan is amended by adding the following new Section 7.03 at the end thereof:

"7.03 Employees Terminated Due to Sale of Ney Dental International, Inc.

Notwithstanding Sections 7.01 and 7.02, each Participant who ceased to be an Employee (i) on November 28, 1995 due to the sale of Ney Dental International, Inc., (ii) on such later date as such Participant transferred employment to Ney Dental International, Inc., or (iii) on such later date as such Participant's employment was terminated as a direct result of the sale of Ney Dental International, Inc. shall have a nonforfeitable interest in the entire amount of all of his Account Balances as of such date."

II.

If there shall be any inconsistency between the provisions of the Plan and Amendment No. 1 and this Amendment No. 2, this Amendment No. 2 shall control.

Amendment No. 2 executed at Bloomfield, Connecticut this 16th day of January, 1996.

ANDERSEN GROUP, INC.

By:/s/Francis E. Baker
Its: President

AMENDMENT NO. 3
TO THE
ANDERSEN GROUP INDIVIDUAL RETIREMENT PLAN

The Andersen Group Individual Retirement Plan (the "Plan") is hereby amended effective January 1, 1998, pursuant to Section 12.01 thereof, as follows:

I.

The following new Section 1.08A is added following Section 1.08 of the Plan:

1.08A "Company Stock." Andersen Group, Inc. Common Stock, without par value.

II.

Section 3.01 of the Plan is deleted in its entirety and the following new Section 3.01 is substituted therefor:

3.01 Conditions of Eligibility. Each Employee who has reached age 18 and has worked for the Employer for six months shall be eligible to become a Participant in the Plan on the Entry Date following his completion of such requirements or on any subsequent Entry Date. Each Employee who became employed on October 20, 1994 by the Graphics Systems Division of New Microtime, Inc. shall be eligible to become a Participant in the Plan on such date if they met the foregoing eligibility requirements or on any subsequent Entry Date after meeting such eligibility requirements.

III.

Section 4.01(a) of the Plan is deleted in its entirety and the following new Section 4.01(a) is substituted therefor:

(a) Contributions. Subject to the provisions of Section 4.03 and to the requirements and limitations of this Section 4.01, each Participant may elect to make Salary Reduction Contributions, as a whole percentage of Compensation of not less than two percent and not more than twelve percent. In any event, the Employer will reduce the Participant's Compensation otherwise payable currently by the percentage the Employee elects, credit the amount to a Salary Reduction Contribution Account on behalf of the Participant and contribute such amount to the Trust. A Participant may elect an amount of Salary Reduction Contributions not to exceed \$9,500 (increased as permitted under Section 402(g)(5) of the Code) in any Plan Year; provided, however, that for the Plan Year following the year in which a Participant receives a hardship distribution under Section 8.01, a Participant's Salary Reduction Contributions may not exceed \$10,000 (increased as permitted under Section 402(g)(5) of the Code) reduced by the amount of the Participant's Salary Reduction Contributions during the year in which the hardship distribution was received. Adjustments shall be made to a Participant's Salary Reduction Contribution Account if any reductions in Salary Reduction Contributions are required by Sections 4.01(b) and 4.01(e).

IV.

Section 4.02(a) of the Plan is amended by deleting the first sentence thereof and substituting the following sentence therefor:

Subject to the provisions of this Section and Section 4.03, the Employer will contribute and pay to the Trustee as Employer Matching Contributions an amount equal to fifty percent (50%) of the first 6% of earnings deferred as a Participant's Salary Reduction Contributions.

V.

Section 6.01 of the Plan is amended by adding the following sentence at the end thereof:

One Investment Fund shall provide for investment in Company Stock.

VI.

Section 6.02 of the Plan is amended by adding the following sentence at the end thereof:

Any change in an election to invest in Company Stock will be

effective as of the close of business on the day during which the election is made.

VII.

Section 6.03 of the Plan is amended by adding the following sentence at the end thereof:

Any change in an election to invest in Company Stock will be effective as of the close of business on the day during which the investment is made.

VIII.

Section 7.01(b) of the Plan is deleted in its entirety and the following new Section 7.01(b) is substituted therefor:

(b) Vesting Schedule. Each Participant shall be vested in amounts in his Employer Matching Contribution Account according to the following schedule:

Years of Service	Percentage Vested
Less than 1 Year	0%
1 Year	20%
2 Years	40%
3 Years	60%
4 Years	80%
5 Years or more	100%

IX.

Section 7.02 of the Plan is deleted in its entirety.

The following new Section 8.02 is added to the Plan as follows:

8.02 Loans to Participants. Any qualifying Participant may apply to the Administrator for a loan of a portion of his Account Balance subject to the terms and conditions of this Section 8.02. A qualifying Participant is one who is a party-in-interest with respect to the Plan, as defined in Section 3(14) of ERISA. Amounts loaned shall be paid from a Participant's Accounts as follows: first, from the Participant's Rollover Contribution Account; next, from the Participant's Employer Matching Contribution Account; next, from earnings thereon; and last, from the Participant's Salary Reduction Contribution Account.

(a) Upon written application by a Participant for a loan under the terms of this Section, the Administrator may, in its discretion, and in accordance with uniform and nondiscriminatory rules, make a loan to such Participant. Any such application shall contain the consent of the Participant's spouse, if any, to such loan which consent must be in writing and be witnessed by a plan representative or a notary public. Such consent must be obtained within the 90 day period prior to the making of the loan. The written application shall be a legally enforceable agreement and shall contain such information as the Administrator shall deem necessary to make a determination as to whether the loan should be granted. The Administrator will consider the factors normally considered in a commercial setting when determining whether or not to approve the loan.

(b) The amount of any loan to a Participant approved under this Section or under any other plan maintained by the Employer at any time shall not exceed the lesser of:

(i) \$50,000, reduced by the excess of the highest outstanding balance of loans to the Participant from the Plan during the one-year period ending on the date any loan is made over the outstanding balance of loans to the Participant from the Plan on such date, or

(ii) 50% of the Participant's vested interest in his Accounts.

No loan shall be made to a Participant in an amount less than \$1,000.

(c) The term of any loan to a Participant under this Section for the acquisition of a dwelling to be used as a principal residence of the Participant shall require that the loan be repaid within 15 years from the date the loan was made. The term of a loan made to a Participant under this Section for any other purpose shall require that the loan be repaid within five years from the date the loan was made.

(d) Any loan shall be considered an investment of the borrowing Participant's interest in the Plan only and shall not be considered an investment of that portion of the Fund held for the benefit of other Participants. The loan shall be on such terms and conditions as the Administrator shall determine, shall be evidenced by a promissory note, and shall bear a reasonable rate of interest, as determined by the Administrator in its discretion. In determining a reasonable rate of interest, the Administrator will consider the rates charged by persons in the business of lending money for loans made under similar circumstances. The amount of the Participant's payment of principal and interest on the loan shall be credited to the Participant's Accounts as Salary Reduction Contributions, Employer Matching Contributions, and Rollover Contributions in the proportion in which the loan proceeds were paid from such Participant's Accounts.

(e) A Participant's repayment of a loan made pursuant to this Section shall be by payroll deduction; provided, that the Administrator in its discretion may consent, at a Participant's request, to any other reasonable method of repayment of a loan; provided, that such method requires substantially level amortization of principal and interest payments at least quarterly. No loans shall be made to a Participant that provide for a repayment period extending beyond such Participant's Normal Retirement Date. A Participant may prepay the entire amount due under a loan at any time without penalty.

(f) The provisions of Section 13.2 notwithstanding, by accepting a loan as provided in this Section, the Participant automatically assigns as security for the loan all right, title and interest in and to such Participant's Accounts. All loans shall be repaid according to the terms and conditions determined by the Administrator on a uniform and nondiscriminatory basis. If the Participant should not repay all or a portion of the loan within the time specified in the promissory note, the Administrator shall consider such event as constituting default on the loan. In the event of default, in addition to other remedies provided by the promissory note and any applicable law, the Administrator may reduce the amounts credited to the Participant's Accounts which were invested in the loan to such Participant by the amount owed on the loan principal and any accumulated and unpaid interest thereon, and the Participant's note shall thereupon be canceled; provided, however, that the Administrator may not reduce the amounts credited to the Participant's Salary Reduction Contribution Account prior to the earlier of the Participant's attainment of age 59-1/2 or Separation from Service. The Plan Administrator may permit a Participant the "grace period" allowed under the Code to cure the default in order to avoid a deemed distribution.

If a Participant is on an Authorized Leave of Absence and is receiving Compensation that is less than the amount due as payments on the Participant's outstanding loan, the Administrator may permit the

Participant to miss these payments for a period not to exceed twelve months; provided that the repayment period does not extend beyond the original maximum period permitted under paragraph (c), and at the end of the Participant's Authorized Leave of Absence the loan is reamortized based upon the remaining period. Loan repayment shall be suspended as permitted under Section 414(u)(4) of the Code for those Participants in qualified military service.

In the event of the Participant's retirement, termination of employment, disability or death before the full amount of any loan to him has been fully repaid, the Administrator may, but need not, reduce the amounts credited to the Participant's Account Balance which were invested in the loan to such Participant by the amount owed on the loan principal and any accumulated and unpaid interest thereon, and the Participant's note shall thereupon be canceled.

(g) All administrative fees for the loan shall be paid by the Participant.

XI.

Section 9.01 of the Plan is amended by deleting paragraph (b) thereof and substituting the following new paragraph (b) therefor:

(b) Cash-out-Provisions. If the total vested portion of a Participant's Account Balance, as of the applicable Valuation Date, does not exceed \$5,000, the Administrator shall direct the Trustee to distribute the vested portion of the Participant's Accounts to which he is entitled to the Participant as soon as practicable after his Separation from Service occurs. If the total vested portion of a Participant's Account Balance exceeds \$5,000, distribution to a Participant who has a Separation from Service for any reason except death may commence prior to the time the Participant attains age 65 only with the Participant's consent. Benefits that are not so paid to a Participant shall be held by the Trustee and distributed as soon as practicable following such Participant's attainment of age 65.

XII.

Section 9.01 of the Plan is amended by adding the following sentence to the beginning of Section 9.01(c):

Payment of a Participant's Account Balance shall be made in cash; provided, however, that to the extent that such Participant's Account Balance is invested in Company Stock, distribution will be made in the form of Company Stock if so elected by the Participant.

XIII.

Article XI of the Plan is amended by adding the following new Section

11.03 at the end thereof:

11.03 Company Stock.

(a) Participant Voting. Each Participant shall have the right to direct the Trustee, in writing, as to the voting of qualifying employer securities pursuant to Section 407(d)(5) of ERISA ("Qualifying Employer Securities") credited to the Participant's Account Balance. The Trustee shall vote such Qualifying Employer Securities in accordance with such directions. The Trustee, in a timely manner, shall distribute to each Participant such information as will be distributed to shareholders of such Qualifying Employer Securities in connection with the exercise of such voting rights. If the Trustee does not receive instructions with respect to voting any Qualifying Employer Securities, the Trustee shall have sole discretion as to the manner in which such Qualifying Employer Securities shall be voted.

(b) Tender or Exchange Offer. Each Participant shall have the right to direct the Trustee, in writing, as to the manner in which to respond to a tender or exchange offer with respect to Qualifying Employer Securities credited to the Participant's Account Balance, and the Trustee shall respond in accordance with such direction. The Trustee, in a timely manner, shall distribute to each Participant such information as will be distributed to shareholders of the Qualifying Employer Securities in connection with any tender or exchange offer for such securities. If the Trustee does not receive timely direction with respect to tendering or exchanging any such securities, the Trustee shall have sole discretion in such matters.

If there shall be any inconsistency between the provisions of Amendment Nos. 1 and 2 or the Plan, and the provisions of this Amendment, this Amendment shall control.

Amendment No. 3 executed at Bloomfield, Connecticut this 16th day of December, 1997.

ANDERSEN GROUP, INC.

By: /s/Francis E. Baker

Its: President

TRUST AGREEMENT

under the

Andersen Group Individual Retirement Plan 401(k)

This TRUST AGREEMENT is between Andersen Group Inc., a Connecticut corporation with its principal office at Ney Industrial Park, Bloomfield, CT 06002 (the "Company") and THE CHASE MANHATTAN BANK, N.A., a national banking association with its principal office at One Chase Square, Rochester, NY 14643, as Trustee, to establish or amend the Trust maintained under the Andersen Group Individual Retirement Plan 401(k) (the "Plan"), effective as of 12/1/93. This Trust is intended to be a qualified trust exempt from tax under Section 501(a) of the Internal Revenue Code.

NOW, THEREFORE, the parties agree as follows:

ARTICLE I

GENERAL DUTIES OF THE PARTIES

SECTION 1.1. General Duties of Company. The Company shall provide the Trustee with a copy of the Plan and with copies of all amendments promptly upon their adoption and shall certify to the Trustee the names and specimen signatures of the members of the Administrative Committee (the "Committee") then acting who have authority to control and manage the operation and administration of the Plan. The Company shall make its contributions as the same may be appropriated by due corporate action. Contributions may be in cash or in other property acceptable to the Trustee. The Company shall keep accurate books and records with respect to its employees and their compensation.

SECTION 1.2. Funding Policy. From time to time the Committee shall communicate in writing to the Trustee, and to any Investment Manager who may have been appointed, the current funding policy and method that have been established to carry out the objectives of the Plan.

SECTION 1.3. General Duties of Trustee. The Trustee shall hold all property received by it under this Agreement, which, together with any income, gains and additions, shall constitute the Trust Fund. The Trustee shall manage, invest and reinvest the Trust Fund (except as otherwise provided in this Agreement), collect the income, and make payments as provided in this Agreement. The Trustee shall be responsible only for the property actually received by it under this Agreement. It shall have no duty or authority to compute any amount to be paid to it by the Company or to bring any action or proceeding to enforce the collection from the Company of any contribution to the Trust Fund.

ARTICLE II

INVESTMENT, ADMINISTRATION AND DISBURSEMENT OF THE TRUST FUND

SECTION 2.1. Eligible Investments for the Trust Fund. The Trust Fund may be invested in any real, personal, or mixed property, regardless of where it is situated and whether or not it is productive of income or consists of wasting assets. Eligible investments include, without limitation, common and preferred stocks, bonds, notes, debentures, financial futures and options, convertible securities, mortgages (including, without limitation, any collective or part interest in any bond and mortgage or note and mortgage), certificates of deposit, demand or time deposits (including any deposit with the Trustee or an affiliate of the Trustee), shares of investment companies and mutual funds, interests in partnerships and trusts, insurance policies and contracts, and oil, mineral or gas properties, royalties, interests or rights (including related equipment). Investments shall not be limited to the classes of property in which trustees are authorized to invest trust funds by any law or rule of any court or state. Nevertheless, the Trust Fund shall not be invested in any stock or securities of the Trustee or, except as permitted by law, the Company. Investments may be made without regard to the proportion any property may bear to the entire amount of the Trust Fund, provided, however, that, except as otherwise provided in this Agreement, investments shall be so diversified as to minimize the risk of large losses unless it is clearly prudent not to do so under the circumstances in the sole judgment of the Trustee or Investment Manager, as the case may be. Any property received at any time by the Trustee may be retained in the Trust Fund.

SECTION 2.2. Investment Management Responsibilities of the Trustee. (a) The Trustee shall manage, invest, and reinvest the Trust Fund in its discretion,

except to the extent otherwise provided in Sections 2.3 or 2.4.

(b) The Trustee may invest and reinvest any assets under its management collectively with funds of other pension and profit-sharing trusts exempt from tax under Section 501(a) of the Internal Revenue Code of 1986 (the "Code") by reason of qualifying under Section 401(a) of the Code either in short term obligations selected by the Trustee or by investment collectively with other funds through the medium of one or more, collective investment funds which have been or may be established and maintained by it or any bank affiliated with it. Any investment in a collective investment fund shall be subject to the terms of the instrument or instruments governing the fund.

(c) Any Investment Manager appointed under Section 2.3 may delegate to the Trustee authority by written authorization to invest any specified portion of the assets managed by the Investment Manager, in the Trustee's sole discretion, in short term obligations or in one or more mutual funds which invests primarily in short-term obligations. The Trustee may make these investments collectively with other funds, including without limitation through the medium of one or more collective investment funds. Any such collective investment fund shall be managed by the Trustee or any bank affiliated with it in its sole discretion.

(d) The Trustee shall have all the investment powers given to trustees by applicable law. Without limiting this grant of authority, the Trustee shall have the power:

(i) To sell or exchange any property at public or private sale for cash or on credit and to grant options for the purchase or exchange of that property;

(ii) To participate in any plan of reorganization, consolidation, merger, combination, liquidation or other similar plan relating to any property held in the Trust Fund, and to consent to or oppose such a plan or any action under such a plan, or any contract, lease, mortgage, purchase, sale or other action by any person or corporation;

(iii) To exercise conversion and subscription rights pertaining to any property held in the Trust Fund;

(iv) To extend the time of payment of any obligation held in the Trust Fund;

(v) To enter into stand-by agreements for future investment, either with or without a stand-by fee; and

(vi) To hold uninvested, without liability for interest thereon, any moneys received by the Trustee until the same shall be reinvested or disbursed; and

(vii) For the purpose of the Trust, to borrow money from others, to issue its promissory note or notes, and to secure repayment by

pledging any property in its possession. Nevertheless, no loan or advance shall be made by the Trustee other than temporary advances to the Trust Fund, on a cash or overdraft basis, on which no interest is payable.

Nevertheless, the Trustee shall exercise these powers only with respect to assets of the Trust Fund which are under its management or, with respect to assets which are not under its management, in accordance with the direction of an Investment Manager, the Committee, or a Participant, as the case may be.

(e) THE TRUSTEE IS AUTHORIZED TO INVEST ASSETS UNDER ITS MANAGEMENT FROM TIME TO TIME IN REGISTERED INVESTMENT COMPANIES TO WHICH IT OR AN AFFILIATE ACTS AS INVESTMENT ADVISER OR PROVIDES OTHER SERVICES. FROM TIME TO TIME THE TRUSTEE SHALL DETERMINE THE TRUST'S PRO RATA SHARE OF ANY FEES RECEIVED BY THE TRUSTEE OR ITS AFFILIATES FROM THE INVESTMENT COMPANY FOR SERVICES RENDERED (WHETHER OR NOT FOR INVESTMENT ADVISORY SERVICES). THE TRUSTEE THEN SHALL REDUCE THE NEXT COMPENSATION PAYMENT TO IT UNDER THIS AGREEMENT, MAKE A REIMBURSEMENT PAYMENT TO THE TRUST, OR BOTH (IN THE TRUSTEE'S SOLE DISCRETION) BY OR IN AN AGGREGATE AMOUNT EQUAL TO THE TRUST'S PRO RATA SHARE OF THESE FEES. ALTERNATIVELY, IF THE TRUSTEE AND THE COMMITTEE SO AGREE, THE TRUSTEE SHALL WAIVE ITS COMPENSATION UNDER THIS AGREEMENT FOR THAT PORTION OF THE TRUST FUND WHICH IS INVESTED IN ANY SUCH INVESTMENT COMPANY FOR THE DURATION OF THE INVESTMENT. NEVERTHELESS, NOTHING IN THIS SUBSECTION SHALL REQUIRE ANY OFFSET OF THE TRUSTEE'S COMPENSATION OR REIMBURSEMENT FOR ANY FEE WHICH THE TRUSTEE RECEIVES FROM AN INVESTMENT COMPANY WITH RESPECT TO AN INVESTMENT MADE BY AN INVESTMENT MANAGER UNDER SECTION 2.3 OR AT THE DIRECTION OF A PARTICIPANT UNDER SECTION 2.4.

(f) Except as otherwise provided in the next sentence, the Trustee shall have power in its discretion to exercise all voting rights with respect to any investment held in the Trust Fund and to grant proxies, discretionary or otherwise. The Trustee shall not exercise its discretion, however, with respect to voting any securities which are under the management of an Investment Manager. In that case, the Trustee shall send the Investment Manager all proxies and proxy materials relating to the applicable securities, signed by the Trustee without indication of voting preference, and the Investment Manager shall exercise all voting rights with respect to them. Additionally, except as otherwise required by law, the Trustee shall not exercise its discretion with respect to the voting of securities issued by the Company or any of its affiliates which are held subject to the direction of Participants (the "Company Securities"). The Trustee shall send all proxies and proxy materials relating to the Company Securities to the appropriate Participants. Moreover, unless the Plan provides otherwise, the Trustee shall allocate the votes for any Company Securities for which a Participant fails to complete a proxy in proportion to the Participants' vote of the remaining Company Securities.

SECTION 2.3. Management by Investment Managers or the Committee. (a) From time to time the Committee shall specify by written notice to the Trustee whether the investment of the Trust Fund shall be managed by the Trustee, or shall be directed by one or more investment managers ("Investment Managers") appointed by the Board of Directors, which may include the Committee, or whether both the Trustee and one or more Investment Managers are to participate in

Investment Management. If the investment management of the Trust Fund is to be shared, the notice shall specify how the investment responsibility is to be divided with respect to assets, classes of assets or separate investment funds. Each Investment Manager (other than the Committee) shall either (i) be registered as an investment adviser under the Investment Advisers Act of 1940, (ii) be a bank, as defined in that Act, or (iii) be an insurance company qualified to perform investment management services under the laws of more than one state.

(b) If investment of the Trust Fund is to be managed in whole or in part by an Investment Manager, the Trustee shall be given copies of the instruments appointing the Investment Manager, evidencing his acceptance of the appointment and acknowledging that he is a fiduciary of the Plan, and a certificate evidencing the Investment Manager's registration under the Investment Advisers Act. The Trustee may continue to rely upon these instruments and that certificate until otherwise notified in writing by the Committee.

(c) The Trustee shall follow the directions of the Investment Manager regarding the investment and reinvestment of the Trust Fund, or that portion of the Trust Fund as shall be under management by the Investment Manager. The Trustee shall be under no duty or obligation to review any investment to be acquired, held or disposed of in accordance with those directions or to make any recommendations with respect to the disposition or continued retention of any investment under the Investment Manager's management. The Trustee shall have no liability or responsibility for acting without question on the direction of, or failing to act in the absence of any direction from, the Investment Manager, unless the Trustee knows that, as a result, it will be participating in a breach of fiduciary duty by the Investment Manager. In any event, the Company hereby agrees to indemnify the Trustee and hold it harmless from and against any claim or liability which may be asserted against the Trustee by reason of its acting on any direction from the Investment Manager or failing to act in the absence of any direction.

(d) The Investment Manager at any time and from time to time may issue orders directly to a broker for the purchase or sale of securities. In order to facilitate those transactions, the Trustee shall execute and deliver appropriate trading authorizations upon request. Written or electronic notification of the issuance of each order given directly to a broker shall be given promptly to the Trustee by the Investment Manager. The execution of each order shall be confirmed to the Trustee by the broker. The notification shall be authority for the Trustee to pay for securities purchased against receipt and to deliver securities sold against payment, as the case may be.

(e) In the event that an Investment Manager should resign or be removed by the Company, the Company shall give the Trustee written notice of the resignation or removal. Upon receipt of the notice, the Trustee shall manage the investment of the Trust Fund unless and until it shall be notified of the appointment of another Investment Manager.

(f) The Committee may direct the Trustee to apply and obtain from a specified insurance company a group annuity contract or other form of contract

containing the terms and conditions which shall be included in the Committee's direction. The Trustee shall possess no discretion as to the selection or retention of such a contract but shall act in accordance with whatever duties as it may have under the contract. The Committee shall direct the Trustee as to the amounts, which are to be invested in the contract from time to time, and by letter agreement between the Committee and the Trustee, the Committee shall be able to transmit the necessary funds directly to the insurance company under the contract.

(g) The Committee also may direct the Trustee to invest specified amounts in investment companies, collective pension and profit-sharing trusts sponsored by financial institutions not affiliated with the Trustee which hold assets of plans that are qualified under Section 401(a) of the Internal Revenue Code (the "Code"), real estate investment trusts and other similar investment vehicles selected by the Committee (subject to the investment being acceptable to the Trustee from an administration and operations standpoint). The Trustee shall have no discretion or responsibility as to the selection or retention of any such investment. By letter agreement between the Committee and the Trustee, the committee shall be able to transmit the necessary funds directly to the investment company or an appropriate distributor or dealer.

(h) NOTWITHSTANDING SECTION 2.2(e), THE TRUSTEE MAY RETAIN, WITHOUT OFFSET AGAINST ANY FEE OWED TO IT UNDER THIS AGREEMENT, ANY REASONABLE FEES PAID TO IT, OR TO ANY OF ITS AFFILIATES, BY ANY PERSON FOR THE PROVISION OF INVESTMENT ADVISORY, SHAREHOLDER SERVICING, ADMINISTRATIVE, CUSTODIAL, SPONSORSHIP, DISTRIBUTION, OR SIMILAR SERVICES TO ANY REGISTERED INVESTMENT COMPANY, OR TO ANY COLLECTIVE PENSION AND PROFIT-SHARING TRUST WHICH IS EXEMPT FROM TAX BY REASON OF SECTION 501(a) OF THE CODE, IN WHICH ANY INVESTMENT MANAGER (INCLUDING THE COMMITTEE) MAY INVEST ASSETS OF THE TRUST FUND.

SECTION 2.4. Direction of Investments by Participants. (a) If the Plan so provides, participants may direct the investment of assets held in their respective individual account or accounts in investment alternatives selected by the Committee or set forth in the Plan document or Plan adoption agreement, as the case may be (each an "Investment Alternative"). The Committee may select as Investment Alternatives collective investment funds managed by the Trustee, portfolios of assets managed by the Trustee or an Investment Manager, as the case may be, or other Investment Alternatives (including registered investment companies) acceptable to the Trustee from an administration and operations standpoint.

(b) The Trustee may establish rules and procedures from time to time for the direction of investments by participants. Instructions provided to the Trustee in accordance with this subsection 2.4(b) for the direction of

investments shall be deemed a certification by the Committee and the Company that the investment is (i) in accordance with the terms of the Plan, (ii) in accordance with the investment instructions of the participant if provided by the Committee or some other person designated by the Committee on the participant's behalf, and (iii) complies with applicable law and is otherwise proper. The Trustee shall be fully protected in relying on the truth of any instruction or representation which purports to be given in accordance with this subsection and shall have no duty to investigate the accuracy or authenticity of such an instruction or representation. The Company shall indemnify the Trustee and hold it harmless from any liability or expense (including reasonable attorneys fees) resulting from acts or omissions taken in reliance on such an instruction or representation.

(c) Participants directing their investments shall be solely responsible for the designation of investments for their individual accounts, and neither the Trustee nor any Investment Manager shall be responsible or have any authority with respect to any such designation except for complying with ERISA and with investment directions provided by the participants in accordance with this Agreement and any procedures established by the Trustee. Further, as may be required by ERISA, neither the Trustee nor any Investment Manager shall be obligated to review investments held in any of these participants' accounts or be responsible for the failure of any of them to diversify investments. Nevertheless, the Trustee or an Investment Manager, as the case may be, shall remain responsible under this Agreement for the management of any collective investment fund or other portfolio of assets selected as an Investment Alternative (other than a registered investment company) which it manages.

(d) NOTWITHSTANDING SECTION 2.2(e), THE TRUSTEE MAY RETAIN, WITHOUT OFFSET AGAINST ANY FEE OWED TO IT UNDER THIS AGREEMENT, ANY REASONABLE FEES PAID TO IT, OR TO ANY OF ITS AFFILIATES, BY ANY PERSON FOR THE PROVISION OF INVESTMENT ADVISORY, SHAREHOLDER SERVICING, ADMINISTRATIVE, CUSTODIAL, SPONSORSHIP, DISTRIBUTION, OR SIMILAR SERVICES TO ANY REGISTERED INVESTMENT COMPANY OR TO ANY COLLECTIVE PENSION AND PROFIT-SHARING TRUST WHICH IS EXEMPT FROM TAX BY REASON OF SECTION 501(a) OF THE CODE, WHICH THE COMMITTEE SELECTS AS AN INVESTMENT ALTERNATIVE.

(e) If the Committee selects one or more investments managed by the Trustee as Investment Alternatives, the Trustee shall invest in its discretion in accordance with Section 2.2 of this Agreement, those Trust Fund assets which participants may direct from time to time to the alternatives managed by the Trustee. Nevertheless, the Trustee's investments shall be in accordance with investment objectives selected by the Committee and shall be made without regard to the Trust Fund's other investments on behalf of those participants. Further, the Trustee's investments may be made without regard to the proportion any property may bear to the entire amount of the Trust Fund, provided, however, that investments within an Investment Alternative managed by the Trustee shall be so diversified as to minimize the risk of large losses within that Investment Alternative unless it is clearly prudent not to do so under the circumstances in the sole judgment of the Trustee.

(f) Investment Alternatives consisting of registered investment

companies for which the Trustee or any of its affiliates acts as investment adviser shall not be considered to be Investment Alternatives managed by the Trustee for purposes of this Agreement. Neither the Trustee nor any of its affiliates assumes any fiduciary responsibility to the Trust or the participants with respect to the management of such a registered investment company except as may otherwise be provided in the investment advisory agreement with the investment company or the Investment Company Act of 1940.

SECTION 2.5. Administrative Powers of Trustee. The Trustee shall have the power in its discretion --

(a) To cause any investment to be registered and held in the name of one or more of its nominees, or one or more nominees of any system for the central handling of securities, without increase or decrease of liability;

(b) To collect and receive any and all money and other property due to the Trust Fund and to give full discharge for the money or property;

(c) To settle, compromise or submit to arbitration any claims, debts or damages due or owing to or from the Trust; to commence or defend suits or legal proceedings to protect any interest of the Trust; and to represent the Trust in all suits or legal proceedings in any court or before any other body or tribunal;

(d) To organize under the laws of any state a corporation for the purpose of acquiring and holding title to any property which it is authorized to acquire under this Agreement and to exercise with respect to that corporation any or all of the powers set forth in this Agreement;

(e) To manage, operate, repair, improve, develop, preserve, mortgage or lease for any period any real property or any oil, mineral or gas properties, royalties, interests or rights held by it directly or through any corporation, either alone or by joining with others, using other Trust assets for any of such purposes; to modify, extend, renew, waive or otherwise adjust any or all of the provisions of any such mortgage or lease; and to make provision for amortization of the investment in or depreciation of the value of such property; and

(f) Generally, to do all acts, whether or not expressly authorized, which the Trustee may deem necessary or desirable for the protection of the Trust Fund.

SECTION 2.6. Trustee's Authority. Persons dealing with the Trustee shall be under no obligation to see to the proper application of any money paid or property delivered to the Trustee or to inquire into the Trustee's authority as to any transaction.

SECTION 2.7. Payments and Distributions from Trust Fund. (a) The Trustee shall make payments, transfers, and distributions from the Trust Fund in

accordance with any written directions of the Committee. The Trustee shall not be responsible for the application of any payment, transfer, or distribution made to a paying agent at such time or times and to such person or persons, including, for example, a paying agent or agents designated by the Committee or the Committee as paying agent. (Any cash or property so paid or delivered to any paying agent shall be held in trust by the payee until it is disbursed in accordance with the Plan.) The Trustee shall comply with directions to transfer and deliver any part of the Trust Fund to any other trust established for the purpose of funding benefits under the Plan or under any other plan qualifying under Section 401 of the Internal Revenue Code of 1986 established for the benefit of participants in the Plan or their beneficiaries by the Company or any successor or transferee of the Company, but only if the transfer conforms with the requirements of Federal law. Neither during the existence nor upon the discontinuance of the Plan shall any part of the Trust Fund be used for or diverted to purposes other than for the exclusive benefit of the employees of the Company or their beneficiaries, except as provided by law or in Section 7.2. Any written direction of the Committee shall constitute a certification that the distribution or payment so directed is one which the Committee is authorized to direct.

(b) The Trustee may make any distribution or payment required to be made by it by mailing its check for the specified amount, or delivering the specified property, to the person to whom such distribution or payment is to be made, at the address which may have been last furnished to the Trustee. If no such address shall have been so furnished, the Trustee may make the distribution or payment to that person in care of the Company or the Committee, or (if so directed by the Committee) by crediting the account of that person or by transferring funds to such person's account by bank wire or transfer.

ARTICLE III

FOR THE PROTECTION OF THE TRUSTEE

SECTION 3.1. Composition of Committee. (a) The Trustee may continue to rely on the authority of any Committee member until notified in accordance with Section 1.1 hereof that the member has ceased to act. If at any time the full number of Committee members provided for in the Plan has not been designated by the Company, the member or members acting at such time shall be deemed to be the Committee, or if at any time there is no member of the Committee, the Board of Directors of the Company (or, if the Company is a partnership, its management committee) shall be deemed to be the Committee.

SECTION 3.2. Evidence of Action by Company or Committee. (a) The Committee shall certify to the Trustee the name or names of any person or persons authorized to act for the Committee. The Trustee may continue to rely on the authority of a person to act for the Committee until the committee notifies the Trustee that that person is no longer authorized to act for the Committee. The Trustee may rely upon any certificate, notice or direction purporting to have been signed on behalf of the committee which the Trustee believes to have been signed by the Committee or the person or persons authorized to act for the

Committee. The Trustee also may rely upon any certificate, notice, or direction of the Company which the Trustee believes to have been signed by a duly authorized officer or agent of the Company.

(b) Communications to the Trustee shall be sent to the Trustee's office or to any such other address as the Trustee may specify. No communication shall be binding upon the Trust Fund or the Trustee until it is received by the Trustee. Communications to the Committee or to the Company shall be sent to the Company's principal office or to any other address as the Company may specify.

SECTION 3.3. Advice of Counsel or Committee. The Trustee may consult with any legal counsel, including counsel to the Company or the Committee, with respect to the construction of this Agreement, its duties, or any act which it proposes to take or omit.

SECTION 3.4. Responsibility of the Trustee. (a) The Trustee shall discharge its duties under this Agreement with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with similar matters would use in the conduct of an enterprise of a like character and with like aims. The Trustee shall not be liable for any loss sustained by the Trust Fund by reason of the purchase, retention, sale or exchange of any investment in good faith and in accordance with the provisions of this Agreement and of any applicable Federal law.

(b) The Trustee's duties and obligations shall be limited to those expressly imposed upon it by this Agreement, notwithstanding any reference to the Plan.

SECTION 3.5. Retention of the Trustee as Agent. The Company, the Committee or both at any time may employ the Trustee as agent to perform any act, keep any records or accounts, or make any computations required of the Company or the Committee by this Agreement or the Plan. Nothing done by the Trustee as agent shall affect its responsibility or liability as Trustee.

ARTICLE IV

TAXES, EXPENSES AND COMPENSATION OF THE TRUSTEE

SECTION 4.1. Taxes. The Trustee shall deduct from and charge against the Trust Fund any taxes on the Trust Fund or its income and any taxes which the Trustee is required to pay with respect to the interest of any person in the Trust Fund.

SECTION 4.2. Expenses and Compensation. The Trustee shall pay from the Trust Fund its reasonable expenses of management and administration of the Trust, including, for example, reasonable compensation of counsel and of any agents engaged by the Trustee to assist it in the management and administration of the Trust Fund, to the extent they are not paid by the Company. When directed by the Committee to do so, the Trustee shall also pay from the Trust Fund any specified expenses of administration of the Plan. The Trustee shall be entitled

to reasonable compensation for its services as Trustee, to be paid from the Trust Fund from time to time unless first paid by the Company.

ARTICLE V

SETTLEMENT OF ACCOUNTS--ENFORCEMENT OF THE TRUST--

LEGAL PROCEEDINGS

SECTION 5.1. Settlement of Accounts of Trustee and Committee. (a) The Trustee shall keep full accounts of all its receipts and disbursements. Financial statements, books and records with respect to the Trust Fund shall be open to inspection by the Company or the Committee or their representatives at all reasonable times during business hours of the Trustee and may be audited not more frequently than once in each fiscal year by an independent certified public accountant engaged by the Committee.

(b) Within 90 days after the close of each year, or any termination of the duties of the Trustee, the Trustee shall prepare, sign and mail to the Company an account of its acts and transactions as Trustee. If the Company finds the account to be correct, the Company shall so inform the Trustee in writing, and the account shall then become an account stated as between the Trustee and the Company. If within 90 days after receipt of the account or any amended account the Company has neither indicated its acceptance in writing to the Trustee, nor given the Trustee written notice of any objection to any act or transaction of the Trustee, the account or amended account shall then become an account stated as between the Trustee and the Company. If any written notice of objection has been sent to the Trustee, and if the Company is satisfied that it should be withdrawn or if the account is adjusted to its satisfaction, the Company shall so inform the Trustee and it shall become an account stated as between the Trustee and the Company.

(c) When an account becomes an account stated, it shall be considered to be finally settled, and the Trustee shall be completely discharged and released, as if such account had been settled and allowed by a judgment or decree of a court of competent jurisdiction in an action or proceeding in which the Trustee and the Company were parties.

(d) The Trustee, the Committee or the Company shall have the right to apply at any time to a court of competent jurisdiction for judicial settlement of any account of the Trustee which has not become an account stated. It shall be necessary to join as parties only the Trustee, the Committee and the Company (although the Trustee may also join such other parties as it may deem appropriate). Any judgment or decree entered in such an action or proceeding shall be conclusive.

(e) Insofar as any account reflects anything done or omitted by the Committee, that account may be adopted by the Committee by being signed by two of its members. The Committee may also render supplementary or separate accounts of its proceedings to the Company. All provisions of this Section respecting settlement of the accounts of the Trustee shall prevail with respect to accounts of the Committee with the same force and effect as if the Committee were named wherever the Trustee is named in this Section.

SECTION 5.2. Determination of Interests under Plan or in Trust Fund - Enforcement of Trust - Legal Proceedings. The Committee shall have authority to determine the interests of all persons in the Trust Fund or under the Plan, and the Trustee shall have no duty to question any direction given by the Committee to the Trustee. The Company and the Committee shall have authority, either jointly or severally, to enforce this Agreement on behalf of all persons claiming any interest in the Trust Fund or under the Plan.

ARTICLE VI

RESIGNATION AND REMOVAL OF TRUSTEE

SECTION 6.1. Resignation of Trustee. The Trustee may resign at any time by notifying the Company in writing. The resignation shall take effect upon the earlier of the appointment of a successor under Section 6.3 or 60 days from the date the notice is given.

SECTION 6.2. Removal of Trustee. The Board of Directors of the Company may remove the Trustee at any time by delivering to the Trustee a written notice of its removal and an appointment of a successor under Section 6.3. No removal shall take effect prior to 60 days after the delivery of the notice unless the Trustee agrees to an earlier effective date.

SECTION 6.3. Appointment of Successor Trustee. The appointment of a successor to the Trustee shall take effect upon delivery to the Trustee of (a) an instrument in writing appointing the successor, executed by the Company, and (b) an acceptance in writing, executed by such successor, both acknowledged in the same form as this Agreement. The Company shall send notice of such appointment to each member of the Committee.

If a successor is not appointed within 60 days after the Trustee gives notice of its resignation pursuant to Section 6.1, the Trustee or the Committee may apply to any court of competent jurisdiction for appointment of a successor.

All of the provisions set forth in this Agreement with respect to the Trustee shall relate to each successor with the same force and effect as if the

successor had been originally named as Trustee.

SECTION 6.4. Transfer of Fund to Successor. Upon the resignation or removal of the Trustee and appointment of a successor, and after the final account of the Trustee has been settled as provided in Article V, the Trustee shall transfer and deliver the Trust Fund to the successor.

ARTICLE VII

DURATION AND TERMINATION OF TRUST--AMENDMENT

SECTION 7.1. Duration and Termination. This Trust shall continue for as long as may be necessary to accomplish the purpose for which it was created, but it may be terminated at any time by the Company by action of its Board of Directors. Notice of the termination shall be given to the Trustee by an acknowledged instrument in writing executed by the Company, together with a certified copy of the resolution of the Board of Directors of the Company authorizing the termination.

SECTION 7.2. Distribution upon Termination. If this Trust is terminated, the Trustee shall liquidate the Trust Fund to the extent required for distribution upon the written direction of the Committee. After the Trustee's final account has been settled as provided in Article V, the Trustee shall distribute the net balance of the Trust Fund in accordance with the directions of the Committee, or in the absence of the Committee direction, as may be directed by a judgment or decree of a court of competent jurisdiction. Upon making the distributions, the Trustee shall be relieved from all further liability. The powers of the Trustee under this Agreement shall continue so long as any assets of the Trust Fund remain in its hands.

SECTION 7.3. Amendment. The Company shall have the right at any time and from time to time to amend this Agreement in whole or in part by an acknowledged written instrument delivered to the Trustee executed in accordance with the order of the Company's Board of Directors. No amendment shall affect the rights and responsibilities of the Trustee without its written consent. Further, no amendment to this Agreement shall divert any part of the Trust Fund to purposes other than the exclusive benefit of the employees of the Company or their beneficiaries. Any amendment shall become effective upon (i) delivery to the Trustee of the written instrument of amendment, together with a certified copy of the resolution of the Board of Directors authorizing the amendment, and (ii) endorsement of receipt by the Trustee on the instrument, together with its consent, if that consent is required.

ARTICLE VIII
MISCELLANEOUS

SECTION 8.1. Governing Law. This Agreement and the Trust hereby created shall be construed and regulated by the laws of the State of New York, except as those laws are superseded by the Employee Retirement Income Security Act of 1974 or some other Federal law.

SECTION 8.2. Reorganization of Trustee. Any corporation into which the Trustee may be merged or with which it may be consolidated, or any corporation resulting from any merger, reorganization or consolidation to which the Trustee may be a party, or any corporation to which all or substantially all the pension trust business of the Trustee's may be transferred, shall be the successor of the Trustee under this Agreement, without the execution of any instrument or the performance of any further act.

The Trustee

THE CHASE MANHATTAN BANK

By: /s/ David E. Swanson
Its: Vice President

The Company

By: /s/ Elmer J. Dahl
Its: Secretary

ANDERSEN GROUP INDIVIDUAL RETIREMENT PLAN
TRUST AGREEMENT
(For Company Stock Fund)

Table of Contents

Article	Page
First: Establishment of Trust.....	1
Second: General Duties of the Employer.....	2
Third: General Duties of Trustee.....	2
Fourth: Participant Investment Direction.....	5
Fifth: Payment of Taxes.....	12

Sixth: Disbursement of Trust Funds.....13

Seventh: Exclusive Benefit of Employees, etc.....14

Eighth: Expenses of Trustee.....14

Ninth: Expenses of the Plan and Trust Fund.....15

Tenth: Accounts of the Trustee.....15

Eleventh: Resignation, Removal and Substitution of Trustee.....16

Twelfth: Amendment and Termination of Trust.....18

Thirteenth: Miscellaneous Provisions.....18

THIS TRUST AGREEMENT, effective as of the 16th day of December, 1997, by Andersen Group, Inc., a Connecticut corporation (hereinafter called the "Employer") and Oliver R. Grace, Jr. and Francis E. Baker (collectively called the "Trustee").

WITNESSETH:

WHEREAS, the Employer has established for its eligible employees the Andersen Group Individual Retirement Plan (hereinafter called the "Plan"); and WHEREAS, the Plan provides for Trustees to receive and hold contributions paid thereunder; and WHEREAS, the Employer has entered into a Trust Agreement with the Chase Manhattan Bank ("Chase") whereby Chase will hold all of the investments held by the Plan as trustee except the Company stock fund; and

WHEREAS, the Employer desires that the aforementioned Trustees hold the Company stock fund as the Trustee pursuant to the terms of this Trust Agreement.

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained, the parties hereto do hereby mutually declare and agree as follows:

First: Establishment of Trust. In order to carry out the purposes of the Plan for the limited purpose of holding assets in the Company stock fund, the Employer hereby adopts the ANDERSEN GROUP INDIVIDUAL RETIREMENT PLAN STOCK FUND TRUST (hereinafter called the "Trust"). The Trustee accepts this Trust and

agrees to act as Trustee hereunder, but only on the terms and conditions herein set forth. The Trustee shall only hold those assets in the Company Stock Fund not held by Chase (the "Trust Fund"). Subject to the terms of this Trust Agreement all right, title and interest in and to the estate of the Trust Fund shall be vested exclusively in the Trustee.

Second: General Duties of Trustee. The Employer agrees that a committee appointed by the Employer (hereinafter called the "Committee") shall control and manage the operation of the Plan in respect of the Trust Fund. The Committee may delegate the power to control and manage the operations of the Plan to appropriate employees of the Employer and other outside service providers. The Committee shall be responsible for instructing the Trustee in the disbursement of assets held in the Trust Fund, holding of the Trust Fund assets, and performing those plan administration functions with respect to those assets required under the terms of the Plan.

The Committee shall be responsible for keeping accurate books and records with respect to the Plan's rights and interests in the Trust Fund.

Third: General Duties of Trustee. It shall solely be the duty of the Trustee to receive and hold such assets as comprise the Trust Fund pursuant to the provisions hereinafter set forth and to receive assets from and to transfer assets from the Trust Fund, pursuant to the directions of the Committee, to Chase. The Trustee shall only be responsible for such assets as are actually received by it as Trustee hereunder. The Trustee shall have no duty or authority to ascertain whether any assets should be held by it pursuant to the Plan or to bring any action to enforce any obligation to make any contribution to the Plan. The duties and obligations of the Trustee hereunder shall be limited to those expressly imposed upon it by this Trust Agreement notwithstanding any reference herein to the Plan. The Trustee shall not be liable in discharging its duties hereunder if it acts in good faith and in accordance with the terms of this Trust Agreement and in accordance with applicable Federal or state laws, rules and regulations.

The Trustee shall, as soon as practicable following each date on which a cash contribution is received from the Employer, invest, by purchases first, from the Employer's treasury shares (based on the average last traded price for the five days of trades preceding the date of purchase), then from The Ney Company Profit Sharing Savings Plan (based on the average last traded price for the five days of trades, preceding the date of purchase), then from the Retirement Plan for Employees of The J.M. Ney Company (based on the average last traded price for the five days of trades, preceding the date of purchase), then from the Andersen Group Inc. Pension Plan (based on the average last traded price for the five days of trades, preceding the date of purchase), then on any stock exchange on which the shares of Andersen Group, Inc. Common Stock, shall be listed or admitted to unlisted trading privileges, then by purchases in the so-called "third market" and then by purchases in private transactions, all funds then held by them, after first reserving such amounts as the Trustee in its sole and absolute discretion shall deem necessary or advisable in order to meet the current cash needs of the Trust, in shares of Andersen Group, Inc. Common Stock, whether or not the same shall be authorized by law for the investment of trust funds; provided, however, that, (a) if, under the rules and regulations of the Securities and Exchange Commission and/or any stock exchange on which the shares of the Andersen Group, Inc. Common Stock shall be listed or admitted to unlisted trading privileges, such investment may not be made on any

business day, in whole or part, the Trustees shall make such investment on such succeeding business day or business days as shall be permitted by said rules and regulations, (b) the Trustees shall not be required to purchase shares of Andersen Group, Inc. Common Stock at times or prices which, in their sole and absolute opinion, would not be consistent with the conduct of orderly transactions in the market for shares of Andersen Group, Inc. Common Stock and (c) if any purchase is made from a person who is a "party in interest" with respect to the Plan within the meaning of Section 3(14) of ERISA, other than any such purchases effected in a transaction on any stock exchange on which the shares of Andersen Group, Inc. Common Stock shall be listed or admitted to unlisted trading privileges, including any such purchase made from the Employer, such purchase shall be at a price per share not in excess of the closing sale price thereof on the stock exchange on which the shares of Andersen Group, Inc. Common Stock shall be listed or admitted to unlisted trading privileges, on the date of the purchase and no commissions or other compensation shall be paid with respect thereto.

Fourth: Participant Investment Direction. Since plan participants, in accordance with the provisions of the Plan, may individually direct the investment of any part or all of the Trust Fund credited to their accounts, each participant shall have the power to direct the Trustee in the exercise of the powers described in paragraphs (a) through (j) below hereof with respect to that portion of the Trust Fund attributable to their accounts in the Plan, and the Trustee shall, upon receipt of a written direction from the participant, exercise such powers in accordance with such direction:

(a) To receive and continue to hold property, real or personal, including without limitation, stocks of any class (including common stock of the Employer), bonds, notes, debentures (including convertible stocks and securities), mortgages, forms of deposit maintained by a bank, shares of investment companies and mutual funds, or guaranteed or other insurance contracts, irrespective of any laws or rules of court of any state governing the investment of trust funds or diversification of trust funds and without regard to the proportion any such property may bear to the entire amount of the Trust Fund;

(b) To sell, exchange, redeem, or otherwise dispose of any securities or other property at any time held by the Trustee;

(c) To retain any property at any time received by the Trustee; (d) To settle, compromise, adjust, submit to arbitration, sue upon or abandon any claims or demands in favor of or against the Trust; provided, however, that the Trustee shall not be required to take any such action unless it shall have been indemnified by the participant to its reasonable satisfaction against liability or expenses it might incur therefrom;

(e) To join in, dissent from or oppose any plan of reorganization, consolidation, sale, merger, liquidation or other plan relating to any corporation or other entity, the securities of which may be held by the Trustee;

(f) To exercise any conversion privilege and/or subscription right available in connection with any securities or other property at any time held by the Trustee, to oppose or to consent to the reorganization, consolidation, merger, or readjustment of the finances of any corporation, company or association or to the sale, mortgage, pledge or lease of the property

of any corporation, company or association any of the securities of which may at any time be held by the Trustee, and to do any act with reference thereto, including the exercise of options, the making of agreements or subscriptions and the payment of expenses, assessments or subscriptions, which may be deemed necessary or advisable in connection therewith, and to hold and retain any securities or other property which the Trustee may so acquire;

(g) To hold uninvested any monies received by the Trustee, without liability for interest thereon, until directed that such monies shall be invested, reinvested or disbursed;

(h) To exercise any right, including the right to vote in person or by proxy, appurtenant to any securities or other property held by the Trustee at any time;

(i) To respond to a tender or exchange offer appurtenant to any securities or other property held by the Trustee at any time;

(j) To renew or extend or participate in the renewal or extension of any mortgage, upon such terms as may be deemed advisable, and to agree to a reduction in the rate of interest on any mortgage or to any other modification or change in the terms of any mortgage or of any guarantee pertaining thereto, in any manner and to any extent that may be deemed advisable for the protection of the Trust Fund or the preservation of the value of the investment; to waive any default whether in the performance of any covenant or condition of any mortgage or in the performance of any guarantee, or to enforce any such default in such manner and to such extent as may be deemed advisable; to exercise and enforce any and all rights of foreclosure; to take a deed in lieu of foreclosure with or without paying a consideration therefor and in connection therewith to release the obligation on the bond secured by such mortgage; and, to exercise and enforce in any action, suit or proceedings any rights or remedies in respect of any such mortgage or guarantee.

In addition to following the direction of Plan participants and having the powers enumerated above, the Trustee shall have the powers specified below:

(k) To employ suitable agents and counsel, who may be counsel for the Employer, and to act in accordance with their advice and to pay their reasonable expenses and compensation;

(l) To cause any property or securities at any time held in the Trust Fund to be registered in the name of one or more nominees, without disclosure of the Trust, or to hold any securities at any time held in trust in bearer form so that they will pass by delivery; to combine certificates representing securities with certificates of the same issue held by the Trustee in other fiduciary capacities or to deposit or to arrange for the deposit of such securities with the Depository Trust Company (New York) even though where deposited, such securities may be held in the name of the nominee of such depository with other securities deposited therewith by other persons, provided, however, that the books and records of the Trustee shall at all times show that all such securities are part of the Trust Fund.

(m) To make, execute and deliver, as Trustee, any and all deeds, leases, mortgages, conveyances, contracts, waivers, releases or other instruments in writing necessary or proper for the accomplishment of any of the foregoing powers;

(n) To do all acts, whether or not expressly authorized, that the Trustee may deem necessary or desirable for the protection of the Trust Fund and to accomplish any action provided for in the Plan;

(o) If any dispute shall arise as to the persons to whom payments and the delivery of any monies shall be made by the Trustee, or the amounts thereof, to retain such payments and/or postpone such delivery until actual adjudication of such dispute shall have been made in a court of competent jurisdiction, or the parties concerned have agreed to a settlement, or the Trustee has been indemnified against loss to its satisfaction.

The words "security or other property" as used in this Trust Agreement shall be deemed to refer to such stocks, bonds, notes or other evidences of indebtedness or ownership, in which trustees are authorized to invest under the laws of the State of Connecticut as such laws exist from time to time. Such phrase shall also be deemed to refer to any property, real or personal or part interest therein, wherever situated, including but without being limited to governmental, corporate or personal obligations, trust and participation certificates, leaseholds, fee titles, mortgages and other interests in realty, preferred and common stocks, and any other evidences of indebtedness or ownership, even though the same may not be legal investments for trustees under the law applicable thereto.

A Plan participant's direction may be in writing or such other format approved by the Trustee. The Trustee may decline to implement participant directions which may result in a prohibited transaction or generate income that would be taxable to the Plan. The Trustee shall not be liable for investments made in compliance with such directions or for any diminution in the value of such portion of the Trust Fund, or for any breach of ERISA, as a result of following a Plan participant's directions, and, further, shall be under no duty or obligation to review, evaluate or reevaluate the investments made pursuant to such directions.

The Trustee shall take direction from a participant as to the manner in which securities allocated to a Plan participant's account are to be voted on each matter brought before an annual or special stockholders' meeting or the manner in which to respond to a tender or exchange offer with respect to securities allocated to a Plan participant's account. Before each such meeting of stockholders or with respect to a tender or exchange offer, the Trustee shall cause to be furnished to each participant or beneficiary a copy of the proxy solicitation material or other material generally distributed to stockholders, together with a description of any Plan provisions which relate to the exercise of voting, tender or exchange rights with respect to such securities, and a form requesting confidential directions on how such securities allocated to such participant's account shall be voted on each such matter. The Committee shall also provide the Trustee with the mailing address of each participant or beneficiary. Upon timely receipt of each participant's directions, the Trustee shall reconcile the proxies received with the Plan's holdings on the record date and shall vote as directed on each such matter the number of shares of such security (including fractional shares) allocated to each participant's account or, in the case of a tender or exchange offer, shall respond as instructed with respect to such securities, and the Trustee shall have no discretion in such matter. The instructions received by the Trustee from participants shall be held by the Trustee in confidence and shall not be divulged or released to any person, except to the extent necessary to comply with applicable Federal or state laws. If the Trustee has not received direction from a participant as to the manner in which securities allocated to a plan participant's account are to be voted or responded to on a matter, the Trustee shall not exercise any right

to vote with respect to such securities, or shall not tender or exchange any security, and the Trustee shall have no discretion in such matter. The Trustee shall keep accurate records as to the voting of proxies of Plan-owned stock.

Fifth: Payment of Taxes. The Trustee shall pay out of the Trust Fund all real and personal property taxes, income taxes and other taxes of any and all kinds levied or assessed under existing or future laws against the Trust Fund.

Sixth: Disbursement of Trust Funds. The Trustee, from time to time upon receipt of written direction of the Committee, shall transfer assets from the Trust Fund to such persons, in such manner and in such amounts as the Committee shall direct in writing, and amounts transferred pursuant to such direction shall no longer constitute a part of the Trust Fund.

In directing the Trustee to make any transfers from the Trust Fund, the Committee shall follow the provisions of the Plan and in no event may the Committee direct that any payments be made, either during the existence or upon discontinuance of the Plan, that would cause any part of the Trust Fund to be used for or diverted to purposes other than the exclusive benefit of participating employees, former employees or beneficiaries of such employees, pursuant to the provisions of the Plan. The Trustee shall not be liable in any way for any payment made pursuant to any such direction of the Committee and, in the absence of knowledge that the direction constitutes such a breach, the Trustee shall have no duty to make any inquiry or investigation before acting upon any such direction of the Committee. Any written direction of the Committee shall constitute a certification that the transfer so directed is one that the Committee is authorized to direct, and the Trustee need not make any further investigation.

The Trustee may make any transfer required hereunder by mailing its check for the specified amount, or delivering the specified property, to Chase at such address as may have been last furnished to the Trustee, or if no such address shall have been so furnished, to such person in care of the Employer or the Committee, or (if so directed by the Committee) by crediting the account of such person or by transferring funds to such person's account by bank or wire transfer.

Seventh: Exclusive Benefit of Employees, etc. At no time prior to the satisfaction of all liabilities with respect to the Plan under this Trust shall any part of the corpus or income of the Trust Fund be used for, or diverted to, purposes other than for the exclusive benefit of such employees, former employees or their beneficiaries. The assets of the Trust Fund shall never inure to the benefit of the Employer and shall be held for the exclusive purposes of providing benefits to participants in the Plan and their beneficiaries and defraying reasonable expenses of administering the Plan.

Eighth: Expenses of Trustee. The Trustee shall be paid its reasonable expenses for the management and administration of the Trust Fund, including without limitation reasonable expenses of counsel and other agents employed by the Trustee.

Ninth: Expenses of the Plan and Trust Fund. The Employer shall pay, or if not paid by the Employer, the Trustee shall pay from the Trust Fund, the reasonable expenses relating to the Plan and Trust Fund payable to third parties including, without limitation, actuarial, investment management, accounting and legal expenses.

Tenth: Accounts of the Trustee. The Trustee shall keep full accounts of all of its receipts and disbursements. The Trustee's books and records with respect

to the Trust Fund shall be open to inspection by the Employer or the Committee at all reasonable times during business hours of the Trustee. The Trustee shall render from time to time, and not less frequently than once per year, accounts of its transactions to the Committee and certify to the accuracy thereof. The Committee may approve such accounts by an instrument in writing delivered to the Trustee. In the absence of the filing in writing with the Trustee by the Committee of exceptions or objections to any such account within sixty (60) days after an accounting has been rendered, the Committee shall be deemed to have approved such account; and in such case, or upon the written approval of the Committee of any such account, the Trustee shall be released, relieved and discharged with respect to all matters and things set forth in such account as though such account had been settled by the decree of a court of competent jurisdiction. No person other than the Committee may require an accounting or bring any action against the Trustee with respect to the Trust or its action as Trustee. The Trustee or the Committee shall have the right to apply at any time to a court of competent jurisdiction for judicial settlement of any account of the Trustee not previously settled as herein provided or for the determination of any question of construction or for instructions. In any such action or proceeding it shall be necessary to join as parties only the Trustee and the Committee (although the Trustee may also join such other parties as it may deem appropriate), and any judgment or decree entered therein shall be conclusive.

In the case of the revocation or termination of this Trust, or in case of the resignation or removal of the Trustee, the Trustee shall have the right to a settlement of the Trustee's accounts, which accounting may be made either (a) by agreement of settlement between the Trustee and the Committee, or (b) by judicial settlement in an action, suit or proceeding instituted by the Trustee in a court of competent jurisdiction.

Eleventh: Resignation, Removal and Substitution of Trustee. The Trustee may resign at any time, such resignation to take effect not less than thirty (30) days after any notice of such (unless notice of a shorter duration shall be accepted as adequate). Any successor Trustee hereunder may be either a corporation authorized and empowered to exercise trust powers or may be one or more individuals. In either event, the appointment of a successor Trustee shall not be effective until such successor Trustee delivers its written acceptance of trust to the Trustee. All of the provisions set forth herein with respect to the Trustee shall relate to each successor Trustee so appointed with the same force and effect as if such successor Trustee had been originally named herein as the Trustee hereunder.

In the case of the resignation of the Trustee, the Trustee shall have the right to a settlement of the Trustee's accounts, as provided in Article Tenth hereof. Upon the completion of such accounting and upon the appointment of a successor Trustee, the resigning Trustee shall transfer and deliver the Trust Fund to such successor Trustee, after reserving such reasonable amount as it shall deem necessary to provide for its expenses in the settlement of its account, and any sums chargeable against the Trust Fund for which it may be liable. If the sums so reserved are not sufficient for such purposes, the resigning Trustee shall be entitled to reimbursement for any deficiency from the successor Trustee. Also upon the completion of such accounting and upon the appointment of a successor trustee, the resigning Trustee shall thereupon be discharged from further accountability for the Trust Fund by reason of any

matter embraced in such accounting, and shall be under no further duty, obligation or responsibility for the disposition by such successor Trustee of the Trust Fund or any part thereof, but the Trustee shall, in any event, properly account for any such sums reserved by it.

Twelfth: Amendment and Termination of Trust. The Employer expressly reserves the right at any time to amend this Trust Agreement and the Trust created hereby to any extent that it may deem advisable.

The Employer expressly reserves the right to revoke this Trust Agreement and to terminate the Trust hereby created. Upon such termination, disposition of the assets of the Trust Fund shall be governed by the terms of the Plan; provided, however, that the Trustee shall not distribute any portion of the Trust Fund after such termination unless the Employer first obtains a determination from the Internal Revenue Service that such termination will not affect adversely the qualified status of the Plan.

Thirteenth: Miscellaneous Provisions

(a) This Trust Agreement and the trust hereby created shall be governed, construed, administered and regulated in all respects under the law of the United States and of the State of Connecticut.

(b) The titles to the Article in this Trust Agreement are placed herein for convenience of reference only and in case of any conflict the text of this instrument, rather than such titles, shall control.

(c) In the event that any dispute shall arise as to the persons to whom payment of any funds and/or delivery of any property shall be made by the Trustee, the Trustee may withhold such payment and/or delivery until such dispute shall have been determined by a court of competent jurisdiction or shall have been settled by the parties concerned.

(d) In case any provisions of this Trust Agreement shall be held illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts of this Trust Agreement, but this Trust Agreement shall be construed and enforced as if said illegal and invalid provisions had never been inserted herein or therein.

(e) No right or claim to any of the monies or other assets of the Trust Fund shall be assignable, nor shall such rights or claims be subject to garnishment, attachment or execution or levy of any kind and any attempt to transfer, assign or pledge the same will not be recognized by the Trustee except as may be required pursuant to a qualified domestic relations order under Section 414(p) of the Code or as may be otherwise required by applicable laws.

(f) This Trust Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and said counterparts shall constitute but one and the same instrument and may be sufficiently evidenced by any one counterpart.

(g) This Trust Agreement shall be binding upon the respective successors and assigns of the Employer and the Trustee.

(h) Neither the gender nor the number (singular or plural) of any word shall be construed to exclude another gender or number when a different gender or number would be appropriate.

(i) In the event of any conflict between provisions of the Plan and those of this Trust Agreement, or any trust agreement with Chase, this Trust Agreement shall prevail.

(j) Communications to the Trustee shall be sent to the Trustee's principal offices or to such other address as the Trustee may specify

in writing. No communication shall be binding upon the Trustee until it is received by the Trustee. Communications to the Committee or to the Employer shall be sent to the Employer's principal offices or to such other address as the Employer may specify in writing.

IN WITNESS WHEREOF, this Trust Agreement has been executed as of the day and year first above written.

Attest: ANDERSEN GROUP, INC.

/s/ Andrew M. O'Shea

By: /s/ Bernard F. Travers, III
Its: Assistant Secretary

Witness:

TRUSTEES:

Andrew M. O'Shea

/s/Oliver R. Grace, Jr.
Oliver R. Grace, Jr.

Andrew M. O'Shea

/s/Francis E. Baker
Francis E. Baker

Form of Stock Certificate

(American Eagle Graphic)

(Certificate
Number)

(Amount of
Shares)

ANDERSEN GROUP, INCORPORATED
INCORPORATED UNDER THE LAWS OF THE STATE OF CONNECTICUT

COMMON STOCK
SEE REVERSE FOR CERTAIN DEFINITIONS

THIS CERTIFIES that

is the owner of

CUSIP 033501 10 7

full-paid and non-assessable shares without par value of the Common Stock of

ANDERSEN GROUP, INCORPORATED

transferable on the books of the Corporation, in person or by duly authorized attorney, upon surrender of this Certificate properly endorsed.

This Certificate is not valid unless countersigned by the Transfer Agent.

IN WITNESS WHEREOF the duly authorized officers of this Corporation have hereunto subscribed their names and caused the corporate seal to be hereto affixed.

Dated:

Secretary

President

(Corporate Seal Andersen Group, Incorporated)

COUNTERSIGNED
REGISTRAR AND TRANSFER COMPANY

BY

TRANSFER AGENT

AUTHORIZED OFFICER

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	--	as tenants in common
TEN ENT	--	as tenants by the entirety
JT TEN	--	as joint tenants with right of survivorship and not as tenants in common
UNIF GIFT MIN ACT	--	Custodian _____
	(Cust)	(Minor)
		under Uniform Gifts to Minors Act _____
		(State)

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED, _____ hereby sell, assign and transfer unto _____.

Please Insert Social Security or Other Identifying Number of Assignee

.
.

Shares of the Common Stock represented by the within Certificate, and do hereby irrevocably constitute and appoint _____ Attorney to transfer the said stock on the books of the within-named Corporation with full power of substitution in the premises.

Dated: _____, 19____.

NOTICE: The signature to this assignment must correspond with the name as written upon the face of the certificate, in every particular, without alteration or enlargement, or any change whatever.

December 16, 1997

Board of Directors
Andersen Group, Inc.
Ney Industrial Park
Bloomfield, Connecticut 06002

Dear Sirs:

This opinion is being given in connection with the Registration Statement on Form S-8 (the "Registration Statement") to be filed with the Securities and Exchange Commission by Andersen Group, Inc. (the "Company") on the date hereof for the purpose of registering under the Securities Act of 1933, as amended, 23,000 shares of Common Stock, without par value (the "Common Stock"), to be issued by the Company under the Andersen Group Individual Retirement Plan (the "Plan"). In connection with this opinion, I have examined such corporate records, certificates and other documents and such questions of law, as I have considered necessary or appropriate for the purpose of this opinion.

Upon the basis of such examination, I advise you that, in my opinion, the Common Stock has been legally authorized for issuance under the Plan and when sold will be validly issued fully paid and nonassessable shares of Common Stock of the Company.

I hereby consent to the filing of this opinion as an exhibit to the Registration Statement. In giving such consent, I do not hereby admit that I am in a category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended.

Very truly yours,

By: /s/ Bernard F. Travers, III
Bernard F. Travers, III, Esq.
Assistant Secretary and
Director of Law and Taxation

The Board of Directors
Andersen Group, Inc.:

We consent to incorporation by reference in the Registration Statement (No. 333-XXX) on Form S-8 of Andersen Group, Inc. of our reports dated April 8, 1997, relating to the consolidated balance sheets of Andersen Group, Inc. and subsidiaries as of February 28, 1997 and February 29, 1996, and the related consolidated statements of operations, common and other stockholders' equity, and cash flows for each of the years in the three-year period ended February 28, 1997, and related schedule, which reports appear in the February 28, 1997, annual report on Form 10-K of Andersen Group, Inc.

/s/ KPMG Peat Marwick LLP
KPMG Peat Marwick LLP

Hartford, Connecticut
December 16, 1997