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Department of the Treasury
Washington, DC 20224

Third Party Communication: None
Date of Communication: Not Applicable

Person To Contact:
, ID No.

Telephone Number:

Refer Reply To:
CC:CORP:B03
PLR-126251-11

Date:
June 29, 2011

Parent =

HoldingCo =

MergeCo =

Business A =

Dear :

We respond to your authorized representatives' letter of June 16, 2011, requesting rulings as to the federal income tax consequences of a proposed reorganization. The information supplied in the request is summarized below.

Parent, HoldingCo, and MergeCo are all domestic corporations and members (along with other corporations) of a single affiliated group filing consolidated federal income tax returns. The group engages in Business A.

Parent, a widely held and publicly traded corporation, is the common parent of the consolidated group. Parent has voting common stock outstanding, has no preferred stock outstanding, and holds no shares in treasury. Pursuant to various employee and other plans (the Parent Plans), Parent has issued both restricted stock and unexercised, unexpired options to purchase Parent common stock (all of which restricted stock and options are hereinafter referred to as having been issued pursuant to various Parent Awards).

HoldingCo is a newly organized and wholly-owned subsidiary of Parent. MergeCo is a newly organized and wholly-owned subsidiary of HoldingCo.

Pursuant to a plan, the following consecutive steps will occur:

(i) Effective upon the filing of a certificate of merger with the appropriate state authority or at a later date specified therein (the Effective Time), Parent will merge with MergeCo (the Merger), the separate existence of MergeCo will cease, and Parent will continue as the surviving company (the Surviving Company).

(ii) Each share of Parent common stock issued and outstanding immediately prior to the Effective Time (other than shares held in treasury, if any, which shall be automatically canceled and retired without payment of any consideration therefor) shall be converted into one fully paid share of HoldingCo common stock. Each Parent Award will be assumed by HoldingCo and will continue to have, and be subject to, the same terms and conditions as set forth in the Parent Award and the applicable Parent Plan immediately prior to the Effective Time, except that each Parent Award will be exercisable (or will become exercisable in accordance with its terms) for, or shall be denominated with reference to, that number of shares of HoldingCo common stock equal to the number of shares of Parent common stock that were subject to such Parent Award immediately prior to the Effective Time.

(iii) The MergeCo common stock held by HoldingCo will automatically be converted into, and thereafter represent, 100 percent of the common stock of the Surviving Company.

(iv) Each share of HoldingCo common stock owned by Parent immediately prior to the Merger shall automatically be canceled and retired and cease to exist.

(v) From and after the Effective Time, holders of certificates formerly evidencing Parent common stock shall cease to have any rights as shareholders of Parent.

(vi) Parent has in place a share repurchase program whereby Parent may purchase Parent common stock from time to time on the open market or through privately negotiated transactions. HoldingCo will adopt a repurchase program identical to the Parent repurchase program to repurchase HoldingCo common stock (the HoldingCo Repurchase Program).

The taxpayer makes the following representations:

(a) The fair market value of the HoldingCo common stock received by each Parent shareholder who participates in the proposed reorganization will be approximately equal to the fair market value of the Parent common stock surrendered by the shareholder in the proposed reorganization.

(b) Except for any repurchases made pursuant to the HoldingCo or Parent Repurchase Program, there is no plan or intention for HoldingCo or any person related (within the meaning of § 1.368-1(e)(3) of the Income Tax Regulations) to HoldingCo, to acquire, directly or indirectly, any HoldingCo common stock issued in the proposed reorganization. In addition, neither HoldingCo nor any person related (within the meaning of § 1.368-1(e)(3)) will have acquired, directly or indirectly, any stock of Parent with consideration other than HoldingCo common stock.

(c) Parent has no plan or intention to issue additional shares of stock that would result in HoldingCo's losing control (within the meaning of § 368(c) of the Internal Revenue Code) of Parent.

(d) In connection with the proposed reorganization, any warrants, options, convertible securities, restricted stock, or any other type of right pursuant to which any person could acquire stock in Parent will be converted into an identical right to acquire HoldingCo stock. Subsequent to the proposed reorganization, there will be no outstanding warrants, options, convertible securities, restricted stock, or any other type of right pursuant to which any person could acquire stock in Parent that, if exercised or converted, would affect HoldingCo's acquisition or retention of control of Parent, as defined in § 368(c).

(e) HoldingCo has no plan or intention to liquidate or merge Parent with and into another corporation, to sell or otherwise dispose of the stock of Parent, or to cause Parent to sell or otherwise dispose of any of its assets, except for transfers made in the ordinary course of business or transfers of assets to a corporation controlled by Parent or transfers of cash made

to HoldingCo in connection with cash management of Parent by HoldingCo.

(f) HoldingCo and Parent each will pay its own expenses incurred in connection with the proposed reorganization. It is not anticipated that the shareholders of Parent will have any expenses in connection with the proposed transaction.

(g) HoldingCo will acquire Parent common stock solely in exchange for HoldingCo voting stock. In addition, liabilities of Parent or the Parent shareholders will not be assumed by HoldingCo, nor will any of the stock of Parent acquired by HoldingCo be subject to any liabilities except that HoldingCo may become secondarily liable on a Parent credit facility and HoldingCo will assume Parent's obligations under the Parent Plans.

(h) HoldingCo does not own, directly or indirectly, nor has it owned during the past five years, directly or indirectly, any stock of Parent.

(i) No two parties to the proposed reorganization will be investment companies as defined in §§ 368(a)(2)(F)(iii) and (iv).

(j) The shareholders of Parent will have no dissenters' rights with respect to the proposed transaction and therefore no funds will be supplied, directly or indirectly, by HoldingCo nor will HoldingCo directly or indirectly reimburse Parent for any payments to any dissenting shareholders for the value of their stock.

(k) At the time of the proposed reorganization, the fair market value of the assets of Parent will exceed the sum of its liabilities plus the liabilities, if any, to which the assets are subject.

(l) None of Parent, HoldingCo, nor MergeCo will be under the jurisdiction of a court in a Title 11 or similar case within the meaning of § 368(a)(3)(A).

(m) Following the proposed reorganization, HoldingCo and Parent will continue Parent's historic business or use a significant portion of Parent's historic assets in a business.

Based solely on the information submitted and the representations made, we rule as follows:

(1) For federal income tax purposes, the formation of MergeCo and its merger with and into Parent pursuant to the proposed reorganization will be disregarded, and the transaction instead will be treated as the acquisition

by HoldingCo of all of the outstanding Parent common stock in exchange solely for shares of HoldingCo common stock (Rev. Rul. 67-448, 1967-2 C.B. 144).

(2) The acquisition by HoldingCo of all the outstanding Parent common stock in exchange solely for shares of HoldingCo common stock in the proposed reorganization will be a reorganization within the meaning of § 368(a)(1)(B) and/or § 368(a)(1)(A) by application of § 368(a)(2)(E). HoldingCo and Parent each will be "a party to a reorganization" within the meaning of § 368(b).

(3) The Parent shareholders will not recognize gain or loss on the exchange of their Parent common stock solely for HoldingCo common stock in the proposed reorganization (section 354(a)(1)).

(4) A holder of Parent options and/or restricted stock pursuant to the Parent Awards will not recognize gain or loss upon the exchange of Parent options and/or restricted stock for HoldingCo options and/or restricted stock with identical terms (sections 354(a) and 1.354-1(e)).

(5) HoldingCo will not recognize any gain or loss upon the receipt of Parent common stock in exchange solely for HoldingCo common stock in the proposed reorganization (section 1032(a)).

(6) The basis of each Parent shareholder in the HoldingCo common stock received by such Parent shareholder in the proposed reorganization described above will be the same as the basis of the Parent shareholder in the Parent common stock surrendered in exchange therefor (section 358(a)(1)).

(7) The holding period of the HoldingCo common stock received by each Parent shareholder in the proposed reorganization will include the period during which the Parent common stock surrendered by such shareholder was held, provided that the Parent common stock surrendered by such shareholder was held as a capital asset on the date of the exchange (section 1223(1)).

(8) The affiliated group of which Parent is the common parent immediately before the proposed reorganization will not terminate as a result of the proposed reorganization and will be treated as remaining in existence after the consummation of the proposed reorganization with HoldingCo becoming the common parent of such affiliated group (Rev. Rul. 82-152, 1982-2 C.B. 205). As a result, the members of the affiliated group of which Parent is the common parent immediately before the proposed

reorganization (other than MergeCo) will not close their taxable years as a result of the proposed reorganization, and the continuing affiliated group will remain on the taxable year previously used by the Parent affiliated group (Rev. Rul. 82-152, 1982-2 C.B. 205).

(9) For purposes of §§ 1.1502-31 and 1.1502-33, the proposed reorganization will qualify as a "group structure change" (section 1.1502-33(f)(1)). HoldingCo's basis in Parent common stock immediately after the group structure change will be Parent's net asset basis as determined under § 1.1502-31(c), subject to adjustments described in § 1.1502-31(d) (section 1.1502-31(b)(2)). The earnings and profits of HoldingCo will be adjusted immediately after HoldingCo becomes the new common parent to reflect the earnings and profits of Parent immediately before Parent ceases to be the common parent (section 1.1502-33(f)(1)).

(10) The consolidated net operating loss carryovers of the affiliated group of which Parent is the common parent immediately before the proposed reorganization will be available for carryover to taxable years of the affiliated group ending after the date of the proposed reorganization (section 1.1502-1(f)(2)(i) and Rev. Rul. 82-152, 1982-2 C.B. 205).

The rulings contained in this letter are based upon the information and representations submitted by the taxpayer and accompanied by a penalty of perjury statement executed by an appropriate party. While this Office has not verified any of the material submitted in support of the request for rulings, it is subject to verification on examination.

Except as expressly 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. We express no opinion about the tax treatment of transactions under other provisions of the Code and regulations or on the tax treatment of any conditions existing at the time of, or effects resulting from, transactions that are not specifically covered by the rulings above.

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

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 this letter ruling.

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

Sincerely,

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

cc: