

Internal Revenue Service

Department of the Treasury
Washington, DC 20224

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Person To Contact:
, ID No.

Telephone Number:

Refer Reply To:
CC:CORP:1
PLR-123957-14

Date:
December 05, 2014

LEGEND

Distributing 4 =

Controlled 2 =

Business A =

\$aa =

Additional Payment =

Board Resolution =

aaa =

Date 5 =

Date 6 =

Dear :

This letter responds to your letter dated June 17, 2014, requesting that we supplement our letter ruling dated June 4, 2014 (PLR-137376-13) (the "Prior Letter Ruling"). The information submitted for consideration is summarized below. Capitalized terms not defined in this letter have the meanings assigned to them in the Prior Letter Ruling.

This letter is issued pursuant to section 6.03 of Rev. Proc. 2014-1, 2014-1 I.R.B. 15, regarding one or more significant issues under sections 332, 351, 355, 368, or 1036. The rulings contained in this letter only address one or more discrete legal issues involved in the transaction. This Office expresses no opinion in this letter as to the overall tax consequences of the transactions described in this letter or as to any issue not specifically addressed by the rulings below.

The rulings contained in this letter are based upon the information and representations submitted by the taxpayer and accompanied by penalty of perjury statements executed by an appropriate party. This office has not verified any of the materials 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.

The Prior Letter Ruling addresses certain 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 Prior Letter Ruling remain in effect for purposes of this supplemental letter ruling.

SUPPLEMENTAL FACTS

The Controlled 2 Contribution and the External Distribution were completed on Date 6. On Date 5, Distributing 4's Board of Directors adopted the Board Resolution. The Board Resolution authorized Distributing 4 to implement the External Distribution, and stated that Distributing 4 will, in connection with the plan that includes the Controlled 2 Contribution and the External Distribution, and within aaa months following its receipt, if any, of the Additional Payment, use an amount of cash equal to the Additional Payment to repay creditors to whom Distributing 4 had existing debt obligations at the time of the External Distribution. Distributing 4 intends to establish a separate bank account to deposit any Additional Payment received.

RULINGS

Based solely on the information submitted and the representations made, and conditioned upon Distributing's execution of the closing agreement attached hereto and made a party hereof, we rule as follows:

1. Any payment Distributing 4 receives as part of the Additional Payment, to the extent not treated as interest by reason of section 483, will be treated as "other property or money" within the meaning of section 361(b)(1) received by Distributing 4 in exchange for the property Distributing 4 transferred to Controlled 2 in the Controlled 2 Contribution (*Arrowsmith v. Commissioner*, 344 U.S. 6 (1952)).
2. Provided that within aaa months following its receipt, if any, of the Additional Payment, Distributing 4 transfers an amount of cash equal to the Additional Payment to repay creditors to whom Distributing 4 had existing debt obligations at the time of the External Distribution, the transfer will be treated as a distribution by Distributing 4 in pursuance of the plan of reorganization within the meaning of Section 361(b). Sections 361(b)(1)(A), 361(b)(3).

CLOSING AGREEMENT

In connection with the issuance of this supplemental ruling letter, a closing agreement is being entered into between the Internal Revenue Service and the taxpayer with respect to certain of those issues affecting its tax liability on the basis set forth above. Pursuant to our practice with respect to such agreements, the closing agreement contains a stipulation to the effect that any change or modification of applicable statutes enacted subsequent to the date of this agreement and made applicable to the taxable period involved will render the agreement ineffective to the extent that it is dependent upon such statutes. This private letter ruling will become effective upon execution of the closing agreement.

CAVEATS

Except as expressly provided herein, no opinion is expressed or implied concerning the tax treatment of the Supplemental Facts or the Proposed Transaction under any provision of the Code and regulations or the tax treatment of any condition existing at the time of, or effects resulting from the Supplemental Facts or the Proposed Transaction that is not specifically covered by the above rulings or the Prior Letter Ruling. In particular, we express no opinion regarding:

- (i) The extent to which Distributing 4 will be required to include in its gross income amounts treated as interest by reason of section 483 with respect to the Additional Payment.

PROCEDURAL MATTERS

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.

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 (PLR-123957-14) 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,

Maury Passman
Chief, Branch 4
Office of Associate Chief Counsel (Corporate)

cc: