

Internal Revenue Service

Department of the Treasury
Washington, DC 20224

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Third Party Communication: None
Date of Communication: Not Applicable

Person To Contact:
, ID No.

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Refer Reply To:
CC:CORP:04
PLR-118121-07

Date:
June 05, 2007

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Date 5 =

Dear :

This responds to your April 12, 2007, request that we supplement our letter ruling dated August 18, 2006 (PLR-124298-06), our supplemental ruling dated December 7, 2006 (PLR-151247-06), and our supplemental ruling dated March 15, 2007 (PLR-106475-07) (together, the "Prior Rulings"). The information provided in that letter and in later correspondence is summarized below. Capitalized terms not defined in this letter have the meanings originally assigned to them in the Prior Rulings.

The rulings contained in this letter are based on 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 information, representations, and other data may be required as part of the audit process. In particular, this office has not reviewed any information pertaining to, and has made no determination regarding, whether the proposed transaction: (i) satisfies the business purpose requirement of § 1.355-2(b) of the Income Tax Regulations; (ii) is used principally as a device for the distribution of the earnings and profits of a distributing or controlled corporation or both (see § 355(a)(1)(B) of the Internal Revenue Code and § 1.355-2(d)); or (iii) is part of a plan (or series of related transactions) pursuant to which one or more persons will acquire directly or indirectly stock representing a 50-percent or greater interest in a distributing or controlled corporation (see § 355(e) and § 1.355-7).

The Prior Rulings address certain U.S. federal income tax consequences of Proposed Transactions under §§ 351, 355, and 368 of the Code, and other Code provisions.

SUPPLEMENTAL FACTS

Distributing 5's public debt is being refinanced and assumed as follows:

- (i) Distributing 5 has entered into three loan facilities with third-party banks and has tendered for its public debt.
- (ii) Distributing 5 will draw down on the three loan facilities to finance payments to the tendering holders of public debt.
- (iii) Controlled 9, N4, and N5 each will assume the appropriate loan facility in connection with the separation of Distributing 5. Any public debt not tendered will be assumed by Controlled 9 in connection with Contribution 20.

In addition, Distributing 5 has outstanding promissory notes (the "Notes") that are convertible into shares of Distributing 6 common stock. It is expected that some of these Notes will remain outstanding and will become obligations of Controlled 9, which will remain an affiliate of Distributing 6. Beginning with the record date for Distribution 12 and Distribution 13, any holder of Notes that exercises its conversion right will be entitled to receive stock of Distributing 6, Controlled 10, and Controlled 11 determined as if the Notes had been converted immediately prior to the record date for Distribution 12 and Distribution 13.

To mitigate against market risk with respect to shares of Controlled 10 and Controlled 11 stock that Controlled 9 could be required to deliver pursuant to the conversion of the Notes, a trust (the "Trust") will be established to hold the maximum number of shares of Controlled 10 and Controlled 11 stock that could be required to satisfy the conversion. The amount of stock of each of Controlled 10 and Controlled 11 held by the Trust is anticipated to be materially less than y percent of the outstanding stock of such company. The trustee of the Trust will be required to vote the shares of Controlled 10 and Controlled 11 stock held by the Trust in proportion to the votes cast by all other shareholders of Controlled 10 and Controlled 11.

It is anticipated that Controlled 9 will redeem any Notes remaining outstanding as of Date 5 as soon as possible. Any shares of Controlled 10 and Controlled 11 stock remaining in the Trust thereafter will be returned immediately to Controlled 10 and Controlled 11, respectively, and in any event, no later than five years after the record date of Distribution 12 and Distribution 13.

SUPPLEMENTAL RULINGS

Based on the information and representations set forth herein and submitted with the Prior Rulings, we rule as follows:

The supplemental facts submitted shall have no adverse effect on the Prior Rulings, which, as modified thereby, shall remain in full force and effect.

CAVEAT

No opinion is expressed about the tax treatment of the Proposed Transactions under other provisions of the Code or regulations or the tax treatment of any condition existing at the time of, or effects resulting from, the Proposed Transactions that are not specifically covered by the above rulings and the rulings contained in our Prior Rulings. In particular, no opinion is expressed regarding: (i) whether the proposed transaction satisfies the business purpose requirement of § 1.355-2(b); (ii) whether the proposed transaction is used principally as a device for the distribution of the earnings and profits of a distributing or controlled corporation or both (see § 355(a)(1)(B) and § 1.355-2(d)); and (iii) whether the proposed transaction is part of a plan (or series of related transactions) under § 355(e)(2)(A)(ii).

PROCEDURAL STATEMENTS

This ruling is directed only to the taxpayer requesting it. Section 6110(k)(3) provides that it may not be used or cited as precedent. A copy of this ruling letter should be attached to the U.S. federal income tax return of each taxpayer involved for the taxable year in which the transaction covered by this ruling letter is consummated. Alternatively, taxpayers filing their returns electronically may satisfy this requirement by attaching a statement to their return that provides the date and control number of the letter ruling.

In accordance with the power of attorney on file with this office, a copy of this letter is being sent to your authorized representative.

Sincerely,

Richard K. Passales
Senior Counsel, Branch 4
Associate Chief Counsel (Corporate)