

Internal Revenue Service

Department of the Treasury
Washington, DC 20224

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CC:CORP:02
PLR-123083-10
Date:
June 08, 2010

LEGEND

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Dear :

This letter responds to your May 31, 2010 request that we supplement our letter ruling dated April 28, 2010 (PLR-107989-10) (the "Original Letter Ruling"). The information provided in that request and in later correspondence is summarized below. Capitalized terms not defined in this letter have the meanings originally assigned to them in the Original Letter Ruling.

The rulings contained in this letter are based upon 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 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 Internal Distribution and the External Distribution: (i) satisfy the business purpose requirement of Treas. Reg. § 1.355-2(b); (ii) are being used principally as a device for the distribution of the earnings and profits of the distributing corporation or the controlled corporation or both (see section 355(a)(1)(B) and Treas. Reg. § 1.355-2(d)); or (iii) are 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 the distributing corporation or the controlled corporation (see section 355(e) and Treas. Reg. § 1.355-7).

The Original Letter Ruling addresses certain U.S. federal income tax consequences of the Proposed Transactions under sections 355, 368, and certain other relevant provisions of the Internal Revenue Code. Except as modified below, the representations and material facts set forth in the Original Letter Ruling remain in effect for purposes of this supplemental letter ruling.

SUPPLEMENTAL FACTS

The material facts as described in the Original Letter Ruling are unchanged, except as stated below.

At the time of the External Distribution, Distributing will have authorized and designated shares of preferred stock, but no shares of Distributing preferred stock will be outstanding or issued at such time. Distributing's board of directors intends to adopt a rights plan (the "Distributing Rights Plan") pursuant to which Distributing will distribute one preferred stock purchase right (individually, a "Right", and collectively, the "Rights") for each share of Distributing common stock outstanding at the close of business on the day after the External Distribution (the "Record Date"). The Rights will be evidenced by the certificates for Distributing common stock or, in the case of any uncertificated Distributing common stock registered in book entry form, by notation in book entry. The Rights will be transferable only in connection with the transfer of the underlying Distributing common stock. Each Right will entitle the registered holder thereof to purchase, at a discount, \underline{x} of a share of the newly created Distributing preferred stock from Distributing upon the occurrence of certain triggering events described in the Distributing Rights Plan. If no triggering event occurs, the Rights expire \underline{y} years after their creation. Parent and Distributing believe that the likelihood that the Rights will, at any time, be exercised is both remote and speculative.

REPRESENTATIONS

In connection with its request for a supplemental ruling, Parent reaffirms each of the representations made in the Original Letter Ruling and makes the following additional representation:

The Rights are the type of rights described in Rev. Rul. 90-11, 1990-1 C.B. 10.

RULINGS

Based solely on the supplemental information submitted and the representations set forth above, as well as the information and representations submitted with the Original Letter Ruling, we rule as follows:

- (1) Provided that, on the Record Date, the Rights remain contingent, non-exercisable, and subject to redemption if issued, the receipt of the Rights by the shareholders of Distributing will not be a distribution or receipt of property, an exchange of stock or property (either taxable or nontaxable), or any other event giving rise to the realization of income or gain by Distributing or the shareholders of Distributing. Rev. Rul. 90-11, 1990-1 C.B. 10.
- (2) The supplemental facts submitted will not adversely affect the Original Letter Ruling, which, as modified hereby, will remain in full force and effect.

CAVEATS

Except as expressly provided herein, no opinion is expressed or implied concerning the tax treatment of the Proposed Transactions under other provisions of the Code or the regulations, or the tax treatment of any conditions existing at the time of, or effects resulting from, the Proposed Transactions that are not specifically covered by the above rulings. In particular, no opinion is expressed regarding:

- (i) Whether the Internal Distribution and the External Distribution satisfy the business purpose requirement of Treas. Reg. § 1.355-2(b);
- (ii) Whether the Internal Distribution and the External Distribution will be used principally as a device for the distribution of the earnings and profits of the distributing corporation or the controlled corporation or both; and
- (iii) Whether the Internal Distribution and the External Distribution will be part of a plan (or series of related transactions) under section 355(e)(2)(A)(ii).

PROCEDURAL STATEMENTS

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

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

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

Sincerely,

Frances L. Kelly
Assistant to the Branch Chief, Branch 2
Office of Associate Chief Counsel (Corporate)

cc: