

Internal Revenue Service

Department of the Treasury

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Washington, DC 20224

Person to Contact:

Telephone Number:

Refer Reply To:

CC:CORP:2-PLR-127209-00

Date:

February 12, 2001

Legend:

Distributing =

Controlled =

Dear :

We respond to your letter dated November 21, 2000, in which you requested a supplemental ruling to PLR 200020030 issued on February 16, 2000 ("Prior Letter Ruling"). Additional information was submitted in a letter dated January 25, 2001.

The Prior Letter Ruling stated that the business purpose of the spin-off was to facilitate a public offering of Distributing's stock (the "IPO"). Although the proposed distribution has not been effectuated, Distributing has taken substantial steps to undertake the IPO, including engaging an investment banking firm and submitting form S-1 to the Securities and Exchange Commission. However, Distributing's investment bankers have advised that the IPO be delayed due to the adverse changes that have occurred in Distributing's industry segment and the market generally since the issuance of the Prior Letter.

Distributing has represented that all of the other representations made in the Prior Letter Ruling are still true and correct, except that, in connection with this request, Distributing represents:

Consistent with Section 2.02 of Appendix A of Rev. Proc. 96-30, 1996-1 C.B. 696, the stock offering will be made within one year of the distribution.

Based upon the information and representations submitted with the original and supplemental ruling requests, we rule that the rulings contained in the Prior Letter Ruling remain in full force and effect.

This supplemental ruling is directed only to the taxpayers requesting it. Section 6110(k)(3) of the Code provides that it may not be used or cited as precedent.

PLR-127209-00

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. While this office has not verified any of the material submitted in support of the request for rulings, it is subject to verification on examination.

A copy of this letter must be attached to any income tax return to which it is relevant.

In accordance with the Power of Attorney on file with this office, a copy of this letter is being sent to the taxpayer.

Sincerely,
Assistant Chief Counsel (Corporate)
By: Lewis K Brickates
Assistant to Chief, Branch 2