

**Office of Chief Counsel
Internal Revenue Service**

memorandum

CC:LM:NR:HOU:2:TL-3304-00
NGraml *TLN-3304-00*

date: August 23, 2001

to: International Manager Nieves M. Narvaez, Group 1215
Attn: International Examiner Jerry Richards, Group 1215

from: Area Counsel (Natural Resources: Houston)

subject:

Form 1120,

TIN: ,

SOL:

This responds to your question regarding the Office of Chief Counsel's position in the [REDACTED] issue subsequent to the Government's [REDACTED]. [REDACTED] involved taxable years [REDACTED] and [REDACTED], prior to the effective date of Treas. Reg. [REDACTED].

[REDACTED]). Because this regulation applies to the taxable years in issue in your taxpayer's case, you questioned whether Chief Counsel would support an adjustment.

On August 16, 2001, I spoke with Attorney Douglas Giblen. He stated that [REDACTED] (b)(5)(DP)

[REDACTED] (b)(5)(AC),

This writing may contain privileged information. Any unauthorized disclosure of this writing may have an adverse effect on privileges, such as the attorney-client privilege. If disclosure becomes necessary, please contact this office for our views.

Please call me at 281-721-7358 if I can be of further assistance.

BERNARD B. NELSON
Area Counsel
(Natural Resources: Houston)

By: _____
NANCY GRAML
Senior Attorney (LMSB)

Copies to: Carol B. McClure, S.L.A. (LMSB)
Robert E. Roesing, Team Leader, Stop 4304 HAL
Attorney Douglas Giblen, Office of Chief Counsel