Internal Revenue Service

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Department of the Treasury
Washington, DC 20224

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Person To Contact:
, ID No.

Telephone Number:

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CC:CORP:B01
PLR-103335-26

Date:
August 18, 2026

LEGEND

Parent	=
Sub	=
PC	=
State A	=
Profession	=
Professional	=
Shareholder	=
State A Code	=
Administrative Services Agreement	=

Stock Transfer Restriction Agreement =

Director Agreement =

Date 1 =

Administrative Fee =

x =

Dear :

This letter responds to your authorized representatives' letter received March 5, 2026, as supplemented by subsequent letters and documentation, requesting a ruling under section 1504(a) of the Internal Revenue Code (the "Code"). The material information submitted in that request and subsequent correspondence is summarized below.

The ruling contained in this letter is based upon information and representations submitted by the taxpayer and accompanied by penalties of perjury statements executed by an appropriate party. This office has not verified any of the material submitted in support of the request for a ruling. Verification of the information, representations, and other data may be required as part of the audit process.

This letter is issued pursuant to Rev. Proc. 2026-1, 2026-1 I.R.B. 1, regarding one or more significant issues under section 1504 of the Code. This office expresses no opinion as to any issue not specifically addressed by the ruling below.

FACTS

Parent is the common parent of an affiliated group of corporations filing a consolidated federal income tax return (the "Parent Group"). Parent owns all the outstanding stock of Sub, a member of the Parent Group.

PC is a State A professional corporation and subject to State A Code. PC is engaged in Profession. State A Code provides that PC may engage in Profession only though one or more Professionals. Accordingly, PC, through its Professional employees, conducts the aspects of its business that constitute engagement in Profession. PC owns certain assets (the "Professional Assets"), which are necessary to conduct Profession and, under State A law, must be owned by one or more Professionals or by a professional corporation owned by one or more Professionals.

Under State A Code, the shares of corporations engaged in Profession generally may only be issued to, held by, or transferred to Professionals (for purposes of this letter, any Professional who owns, or will own, legal title to PC stock is referred to as an "eligible shareholder"). Shareholder owns legal title to all the issued and outstanding shares of PC. Shareholder is a Professional and authorized to engage in Profession in State A.

The relevant parties have entered into the Administrative Servies Agreement, Stock Transfer Restriction Agreement, and Director Agreement (together, the "PC Agreements"). The PC Agreements were executed on Date 1.

Sub and PC have executed the Administrative Services Agreement. Under the terms of the Administrative Services Agreement, Sub performs all administrative and support services on behalf of PC in exchange for an Administrative Fee. The Administrative Fee may be adjusted on an annual basis. If PC is unable to pay the Administrative Fee or other expenses of the practice, Sub may advance funds to PC via a promissory note (the "Promissory Note"). The Administrative Services Agreement grants Sub a first-priority security interest in all assets of PC other than the Professional Assets to satisfy the Administrative Fee and Promissory Note. Sub also will manage substantially all operations of PC to the extent that such management does not constitute engagement in Profession.

Pursuant to the Administrative Services Agreement, PC may not take any of the following actions without prior written approval of Sub: (i) selling, assigning, pledging, leasing, mortgaging or otherwise encumbering any of the PC assets, including the PC's accounts receivable; (ii) incurring or guarantying indebtedness, or granting any lien, security interest, or other encumbrance on the PC assets; (iii) transferring substantially all of the PC assets, including goodwill; (iv) purchasing or acquiring any assets exceeding $x on an annual basis; (v) entering into any contracts committing PC to incur more than $x in aggregate expenses on an annual basis; (vi) merging or consolidating with any other entity; (vii) allowing the transfer or issuance of PC stock, equity interest, or any security convertible to equity interests; (viii) reclassifying or recapitalizing the stock or equity interest of PC; (ix) redeeming or purchasing any stock or equity interest of PC; (x) dissolving or liquidating PC; (xi) paying any dividends on the equity of PC or other distribution to owners or shareholders of PC; (xii) creating any indebtedness or any other obligation of PC to any shareholder or owner of PC or of any member or

owner of PC to the PC; or (xiii) taking or allowing any act that would materially impair Sub's ability to fulfill its obligations under the Administrative Services Agreement.

Sub, PC, and Shareholder have also executed the Stock Transfer Restriction Agreement. Pursuant to the provisions of the Stock Transfer Restriction Agreement, neither PC nor Shareholder may create, issue, sell, assign, transfer, gift, pledge, hypothecate, encumber, or otherwise dispose of or transfer, whether voluntarily, involuntarily, by operation of law or otherwise, any stock of PC. Under the Stock Transfer Restriction Agreement, shares of PC are transferred or deemed to be transferred from Shareholder to a designated transferee without further action by Shareholder upon the occurrence of certain events, (each, a "Transfer Event"). A Transfer Event includes (i) the death or incompetency of Shareholder, (ii) the disqualification of Shareholder to practice Profession, and (iii) the termination for any reason of Shareholder's employment or other engagement (whether as an officer, director, employee, consultant, or otherwise) with the PC or with any member of the Parent Group. Any designated transferee will be a Professional permitted under State A Code to directly hold the stock of PC.

The Stock Transfer Restriction Agreement contains an irrevocable power of attorney appointing Sub as Shareholder's attorney-in-fact to take any and all appropriate action that may be necessary to transfer the Shareholder's PC shares in accordance with the restrictions set forth in the PC Agreements.

Sub and Shareholder have executed the Director Agreement. Pursuant to the Director Agreement, Shareholder has a consulting agreement with Sub that may be terminated by Sub at any time without cause. The termination of Shareholder's consulting agreement is a Transfer Event.

The shares of PC presently are not certificated. However, the Stock Transfer Restriction Agreement provides that any certificate representing shares of PC will contain a notice of restrictions evidencing that the shares are subject to the Stock Transfer Restriction Agreement and no transfer of the shares will be valid or effective until the terms and conditions of the Stock Transfer Restriction Agreement are met.

In the event Sub decides to terminate the existence of PC, any liquidation proceeds would first flow to Sub to satisfy any unpaid Administrative Fee or Promissory Note amounts and any additional funds would be distributed to other creditors. Sub would facilitate the transfer of the Professional Assets to an appropriate Professional, as required by State A law. Any funds that may result from such transfer would be included in the liquidation proceeds available to satisfy PC liabilities. Sub would utilize the provisions in the PC Agreements to ensure any assets remaining after PC liabilities are satisfied transfer to Sub, and no other entity including Shareholder or any eligible shareholder would receive PC liquidation proceeds.

REPRESENTATIONS

Parent makes the following representations:

(a) Since Date 1, PC has not declared or paid any dividends, or made any other distributions, to any shareholder.

(b) PC does not intend to declare or pay any dividends, or make any other distributions, to any eligible shareholder in their capacity as such.

(c) In the event shares of PC are transferred to a designated transferee pursuant to the Stock Transfer Restriction Agreement, such designated transferee will be required to execute a new Stock Transfer Restriction Agreement having terms substantially similar to the existing Stock Transfer Restriction Agreement.

(d) Sub, and Shareholder are abiding by and observing the terms of the PC Agreements and will continue to abide by the agreements in the future.

(e) PC is not: (i) a corporation exempt from taxation under section 501 of the Code; (ii) an insurance company subject to taxation under section 801 of the Code; (iii) a foreign corporation; (iv) a regulated investment company; (v) a real estate investment trust; (iv) a domestic international sales corporation under section 992 of the Code; or (vii) an S corporation.

(f) Prior to Date 1, PC has not previously joined in the filing of a consolidated return with Parent.

RULINGS

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

(1) As of Date 1, PC is a member of the Parent Group (within the meaning of section 1504(a)(1)) and must join in the filing of a consolidated federal income tax return (within the meaning of sections 1501 and 1502 and the regulations thereunder) with the Parent Group. Section 1504(a); Rev. Rul. 84-79, 1984-1 C.B. 190.

CAVEATS

Except as expressly provided herein, no opinion is expressed or implied concerning the tax treatment of the arrangements under any other provisions of the Code or regulations or the tax treatment of any conditions existing at the time of, of effects resulting from, the arrangements that are not specifically addressed by this letter. No opinion is expressed or implied as to the validity of the agreements under any area of law other than the Code.

PROCEDURAL STATEMENTS

This ruling letter 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 ruling letter must be attached to any federal 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-103335-26) of this ruling letter.

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

Sincerely,

Jeremy N. Aron-Dine
Special Counsel
Office of Associate Chief Counsel (Corporate)

cc: