

## Internal Revenue Service

Number: **200409018**

Release Date: 2/27/04

Index Numbers: 332.01-00, 355.01-00,  
368.04-00

Department of the Treasury  
Washington, DC 20224

Person To Contact:

, ID No.

Telephone Number:

Refer Reply To:

CC:CORP:B03 – PLR-144353-03

Date:

November 18, 2003

In Re:

Distributing 1 =

Distributing 2 =

Controlled =

\$s =

Date 4 =

Family Group 1 =

Family Group 2 =

Family Group 3 =

Family Group 4 =

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Dear \_\_\_\_\_ :

We respond to your July 27, 2003, letter requesting a ruling supplementing the rulings previously issued in PLR-100611-02, published as PLR 200239022 (the Original Letter Ruling). Additional information was submitted in a letter dated November 6, 2003. The information submitted for consideration is summarized below.

In the Original Letter Ruling, we issued rulings under §§ 332, 355, and 368(a)(1)(D) of the Internal Revenue Code and other Code provisions with respect to a proposed distribution by Distributing 2 to its shareholders of all the stock of Controlled and certain related transactions. The transactions described in the Original Letter Ruling have not been consummated.

Disputes between Family Group 2 and the shareholder group of Family Group 1, Family Group 3 and Family Group 4 have been litigated. As a result of this litigation, a settlement was executed on Date 4. The settlement provides that, immediately after the transaction proposed in the Prior Ruling Letter, all of the Controlled stock to be received by Family Group 2 will be redeemed for cash or promissory note(s) of Controlled (the Redemption"). The redemption price will equal \$    .

The taxpayer has represented that, except for the facts and representations submitted as part of this ruling request, all of the facts of the Original Ruling Letter are still accurate and the representations made in that letter remain in full force and effect.

Based on the information and representations submitted, we rule that:

The Redemption will have no effect on the continuing validity of any of the rulings contained in the Original Ruling Letter.

No opinion is requested, and no opinion is expressed, concerning the Federal income tax consequences of the Redemption. Additionally, no opinion is expressed 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 predicated upon the facts and representations submitted by the taxpayer and accompanied by a penalties of perjury statement executed by an appropriate party. This office has not verified any of the

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materials submitted in support of the request for a ruling. Verification of the information, representations, and other data may be required as part of the audit process. See §§ 12.04 and 12.05 of Rev. Proc. 2003-1, 2003-1 I.R.B. 1, 44, which discuss in greater detail the revocation or modification of ruling letters. However, when the criteria in § 12.06 of Rev. Proc. 2003-1 are satisfied, a ruling is not revoked or modified retroactively except in rare or unusual circumstances.

This ruling is directed only to the taxpayer who requested it. Section 6110(k)(3) provides that it may not be used or cited as precedent.

It is important that a copy of this ruling letter be attached to the federal income tax return of each party involved for the taxable year in which the transaction covered by this letter is consummated.

Pursuant to the power of attorney on file in this office, a copy of this letter has been sent to the taxpayer.

Sincerely yours,

*Filiz A. Serbes*

Filiz A. Serbes  
Chief, Branch 3  
Office of Associate Chief Counsel (Corporate)

Cc