

**Internal Revenue Service**

Department of the Treasury

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**CC:CORP:4 PLR-109312-00**

Date:

**July 20, 2000**

Controlled A	=
Holdco A1	=
Holdco A2	=
Holdco A3	=
Contribution LLC I	=
Sub E4	=
Sub E4 Newco	=
I Assets	=

This letter replies to your January 27, 2000 request that we further supplement our letter ruling dated March 30, 1999 (PLR-121425-98) (the "Original Letter Ruling"), as supplemented by our letter ruling dated April 28, 1999 (PLR-107269-99) (together, the "Prior Letter Rulings"). Capitalized terms not defined in this letter retain the meanings assigned them in the Original Letter Ruling.

The Prior Letter Rulings address certain federal income tax consequences of the distributions by Distributing 2 of the stock of Controlled A and Controlled B and related transactions.

**Summary of Facts**

Controlled A wholly owns Holdco A1. Holdco A1 wholly owns Holdco A2. Holdco A2 wholly owns Contribution LLC I and Holdco A3. Contribution LLC I owns the I Assets. Holdco A3 wholly owns Sub E4.

**Proposed Transactions**

For good business reasons, Controlled A has proposed the following transactions:

(i) Holdco A3 will form a new wholly owned limited liability company ("Sub E4 Newco"). Sub E4 Newco will elect under § 301.7701-3(b)(1) of the Procedure and Administration Regulations to be treated as an association taxable as a corporation (effective at the date of its formation).

(ii) Sub E4 will merge with and into Sub E4 Newco.

(iii) Contribution LLC I will sell or otherwise dispose of the I Assets.

### **Ruling**

Based on the information submitted with the original and supplemental ruling requests, we rule that the transactions described above in steps (i), (ii), and (iii) will not adversely affect any of the rulings contained in the Prior Letter Rulings, and the Prior Letter Rulings retain full force and effect.

### **Procedural Matters**

This letter is directed only to the taxpayers who requested it. Section 6110(k)(3) provides that it may not be used or cited as precedent.

A copy of this letter should be attached to the federal income tax return of each affected taxpayer for the tax year in which the transactions covered by this letter are completed.

Under a power of attorney on file in this office, a copy of this letter is being sent to each of your authorized representatives.

Sincerely,  
Associate Chief Counsel  
(Corporate)  
By: \_\_\_\_\_  
Wayne T. Murray  
Senior Technician/Reviewer  
Branch 4