

Internal Revenue Service

Department of the Treasury

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Person to Contact:

Telephone Number:

Refer Reply To:

CC:DOM:CORP-PLR-118116-99

Date:

March 03, 2000

Date 4 =

This letter responds to your request dated November 8, 1999 for a supplement to our prior letter ruling dated September 30, 1999 (the "Prior Letter Ruling") issued to the above referenced taxpayer. The legend abbreviations, factual summary, and representations appearing in the Prior Letter Ruling are incorporated by reference into this letter.

On Date 4, Distributing and Controlled completed the proposed Demutalization and Holding company formation described in the Prior Ruling Letter.

In addition to the information and representations provided in the Prior Letter Ruling, the following representations have been submitted:

- v. Prior to the Demutualization, Fcorp did not have any classes of equity interests outstanding other than Membership Interests.
- w. The fair market value of the Fcorp common stock deemed to be issued by Fcorp was approximately equal to the fair market value of the Fcorp Membership Interests surrendered in exchange therefor.
- x. Fcorp has continued (and will continue) to conduct its life insurance business operations following the Demutalization.
- y. Following the Demutualization, Fcorp was treated under Country X law as the same corporation that existed as a mutual company.
- z. Fcorp issued only common stock in connection with the Demutalization

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and Holding formation transaction, and has no other classes of stock outstanding.

The above additional representations have no effect on the rulings contained in the Prior Letter Ruling, and those rulings retain full force and effect. In addition, the following ruling is added to the Prior Letter Ruling:

- (26) No gain or loss will be recognized upon the deemed exchange by the Exchanging Policyholders of their Membership Interests in Fcorp for Fcorp common stock. I.R.C. § 1036.

The ruling contained in this letter is 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. Verification of the factual information, representations, and other data may be required as part of the audit process.

Except as specifically provided herein, no opinion is expressed or implied concerning the tax consequences of any aspect of any transaction or item discussed or referenced in this letter.

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

A copy of this letter and the Prior Letter Ruling must be attached to any income tax return to which it is relevant.

Sincerely,

Philip J. Levine
Assistant Chief Counsel

By: _____

Lewis K Brickates
Assistant to the Branch Chief, Branch 2