

## Internal Revenue Service

Department of the Treasury

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Washington, DC 20224

Person to Contact:

Telephone Number:

Refer Reply To:

CC:CORP:B03-PLR-150931-02

Date:

October 9, 2002

### Legend

Distributing =

Controlled 1 =

Controlled 2 =

ii =

Date X =

Date Y =

Date Z =

Dear :

This letter responds to a request dated September 12, 2002, for a supplemental ruling with respect to a ruling letter dated February 5, 2001 (PLR-108328-00, LTR 200118045), (the "Prior Letter"). The Prior Letter concerned a proposed transaction under §§ 355 and 368 ("Distributions"). The facts and representations set forth in the Prior Letter are hereby incorporated, except as modified below, for purposes of this supplemental ruling.

The Prior Letter contained the following paragraphs:

PLR-150931-02

- (xiv) Within one year of the completion of the Distributions, each of Controlled 1 and Controlled 2 will issue ii% of its stock to the public.
- (5n) No intercorporate debt will exist between Distributing or any related party, on the one hand, and Controlled 1 or Controlled 2 or any related party, on the other hand, at the time of or after the Distributions except for the continued guarantee by Distributing of the Controlled 2 public debentures and continued guarantee by Distributing of the Controlled 2 redemption rights.

In your current request you have indicated that, contrary to the facts and representations of the Prior Letter, 1) there will not be a public offering of Controlled 1 stock within 12 months of Date X, the date of the distribution of Controlled 1 stock, and 2) some intercorporate debt, not previously described, still existed between Distributing and Controlled 1 after Date X. Controlled 1 will now issue stock to the public by Date Y. All debt between Distributing and Controlled 1 was not repaid until Date Z.

Based upon the facts and information submitted, we hold that the changes from the Prior Letter, described above, will have no adverse effect on any of the rulings contained in the Prior Letter and such rulings remain in full force and effect.

We express no opinion about the tax treatment of the transaction under other provisions of the Code and regulations or about the tax treatment of any conditions existing at the time of, or effects resulting from, the transaction that are not specifically covered by the above ruling.

The rulings contained in this letter are based upon information and representations submitted by the taxpayer and accompanied by a penalty of perjury statement executed by an appropriate party. This office has not verified any of the material submitted in support of the request for rulings. It is subject to verification on examination.

Each affected taxpayer must attach a copy of this letter to the taxpayer's federal income tax return for the tax year in which the transaction covered by this ruling letter is consummated.

PLR-150931-02

We have sent a copy of this letter to the authorized representative designated on the power of attorney on file in this office.

Sincerely yours,

*Ken Cohen*

Ken Cohen  
Senior Technician Reviewer, Branch 3  
Office of Assistant Chief Counsel (Corporate)