



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

OFFICE OF THE CHIEF COUNSEL

March 4, 2010

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Dear _____ :

This letter responds to your inquiry dated December 30, 2009. You requested our opinion on whether your facts would fall under Revenue Ruling 2009-9, 2009-14 I.R.B. 735, or Revenue Procedure 2009-20, 2009-14 I.R.B. 749.

Revenue Ruling 2009-9 explains the income tax law that applies to an investor who loses money in a fraudulent arrangement. Revenue Procedure 2009-20 provides a simplified method for qualifying investors to compute and report their losses from fraudulent investment schemes. Section 6 of Revenue Procedure 2009-20 outlines the required procedures for use of the simplified method.

Your questions require the application of the tax law to your specific fact pattern. In order to receive a written response addressing your questions, you must request a private letter ruling. A private letter ruling interprets the tax laws and applies them to the taxpayer's specific set of facts. Section 7 of Revenue Procedure 2010-1, 2010-1 I.R.B. 1, provides the general instructions for requesting a private letter ruling, which include the payment of the applicable user fee. In addition, Appendix B of Revenue Procedure 2010-1 provides a list of procedural statements that a taxpayer must submit with a private letter ruling request.

I hope this information is helpful. If you have any questions, please contact _____, Identification Number _____, at _____.

Sincerely,

Norma C. Rotunno
Assistant to Branch Chief, Branch 2
Office of Associate Chief Counsel
(Income Tax & Accounting)