**Internal Revenue Service**

Number: **201415001**
Release Date: 4/11/2014

Index Numbers: 332.01-00, 351.00-00,
355.01-00, 368.04-00

Department of the Treasury
Washington, DC 20224

Third Party Communication: None
Date of Communication: Not Applicable

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CC:CORP:B03
PLR-117695-13

Date:
September 30, 2013

Legend

Distributing =

Controlled =

Sub 1 =

Sub 2 =

Sub 3 =

Sub 4 =

Sub 5 =

Sub 6 =

Sub 7 =

Sub 8 =

Sub 9 =

FSub 1 =

FSub 2 =

FSub 3 =

LP 1 =

LP 2 =

LP 3 =

LLC 1 =

LLC 2 =

Shareholder A =

Shareholder B =

Shareholder C =

Shareholder D =

Shareholder E =

Shareholder F =

Business A =

Business B =

Other Businesses =

Debt Exchange =

Reference Period =

Date 1 =

Date 2 =

Date 3 =

Date 4 =

a% =

b% =

c% =

d% =

e% =

f% =

g% =

h% =

i% =

j% =

k% =

l% =

m% =

n% =

p% =

q% =

Dear

This letter responds to the April 12, 2013 letter from your authorized representative requesting rulings on certain federal income tax consequences of a series of proposed transactions (the “Proposed Transactions”). The information provided in that request and in later correspondence is summarized below.

The rulings contained in this letter are based on facts and representations submitted by the taxpayer and accompanied by a penalty of perjury statement executed by an appropriate party. This office has not verified any of the material 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. In particular, this office has not reviewed any information pertaining to, and has made no determination regarding, whether the Proposed Transactions: (i) satisfy the business purpose requirement of Treas. Reg. §1.355-2(b); (ii) are being used principally as a device for the distribution of

the earnings and profits of Distributing or Controlled or both (see section 355(a)(1)(B) and Treas. Reg. §1.355-2(d)); or (iii) are part of a plan (or series of related transactions) pursuant to which one or more persons will acquire directly or indirectly stock representing a 50-percent or greater interest in the distributing or controlled corporation (see section 355(e) and Treas. Reg. §1.355-7).

## SUMMARY OF FACTS

Distributing is the common parent of an affiliated group of corporations that files a consolidated federal income tax return. Distributing has a single class of voting common stock outstanding ("Distributing Common Stock"). Distributing, through its subsidiaries, presently engages in Business A, Business B and Other Businesses. As of Date 4, the following shareholders owned at least 5% of the issued and outstanding Distributing Common Stock: Shareholder A (a%), Shareholder B (b%), Shareholder C (c%), Shareholder D (d%), Shareholder E (d%) and Shareholder F (e%). Other shareholders, including employees and management of Distributing and its subsidiaries, hold the remaining f% of the Distributing Common Stock.

Distributing and certain shareholders of Distributing (the "Large Distributing Shareholders") are parties to a Stockholders Agreement (the "Distributing Stockholders Agreement") that provides (among other things) the understanding among the Large Distributing Shareholders as to the makeup of the board of directors of Distributing (the "Distributing Board").

Under the subscription agreements pursuant to which employees of the Distributing Group subscribe for shares of Distributing Common Stock, such employees grant Shareholder A and its affiliates a proxy to vote their shares of Distributing Common Stock until the consummation of an initial public offering of Distributing.

Under the Amended and Restated Certificate of Incorporation of Distributing (the "Certificate of Incorporation"), each share of Distributing Common Stock has one vote upon all matters to be voted on by the holders of the Distributing Common Stock. The Certificate of Incorporation generally provides (the "Weighted Director Provision") that directors nominated by Shareholder A or Shareholder B shall have three votes on all matters submitted to a vote of directors, and all other directors shall have one vote.

Distributing directly owns all of the outstanding stock of Sub 1. Sub 1 directly owns all of the outstanding stock of Sub 2. Sub 2 directly owns all of the outstanding stock of Sub 3.

Sub 3 directly owns all of the outstanding stock of Sub 4, Sub 5, Sub 6 and Sub 7. Sub 3 also wholly owns other entities engaged in Other Businesses.

Sub 4 directly owns all of the outstanding stock of Sub 8 and Sub 9, and an i% interest in LP 1. Sub 5 owns the other j% interest in LP 1. Sub 4 also wholly owns other entities engaged in Other Businesses.

LP 1 owns a k% interest in LLC 1, 100% of the interests in LLC 2, which is disregarded as separate from LP 1 for federal tax purposes, and an m% interest in LP 2. Sub 5 owns the other l% interest in LLC 1. Sub 9 owns the other n% interest in LP 2. Business B is directly conducted by LP 2.

LLC 1 directly owns an m% interest in LP 3. Sub 8 owns the other n% interest in LP 3. Business A is directly conducted by LP 3.

Sub 7 directly owns all of the outstanding interests in FSub 1. FSub1 directly owns all of the outstanding interests in FSub 2. FSub2 directly owns all of the outstanding interests in FSub 3.

Sub 3 has outstanding indebtedness including bank loans and notes (the "External Debt"), including notes issued on Date 1 and Date 2 ("G% Notes") with an interest rate of g%, notes issued on Date 3 ("H% Notes") with an interest rate of h% and term loans issued on Date 2 (the "Term Loans," and together with the G% Notes and the H% Notes, the "Eligible External Debt").

Sub 4 is the obligor under a note held by Sub 3 (the "Sub 4 Note"). LLC 1 is the obligor under three intercompany loans held by Sub 3 (the "LLC 1 Loans"). LP 3 is the obligor under a note held by LP 1 (the "LP 3 Note").

Distributing believes that the separation of Business A from Business B and the Other Businesses will serve a number of corporate business purposes, including (i) enhancing the success of each of Distributing and Controlled by allowing each to focus on its respective core businesses, (ii) facilitating a Primary Offering (as defined below), the proceeds of which will be used to reduce the indebtedness of Distributing and its subsidiaries to third parties and for general corporate purposes, and (iii) enhancing the effectiveness of Distributing's and Controlled's equity-linked compensation.

Financial information has been received indicating that Business A and Business B have each had gross receipts and operating expenses representative of the active conduct of a trade or business for each of the past five years.

## THE PROPOSED TRANSACTIONS

For the purposes described above, Distributing proposes to undertake the following series of transactions:

### The Pre-Merger Restructuring

1) LP 1 and Sub 6 will transfer to LP 3 legal title to certain vehicles and real property, respectively, with respect to which LP 3 is the owner for federal income tax purposes, the capital lease arrangements with respect to such vehicles and real property will be extinguished and LLC 2 will transfer the employment of certain employees to LP 3.

2) Sub 3 will purchase all of the issued and outstanding shares of FSub 3 for their fair market value.

3) LP 1 will contribute the LP 3 Note to LLC 1. LP 1's capital account in LLC 1 will be increased by the amount owed under the LP 3 Note immediately prior to the contribution. LLC 1 will contribute the LP 3 Note to LP 3 and the obligations under the note will be extinguished. LLC 1's capital account in LP 3 will be increased by the amount owed under the LP 3 Note immediately prior to the contribution.

4) LP 1 will distribute, on a pro rata basis, all of its interests in LLC 1 to Sub 4 and Sub 5 (the "LLC 1 Distribution").

5) Sub 4 will (i) contribute a one percent interest in LLC 1 to Sub 8 (the "Sub 8 Contribution"), (ii) contribute 50% of its interest in LP 1 and certain other assets (including stock of Sub 9) to a newly formed Delaware corporation ("Sub 10") and (iii) contribute 50% of its interest in LP 1 and certain other assets to a second newly formed Delaware corporation ("Sub 11").

6) Concurrently with Step 5, Sub 5 will (i) contribute 50% of its interest in LP 1 to Sub 10 and (ii) contribute 50% of its interest in LP 1 to Sub 11. The contributions by Sub 4 and Sub 5 to Sub 10 described in steps 5 and 6 are referred to herein as the "Sub 10 Contribution." The contributions by Sub 4 and Sub 5 to Sub 11 described in steps 5 and 6 are referred to herein as the "Sub 11 Contribution." The Sub 10 Contribution and the Sub 11 Contribution are together referred to herein as the "Restructuring Contributions."

**The Sub 4 Merger and the Sub 5 Merger**

7) Sub 4 and Sub 5 will each merge into Sub 3, their sole owner, in statutory mergers (the "Sub 4 Merger" and the "Sub 5 Merger," respectively) pursuant to Delaware law, with Sub 3 surviving.

**The Conversions**

8) Sub 3 will form a Delaware limited liability company that is disregarded as an entity separate from its owner ("Sub 3 LLC"). Sub 3 will merge into Sub 3 LLC, with Sub 3 LLC surviving (the "Sub 3 Merger").

9) Sub 2 will convert into a Delaware limited liability company ("Sub 2 LLC") that is disregarded as an entity separate from its owner (the "Sub 2 Conversion").

10) Sub 1 will convert into a Delaware limited liability company ("Sub 1 LLC") that is disregarded as an entity separate from its owner (the "Sub 1 Conversion"). The Sub 3 Merger, the Sub 2 Conversion and the Sub 1 Conversion are collectively referred to herein as the "Conversions."

11) Sub 3 LLC will contribute the LLC 1 Loans to LLC 1, and the obligations under the loans will be extinguished. The relevant capital account in LLC 1 will be increased by the amount owed under the LLC 1 Loans immediately prior to the contribution.

**The Contribution**

12) Distributing (through its disregarded entities) will form Controlled.

13) Distributing (through its disregarded entities) will contribute its interests in Sub 8, LLC 1 and FSub 3 and certain other assets (including cash) to be used in Business A to Controlled in exchange for common stock (the "Class A Common Stock") of Controlled and a second class of common stock (the "Class B Common Stock") of Controlled (the "Contribution"). The Class B Common Stock will represent less than p% of the total combined voting power of all classes of stock of Controlled entitled to vote. The Class A Common Stock will possess at least q% of the total combined voting power of all classes of stock of Controlled entitled to vote. The issuance and retention of the Class B Common Stock until Step 22 will be undertaken only if (and to the extent) that the value of the Class A Common Stock would otherwise exceed the amount permitted to be

distributed in Step 16 under the debt agreements of Distributing's disregarded entities. Absent financing constraints, Controlled will contribute its interest in FSub3 to a newly formed Delaware limited liability company.

14) Subject to the performance of Business A and the condition of the capital markets, Controlled will borrow from unrelated financial institutions or through capital markets transactions (the "Special Payment Financing") and will distribute such proceeds (the "Special Payment") to Distributing's disregarded entities.

15) Subject to the performance of Business A and the condition of the capital markets, Controlled will issue debt securities with a term of no less than seven years (the "Controlled Securities") to Distributing's disregarded entities. Distributing's disregarded entities will subsequently use the Special Payment received by it to repay Eligible External Debt and dispose of the Controlled Securities in the Debt Exchange.

**The External Spin-Off**

16) Distributing's disregarded entities will distribute the Class A Common Stock to Distributing, and Distributing will distribute the Class A Common Stock to its shareholders pro rata (such distribution, together with the Deferred Distribution, as defined below, the "External Spin-Off").

17) Effective as of the External Spin-Off, (i) the certificate of incorporation of Controlled will include a Weighted Director Provision similar to that of Distributing and (ii) Controlled and the then parties to the Distributing Stockholders Agreement will enter into an agreement similar to the Distributing Stockholders Agreement (the "Controlled Stockholders Agreement") with respect to Controlled (the actions described in clauses (i) and (ii) are collectively referred to as the "Controlled Board Changes"). As used herein, (i) The Weighted Director Provision in the certificates of incorporation of Distributing and Controlled, (ii) the voting provisions in the Distributing Stockholders Agreement and the Controlled Stockholders Agreement and (iii) the proxy granted under the subscription agreements of employees of Distributing and its subsidiaries (and any similar proxy granted under subscription agreements of employees of Controlled and its subsidiaries) are collectively referred to as the "Shareholder Voting Provisions."

18) Effective as of the External Spin-Off, the Distributing Stockholders Agreement will be amended and restated to include various transfer restrictions, including transfer restrictions intended to prevent the application of Section 355(e) to the External Spin-Off.

**The Primary Offering**

19) Distributing expects that, following the External Spin-Off, it will sell newly issued Distributing Common Stock to the public in a primary offering (the "Primary Offering").

20) In connection with the Primary Offering, (i) the Distributing certificate of incorporation will be amended to eliminate the Weighted Director Provision, and (ii) the Distributing Stockholders Agreement will be amended so that the voting provisions reflect the conversion of Distributing into a publicly traded corporation, including adjusting the rights of certain large shareholders to nominate individuals to the Distributing Board and a step-down of those rights (the actions described in (i) and (ii) are collectively referred to as the "Distributing Board Changes" and, together with the Controlled Board Changes, the "Board Changes"). In connection with the Primary Offering, certain Distributing shareholders will enter into customary lock-up agreements for a period of no less than 180 days during which they obligate themselves not to sell their shares of Distributing Common Stock (the "Lock-Up Agreements").

21) Distributing and its disregarded entities will use the cash proceeds received in Step 19 to repay existing debt and general corporate expenses.

22) Distributing's disregarded entities will distribute the Class B Common Stock to Distributing, and Distributing will distribute such Class B Common Stock to pre-existing shareholders of Distributing (any such distribution and any previous distribution of Class B Common Stock, the "Deferred Distribution").

The transactions described in Steps 1 through 18 above will occur on or close to the same day, except that (i) Steps 1, 3, 12 and 17 may occur prior to the other Steps, (ii) prior to Step 4, certain assets (including cash) to be used in Business A will be contributed by LP 1 to LLC 1 and by LLC 1 to LP 3, (iii) a portion of the Special Payment Financing may be borrowed prior to the closing of the transactions and held in escrow pending the closing and (iv) the Debt Exchange will occur as soon as practicable following the issuance of the Controlled Securities and no later than one year following the External Spin-Off. The transactions described in Steps 19 through 21 are anticipated to occur as soon as practicable following the External Spin-Off, consistent

with the performance of Business B and the Other Businesses, the condition of the capital markets and applicable regulatory review processes, and no later than one year following the consummation of the transactions described in Steps 1 through 18.

The transactions described in Step 22 are anticipated to occur at (or prior to) the time of the Primary Offering. The transactions described in Steps 1 through 22 are referred to herein as the "Proposed Transactions."

Distributing and its disregarded entities will use the cash proceeds of the Special Payment to repay Eligible External Debt as quickly as practicable following the External Spin-Off and pursuant to the plan of reorganization.

Distributing and its disregarded entities will dispose of any Controlled Securities as quickly as practicable, no later than one year following the External Spin-Off, by distributing them in pursuance of the plan of reorganization to the holders of the Eligible External Debt in the Debt Exchange.

In connection with the transactions described in Steps 1 through 18, Distributing, Controlled and their respective subsidiaries will enter into various agreements (the "Continuing Agreements") that are ancillary to the External Spin-Off. The Continuing Agreements may include agreements relating to taxes, employees, litigation, environmental, transition services, software licensing, insurance, fleet arrangements, and non-competition and non-solicitation, and may allocate responsibility between Distributing and Controlled for certain contingent liabilities existing at the time of the External Spin-Off (the "Contingent Liability Arrangements"). Except for the provision of information technology services by Distributing and its subsidiaries to Controlled and its subsidiaries, all of the Continuing Agreements relating to the provision of services between Distributing and Controlled after the External Spin-Off are expected to provide for the provision of such services for a period of no longer than two years. Any provision of services exceeding this transitional period (as well as the provision of information technology services noted above) will be provided pursuant to pricing on arm's-length terms.

## REPRESENTATIONS

Distributing has made the following representations:

### The Sub 10 Contribution

(a1) No stock or securities will be issued for services rendered to or for the benefit of Sub 10 in connection with the Sub 10 Contribution, and no stock or securities will be issued for indebtedness of Sub 10 that is not evidenced by a security or for interest on indebtedness of Sub 10 which accrued on or after the beginning of the holding period of Sub 4 or Sub 5 for the debt.

(a2) The transfer of assets to Sub 10 is not the result of the solicitation by a promoter, broker, or investment house.

(a3) Sub 4 and Sub 5 will not retain any rights in the property transferred to Sub 10.

(a4) The value of the stock received in exchange for accounts receivable will be equal to the net value of the accounts transferred, i.e., the face amount of the accounts receivable previously included in income less the amount of the reserve for bad debts.

(a5) The adjusted basis and the fair market value of the assets to be transferred by each of Sub 4 and Sub 5 to Sub 10 in the Sub 10 Contribution will be equal to or exceed the Sub 4 and Sub 5 liabilities, respectively, to be assumed (as determined under section 357(d)) by Sub 10.

(a6) The total fair market value of the assets to be transferred to Sub 10 by each of Sub 4 and Sub 5 will exceed the sum of: (i) the amount of any liabilities assumed (as determined under section 357(d)) by Sub 10 in connection with the Sub 10 Contribution; (ii) the amount of any liabilities owed by Sub 4 and Sub 5 to Sub 10 that is discharged or extinguished in connection with the Sub 10 Contribution; and (iii) the amount of any money and the fair market value of any other property (other than stock permitted to be received under section 351(a) without the recognition of gain) received by Sub 4 and Sub 5 in connection with the Sub 10 Contribution.

(a7) Immediately after the Sub 10 Contribution, the fair market value of the assets of Sub 10 will exceed the amount of its liabilities.

(a8) The liabilities of Sub 4 and Sub 5 to be assumed by Sub 10 (as determined under section 357(d)) were incurred in the ordinary course of business and are associated with the assets to be transferred.

(a9) There is no indebtedness between Sub 4 or Sub 5 and Sub 10, and there will be no indebtedness created in favor of Sub 4 or Sub 5 as a result of the Sub 10 Contribution.

(a10) The transfers and exchanges will occur under a plan agreed upon before the transaction in which the rights of the parties are defined.

(a11) All transfers and exchanges will occur on approximately the same day.

(a12) There is no plan or intention on the part of Sub 10 to redeem or otherwise reacquire any stock to be issued in the Sub 10 Contribution.

(a13) Except as described herein, Sub 4 and Sub 5 will be in "control" of Sub 10 within the meaning of section 368(c).

(a14) Sub 4 and Sub 5 will receive Sub 10 stock approximately equal to the fair market value of the property transferred to Sub 10.

(a15) Sub 10 will remain in existence and retain and use the property transferred to it in a trade or business.

(a16) There is no plan or intention by Sub 10 to dispose of the transferred property other than in the ordinary course of business.

(a17) Each of Sub 4, Sub 5 and Sub 10 will pay its own expenses, if any, incurred in connection with the Sub 10 Contribution.

(a18) Sub 10 will not be an investment company within the meaning of section 351(e)(1) of the Code and Treas. Reg. §1.351-1(c)(1)(ii).

(a19) Sub 4 and Sub 5 are not under the jurisdiction of a court in a title 11 or similar case (within the meaning of section 368(a)(3)(A)) and the stock or securities received in the exchange will not be used to satisfy the indebtedness of any such debtor.

(a20) Sub 10 will not be a "personal service corporation" within the meaning of section 269A of the Code.

(a21) Sub 10 will not acquire substantially all of the assets of Sub 4 or Sub 5 in connection with the Sub 10 Contribution.

The Sub 11 Contribution

(b1) No stock or securities will be issued for services rendered to or for the benefit of Sub 11 in connection with the Sub 11 Contribution, and no stock or securities will be issued for indebtedness of Sub 11 that is not evidenced by a security or for interest on indebtedness of Sub 11 which accrued on or after the beginning of the holding period of Sub 4 or Sub 5 for the debt.

(b2) The transfer of assets to Sub 11 is not the result of the solicitation by a promoter, broker, or investment house.

(b3) Sub 4 and Sub 5 will not retain any rights in the property transferred to Sub 11.

(b4) The value of the stock received in exchange for accounts receivable will be equal to the net value of the accounts transferred, i.e., the face amount of the accounts receivable previously included in income less the amount of the reserve for bad debts.

(b5) The adjusted basis and the fair market value of the assets to be transferred by each of Sub 4 and Sub 5 to Sub 11 in the Sub 11 Contribution will be equal to or exceed the Sub 4 and Sub 5 liabilities, respectively, to be assumed (as determined under section 357(d)) by Sub 11.

(b6) The total fair market value of the assets to be transferred to Sub 11 by each of Sub 4 and Sub 5 will exceed the sum of: (i) the amount of any liabilities assumed (as determined under section 357(d)) by Sub 11 in connection with the Sub 11 Contribution; (ii) the amount of any liabilities owed by Sub 4 and Sub 5 to Sub 11 that is discharged or extinguished in connection with the Sub 11 Contribution; and (iii) the amount of any money and the fair market value of any other property (other than stock permitted to be received under section 351(a) without the recognition of gain) received by Sub 4 and Sub 5 in connection with the Sub 11 Contribution.

(b7) Immediately after the Sub 11 Contribution, the fair market value of the assets of Sub 11 will exceed the amount of its liabilities.

(b8) The liabilities of Sub 4 and Sub 5 to be assumed by Sub 11 (as determined under section 357(d)) were incurred in the ordinary course of business and are associated with the assets to be transferred.

(b9) There is no indebtedness between Sub 4 or Sub 5 and Sub 11, and there will be no indebtedness created in favor of Sub 4 or Sub 5 as a result of the Sub 11 Contribution.

(b10) The transfers and exchanges will occur under a plan agreed upon before the transactions in which the rights of the parties are defined.

(b11) All transfers and exchanges will occur on approximately the same day.

(b12) There is no plan or intention on the part of Sub 11 to redeem or otherwise reacquire any stock to be issued in the Sub 11 Contribution.

(b13) Except as described herein, Sub 4 and Sub 5 will be in “control” of Sub 11 within the meaning of section 368(c)

(b14) Sub 4 and Sub 5 will receive Sub 11 stock approximately equal to the fair market value of the property transferred to Sub 11.

(b15) Sub 11 will remain in existence and retain and use the property transferred to it in a trade or business.

(b16) There is no plan or intention by Sub 11 to dispose of the transferred property other than in the ordinary course of business..

(b17) Each of Sub 4, Sub 5 and Sub 11 will pay its own expenses, if any, incurred in connection with the Sub 11 Contribution.

(b18) Sub 11 will not be an investment company within the meaning of section 351(e)(1) of the Code and Treas. Reg. §1.351-1(c)(1)(ii).

(b19) Sub 4 and Sub 5 are not under the jurisdiction of a court in a title 11 or similar case (within the meaning of section 368(a)(3)(A)) and the stock or securities received in the exchange will not be used to satisfy the indebtedness of any such debtor.

(b20) Sub 11 will not be a “personal service corporation” within the meaning of section 269A of the Code.

(b21) Sub 11 will not acquire substantially all of the assets of Sub 4 or Sub 5 in connection with the Sub 11 Contribution.

The Sub 4 Merger

(c1) Sub 3 and Sub 4 will adopt a plan of liquidation by merger (the “Sub 4 Plan of Liquidation”), and the Sub 4 Merger will occur pursuant to such plan.

(c2) Sub 3, on the date of adoption of the Sub 4 Plan of Liquidation, and at all times until the effective date of the Sub 4 Merger, will be the owner of at least 80 percent of the single outstanding class of Sub 4 stock.

(c3) No shares of Sub 4 stock will have been redeemed during the three years preceding the adoption of Sub 4 Plan of Liquidation.

(c4) By operation of Delaware law, all transfers from Sub 4 to Sub 3 pursuant to the Sub 4 Plan of Liquidation will occur on the effective date of the Sub 4 Merger.

(c5) As soon as the Sub 4 Merger is effective, Sub 4 will cease to be a going concern, and it will cease to conduct any activity as a corporation.

(c6) All of the stock of Sub 4 will be redeemed and cancelled, and Sub 4 will cease to exist for federal income tax purposes at the time of the Sub 4 Merger.

(c7) Sub 4 will retain no assets following the Sub 4 Merger.

(c8) Sub 4 will not have acquired assets in any nontaxable transaction at any time, except for acquisitions occurring more than three years prior to the date of adoption of the Sub 4 Plan of Liquidation, and as described above.

(c9) No assets of Sub 4 have been, or will be, disposed of by either Sub 4 or Sub 3 except for dispositions in the ordinary course of business, dispositions occurring more than three years prior to adoption of the Sub 4 Plan of Liquidation, and as described above.

(c10) Other than as described above, the Sub 4 Merger will not be preceded or followed by the transfer of all or a part of the business assets of Sub 4 to another corporation (i) that is the alter ego of Sub 4 and (ii) which, directly or indirectly, is owned more than 20% in value by persons holding directly or indirectly more than 20% of the value of Sub 4. For purposes of this representation, ownership will be determined by application of the constructive ownership rules of section 318(a) as modified by section 304(c)(3).

(c11) Prior to adoption of the Sub 4 Plan of Liquidation, no assets of Sub 4 will have been distributed in kind, transferred, or sold to Sub 3, except for (i) transactions occurring in the normal course of business and (ii) transactions occurring more than three years prior to adoption of the Sub 4 Plan of Liquidation.

(c12) Sub 4 will report all earned income represented by assets that will be distributed to Sub 3, such as receivables being reported on a cash basis, unfinished construction contracts, commissions due, etc.

(c13) The fair market value of the assets of Sub 4 will exceed its liabilities both at the date of the adoption of the Sub 4 Plan of Liquidation and immediately before the Sub 4 Merger.

(c14) Other than the Sub 4 Note and intercorporate debt owed by Sub 4 to Sub 3 created in the ordinary course of business, there is no intercorporate debt existing between Sub 3 and Sub 4 and none has been cancelled, forgiven, or discounted, except for transactions that occurred more than three years prior to the date of the adoption of the Sub 4 Plan of Liquidation.

(c15) Sub 3 is not an organization that is exempt from federal income tax under section 501 or any other provision of the Code.

(c16) All other transactions that will be undertaken contemporaneously with, in anticipation of, in conjunction with, or in any way related to, the proposed liquidation of Sub 4 have been fully disclosed.

The Sub 5 Merger

(d1) Sub 3 and Sub 5 will adopt a plan of liquidation by merger (the "Sub 5 Plan of Liquidation"), and the Sub 5 Merger will occur pursuant to such plan.

(d2) Sub 3, on the date of adoption of the Sub 5 Plan of Liquidation, and at all times until the effective date of the Sub 5 Merger, will be the owner of at least 80 percent of the single outstanding class of Sub 5 stock.

(d3) No shares of Sub 5 stock will have been redeemed during the three years preceding the adoption of Sub 5 Plan of Liquidation.

(d4) By operation of Delaware law, all transfers from Sub 5 to Sub 3 pursuant to the Sub 5 Plan of Liquidation will occur on the effective date of the Sub 5 Merger.

(d5) As soon as the Sub 5 Merger is effective, Sub 5 will cease to be a going concern, and it will cease to conduct any activity as a corporation.

(d6) All of the stock of Sub 5 will be redeemed and cancelled, and Sub 5 will cease to exist for federal income tax purposes at the time of the Sub 5 Merger.

(d7) Sub 5 will retain no assets following the Sub 5 Merger.

(d8) Sub 5 will not have acquired assets in any nontaxable transaction at any time, except for acquisitions occurring more than three years prior to the date of adoption of the Sub 5 Plan of Liquidation and acquisitions described above.

(d9) No assets of Sub 5 have been, or will be, disposed of by either Sub 5 or Sub 3 except for dispositions in the ordinary course of business, dispositions occurring more than three years prior to adoption of the Sub 5 Plan of Liquidation and as described above.

(d10) Other than as described above, the Sub 5 Merger will not be preceded or followed by the transfer of all or a part of the business assets of Sub 5 to another corporation (i) that is the alter ego of Sub 5 and (ii) which, directly

or indirectly, is owned more than 20% in value by persons holding directly or indirectly more than 20% of the value of Sub 5. For purposes of this representation, ownership will be determined by application of the constructive ownership rules of section 318(a) as modified by section 304(c)(3).

(d11) Prior to adoption of the Sub 5 Plan of Liquidation, no assets of Sub 5 will have been distributed in kind, transferred, or sold to Sub 3, except for (i) transactions occurring in the normal course of business and (ii) transactions occurring more than three years prior to adoption of the Sub 5 Plan of Liquidation.

(d12) Sub 5 will report all earned income represented by assets that will be distributed to Sub 3, such as receivables being reported on a cash basis, unfinished construction contracts, commissions due, etc.

(d13) The fair market value of the assets of Sub 5 will exceed its liabilities both at the date of the adoption of the Sub 5 Plan of Liquidation and immediately before the Sub 5 Merger.

(d14) Other than intercorporate debt owed by Sub 5 to Sub 3 created in the ordinary course of business, there is no intercorporate debt existing between Sub 3 and Sub 5 and none has been cancelled, forgiven, or discounted, except for transactions that occurred more than three years prior to the date of the adoption of the Sub 5 Plan of Liquidation.

(d15) Sub 3 is not an organization that is exempt from federal income tax under section 501 or any other provision of the Code.

(d16) All other transactions that will be undertaken contemporaneously with, in anticipation of, in conjunction with, or in any way related to, the proposed liquidation of Sub 5 have been fully disclosed.

The Sub 3 Merger

(e1) Sub 2 and Sub 3 will adopt a plan of liquidation by merger (the “Sub 3 Plan of Liquidation”), and the Sub 3 Merger will occur pursuant to such plan.

(e2) Sub 2, on the date of adoption of the Sub 3 Plan of Liquidation, and at all times until the effective date of the Sub 3 Merger, will be the owner of at least 80 percent of the single outstanding class of Sub 3 stock.

(e3) No shares of Sub 3 stock will have been redeemed during the three years preceding the adoption of Sub 3 Plan of Liquidation.

(e4) All transfers from Sub 3 to Sub 2 pursuant to the Sub 3 Plan of Liquidation that are deemed to occur for federal income tax purposes will occur on the effective date of the Sub 3 Merger.

(e5) As soon as the Sub 3 Merger is effective, Sub 3 will cease to be a going concern, and it will cease to conduct any activity as a corporation, for federal income tax purposes.

(e6) All of the stock of Sub 3 will be redeemed and cancelled, and Sub 3 will cease to exist for federal income tax purposes at the time of the Sub 3 Merger.

(e7) Sub 3 will retain no assets for federal income tax purposes following the Sub 3 Merger.

(e8) Sub 3 will not have acquired assets in any nontaxable transaction at any time, except for acquisitions occurring more than three years prior to the date of adoption of the Sub 3 Plan of Liquidation and acquisitions occurring pursuant to the Sub 4 Merger and the Sub 5 Merger.

(e9) Other than as described above, no assets of Sub 3 have been, or will be, disposed of by either Sub 3 or Sub 2 except for dispositions in the ordinary course of business, dispositions occurring more than three years prior to adoption of the Sub 3 Plan of Liquidation.

(e10) Other than as described above, the Sub 3 Merger will not be preceded or followed by the transfer of all or a part of the business assets of Sub 3 to another corporation (i) that is the alter ego of Sub 3 and (ii) which, directly or indirectly, is owned more than 20% in value by persons holding directly or indirectly more than 20% of the value of Sub 3. For purposes of this representation, ownership will be determined by application of the constructive ownership rules of section 318(a) as modified by section 304(c)(3).

(e11) Prior to adoption of the Sub 3 Plan of Liquidation, no assets of Sub 3 will have been distributed in kind, transferred, or sold to Sub 2, except for (i) transactions occurring in the normal course of business and (ii) transactions occurring more than three years prior to adoption of the Sub 3 Plan of Liquidation.

(e12) Sub 3 will report all earned income represented by assets that will be distributed to Sub 2, such as receivables being reported on a cash basis, unfinished construction contracts, commissions due, etc.

(e13) The fair market value of the assets of Sub 3 will exceed its liabilities both at the date of the adoption of the Sub 3 Plan of Liquidation and immediately before the Sub 3 Merger.

(e14) Other than the intercorporate debt owed by Sub 2 to Sub 3 created in the ordinary course of business, there is no intercorporate debt existing between Sub 2 and Sub 3 and none has been cancelled, forgiven, or discounted, except for transactions that occurred more than three years prior to the date of the adoption of the Sub 3 Plan of Liquidation.

(e15) Sub 2 is not an organization that is exempt from federal income tax under section 501 or any other provision of the Code.

(e16) All other transactions that will be undertaken contemporaneously with, in anticipation of, in conjunction with, or in any way related to, the proposed liquidation of Sub 3 have been fully disclosed.

(e17) No election will be made under the Treasury Regulations promulgated under section 7701 that would cause Sub 3 LLC to be classified as other than an entity disregarded as separate from its owner for federal income tax purposes.

The Sub 2 Conversion

(f1) Sub 1 and Sub 2 will adopt a plan of liquidation (the “Sub 2 Plan of Liquidation”), and the Sub 2 Conversion will occur pursuant to such plan.

(f2) Sub 1, on the date of adoption of the Sub 2 Plan of Liquidation, and at all times until the effective date of the Sub 2 Conversion, will be the owner of at least 80 percent of the single outstanding class of Sub 2 stock.

(f3) No shares of Sub 2 stock will have been redeemed during the three years preceding the adoption of Sub 2 Plan of Liquidation.

(f4) All transfers from Sub 2 to Sub 1 pursuant to the Sub 2 Plan of Liquidation that are deemed to occur for federal income tax purposes will occur on the effective date of the Sub 2 Conversion.

(f5) As soon as the Sub 2 Conversion is effective, Sub 2 will cease to be a going concern, and it will cease to conduct any activity as a corporation, for federal income tax purposes.

(f6) As soon as the Sub 2 Conversion is effective, all of the stock of Sub 2 will be cancelled, and it will cease to exist as a corporation, for federal income tax purposes.

(f7) Sub 2 will retain no assets for federal income tax purposes following the Sub 2 Conversion.

(f8) Sub 2 will not have acquired assets in any nontaxable transaction at any time, except for acquisitions occurring more than three years prior to the date of adoption of the Sub 2 Plan of Liquidation and acquisitions occurring pursuant to the Sub 3 Merger.

(f9) Other than as described above, no assets of Sub 2 have been, or will be, disposed of by either Sub 2 or Sub 1 except for dispositions in the ordinary course of business, dispositions occurring more than three years prior to adoption of the Sub 2 Plan of Liquidation.

(f10) Other than as described above, the Sub 2 Conversion will not be preceded or followed by the transfer of all or a part of the business assets of Sub 2 to another corporation (i) that is the alter ego of Sub 2 and (ii) which, directly or indirectly, is owned more than 20% in value by persons holding directly or indirectly more than 20% of the value of Sub 2. For purposes of this representation, ownership will be determined by application of the constructive ownership rules of section 318(a) as modified by section 304(c)(3).

(f11) Prior to adoption of the Sub 2 Plan of Liquidation, no assets of Sub 2 will have been distributed in kind, transferred, or sold to Sub 1, except for (i) transactions occurring in the normal course of business and (ii) transactions occurring more than three years prior to adoption of the Sub 2 Plan of Liquidation.

(f12) Sub 2 will report all earned income represented by assets that will be distributed to Sub 1, such as receivables being reported on a cash basis, unfinished construction contracts, commissions due, etc.

(f13) The fair market value of the assets of Sub 2 will exceed its liabilities both at the date of the adoption of the Sub 2 Plan of Liquidation and immediately before the Sub 2 Conversion.

(f14) Other than the intercorporate debt owed by Sub 1 to Sub 2 created in the ordinary course of business, there is no intercorporate debt existing between Sub 1 and Sub 2 and none has been cancelled, forgiven, or discounted, except for transactions that occurred more than three years prior to the date of the adoption of the Sub 2 Plan of Liquidation.

(f15) Sub 1 is not an organization that is exempt from federal income tax under section 501 or any other provision of the Code.

(f16) All other transactions that will be undertaken contemporaneously with, in anticipation of, in conjunction with, or in any way related to, the proposed liquidation of Sub 2 have been fully disclosed.

(f17) No election will be made under the Treasury Regulations promulgated under section 7701 that would cause Sub 2 LLC to be classified as other than an entity disregarded as separate from its owner for federal income tax purposes.

The Sub 1 Conversion

(g1) Distributing and Sub 1 will adopt a plan of liquidation (the "Sub 1 Plan of Liquidation"), and the Sub 1 Conversion will occur pursuant to such plan.

(g2) Distributing, on the date of adoption of the Sub 1 Plan of Liquidation, and at all times until the effective date of the Sub 1 Conversion, will be the owner of at least 80 percent of the single outstanding class of Sub 1 stock.

(g3) No shares of Sub 1 stock will have been redeemed during the three years preceding the adoption of Sub 1 Plan of Liquidation.

(g4) All transfers from Sub 1 to Distributing pursuant to the Sub 1 Plan of Liquidation that are deemed to occur for federal income tax purposes will occur on the effective date of the Sub 1 Conversion.

(g5) As soon as the Sub 1 Conversion is effective, Sub 1 will cease to be a going concern, and it will cease to conduct any activity as a corporation, for federal income tax purposes.

(g6) As soon as the Sub 1 Conversion is effective, all of the stock of Sub 1 will be cancelled, and it will cease to exist as a corporation, for federal income tax purposes.

(g7) Sub 1 will retain no assets for federal income tax purposes following the Sub 1 Conversion.

(g8) Sub 1 will not have acquired assets in any nontaxable transaction at any time, except for acquisitions occurring more than three years prior to the date of adoption of the Sub 1 Plan of Liquidation and acquisitions occurring pursuant to the Sub 2 Conversion.

(g9) Other than as described above, no assets of Sub 1 have been, or will be, disposed of by either Sub 1 or Distributing except for dispositions in the ordinary course of business, dispositions occurring more than three years prior to adoption of the Sub 1 Plan of Liquidation.

(g10) Other than as described above, the Sub 1 Conversion will not be preceded or followed by the transfer of all or a part of the business assets of Sub 1 to another corporation (i) that is the alter ego of Sub 1 and (ii) which, directly or indirectly, is owned more than 20% in value by persons holding directly or indirectly more than 20% of the value of Sub 1. For purposes of this representation, ownership will be determined by application of the constructive ownership rules of section 318(a) as modified by section 304(c)(3).

(g11) Prior to adoption of the Sub 1 Plan of Liquidation, no assets of Sub 1 will have been distributed in kind, transferred, or sold to Distributing, except for (i) transactions occurring in the normal course of business and (ii) transactions occurring more than three years prior to adoption of the Sub 1 Plan of Liquidation.

(g12) Sub 1 will report all earned income represented by assets that will be distributed to Distributing, such as receivables being reported on a cash basis, unfinished construction contracts, commissions due, etc.

(g13) The fair market value of the assets of Sub 1 will exceed its liabilities both at the date of the adoption of the Sub 1 Plan of Liquidation and immediately before the Sub 1 Conversion.

(g14) Other than the intercorporate debt owed by Distributing to Sub 1 created in the ordinary course of business, there is no intercorporate debt existing between Distributing and Sub 1 and none has been cancelled, forgiven, or discounted, except for transactions that occurred more than three years prior to the date of the adoption of the Sub 1 Plan of Liquidation.

(g15) Distributing is not an organization that is exempt from federal income tax under section 501 or any other provision of the Code.

(g16) All other transactions that will be undertaken contemporaneously with, in anticipation of, in conjunction with, or in any way related to, the proposed liquidation of Sub 1 have been fully disclosed.

(g17) No election will be made under the Treasury Regulations promulgated under section 7701 that would cause Sub 1 LLC to be classified as other than an entity disregarded as separate from its owner for federal income tax purposes.

The External Spin-Off and the Debt Exchange

(h1) Other than the Controlled Securities, any indebtedness owed by Controlled to Distributing after the External Spin-Off will not constitute stock or securities.

(h2) No part of the consideration to be distributed by Distributing will be received by any shareholder of Distributing as a creditor, employee, or in any capacity other than that of a shareholder of Distributing.

(h3) Distributing and Controlled each will treat all members of its "separate affiliated group" ("SAG") (as defined in section 355(b)(3)(B)) as one corporation in determining whether the requirements of section 355(b)(2)(A) regarding the active conduct of a trade or business are satisfied.

(h4) No part of the consideration to be transferred by Distributing to its creditors will be received by a creditor as an employee or in any capacity other than that of a creditor of Distributing.

(h5) The five years of financial information submitted on behalf of the Distributing SAG is representative of the present operations of Business B, and with regard to such business, there have been no substantial operational changes since the date of the last financial statements submitted.

(h6) The five years of financial information submitted on behalf of the Controlled SAG is representative of the present operations of Business A, and with regard to such business, there have been no substantial operational changes since the date of the last financial statements submitted.

(h7) Neither Business B conducted by the Distributing SAG nor control of an entity conducting this business will have been acquired during the five-year period ending on the date of the External Spin-Off in a transaction in which gain or loss was recognized (or treated as recognized) in whole or in part, other than acquisitions of Business B assets that would be viewed as expansions of Business B or disregarded under Treas. Reg.§1.355-3(b)(3)(ii).

(h8) Neither Business A to be conducted by the Controlled SAG following the Contribution nor control of an entity conducting this business will have been acquired during the five-year period ending on the date of the External Spin-Off in a transaction in which gain or loss was recognized (or treated as recognized) in whole or in part, other than acquisitions of

Business A assets that would be viewed as expansions of Business A or disregarded under Treas. Reg. §1.355-3(b)(3)(ii).

(h9) Following the External Spin-Off, Distributing and Controlled, directly or through their respective SAGs (including through partnerships in which their respective SAGs own significant interests), will each continue the active conduct of their respective businesses, independently and with their separate employees, except for certain transitional and administrative support services that are being provided under the Continuing Agreements.

(h10) The External Spin-Off is being carried out for the corporate business purposes listed below and is motivated, in whole or substantial part, by one or more of these corporate business purposes: (1) to enhance the success of each of Distributing and Controlled by allowing each to focus on its respective core business; (2) to facilitate the Primary Offering, the proceeds of which will be used to reduce the indebtedness of Distributing and its subsidiaries to third parties; and (3) to enhance the effectiveness of Distributing's and/or Controlled's equity-linked compensation.

(h11) The External Spin-Off is not used principally as a device for the distribution of the earnings and profits of Distributing or Controlled or both.

(h12) There is no plan or intention to liquidate either Distributing or Controlled, to merge either corporation with any other corporation, or to sell or otherwise dispose of the assets of either corporation after the External Spin-Off, except in the ordinary course of business.

(h13) For purposes of section 355(d), immediately after the External Spin-Off, no person (determined after applying section 355(d)(7)) will hold stock possessing 50% or more of the total combined voting power of all classes of Distributing stock entitled to vote, or 50% or more of the total value of shares of all classes of Distributing stock, that was acquired by purchase (as defined in section 355(d)(5) and (8)) during the five-year period (determined after applying section 355(d)(6)) ending on the date of the External Spin-Off.

(h14) For purposes of section 355(d), immediately after the External Spin-Off, no person (determined after applying section 355(d)(7)) will hold stock possessing 50% or more of the total combined voting power of all classes of Controlled stock entitled to vote, or 50% or more of the total value of shares of all classes of Controlled stock, that was either (1) acquired by purchase (as defined in section 355(d)(5) and (8)) during the five-year period (determined after applying section 355(d)(6)) ending on the date of the External Spin-Off, or (2) attributable to distributions on Distributing

stock that was acquired by purchase (as defined in section 355(d)(5) and (8)) during the five-year period (determined after applying section 355(d)(6)) ending on the date of the External Spin-Off.

(h15) The total adjusted bases and the fair market value of the assets transferred to Controlled by Distributing (through its disregarded entities) in the Contribution each will equal or exceed the sum of (i) the amount of any liabilities assumed (within the meaning of section 357(d)) by Controlled in the exchange and (ii) the total of any money and the fair market value of any other property (within the meaning of section 361(b)) transferred by Controlled to Distributing that is to be distributed to the shareholders of Distributing or transferred to creditors of Distributing pursuant to the plan of reorganization.

(h16) Any liabilities assumed (within the meaning of section 357(d)) by Controlled in the Contribution were incurred in the ordinary course of business and are associated with the assets being transferred.

(h17) The total fair market value of the assets transferred to Controlled in the Contribution will exceed the sum of (i) the amount of any liabilities assumed (as determined under section 357(d)) by Controlled in connection with the Contribution, (ii) the amount of any liabilities owed to Controlled by Distributing that are discharged or extinguished in connection with the Contribution and (iii) the amount of any cash and the fair market value of any other property (other than stock and securities permitted to be received under section 361(a) without the recognition of gain) received by Distributing in connection with the Contribution. The fair market value of the assets of Controlled will exceed the amount of its liabilities immediately after the Contribution.

(h18) The aggregate fair market value of the assets Distributing will transfer to Controlled in the Contribution will exceed the aggregate adjusted basis of those assets.

(h19) Distributing will use the Special Payment proceeds distributed to it by Controlled to repay Eligible External Debt pursuant to the plan of reorganization.

(h20) The sum of Distributing debt (i) exchanged for Controlled Securities in the Debt Exchange and (ii) repaid with the proceeds of the Special Payment will not exceed the weighted quarterly average of the External Debt during the Reference Period.

(h21) The Eligible External Debt to be used in the Debt Exchange was not issued in anticipation of the External Spin-Off.

(h22) The income tax liability for the taxable year in which investment credit property (including any building to which section 47(d) applies) is transferred will be adjusted pursuant to section 50(a)(1) or (a)(2) (or section 47, as in effect before amendment by Public Law 101-508, Title 11, 104 Stat. 1388, 536 (1990), if applicable) to reflect an early disposition of property.

(h23) No indebtedness between Distributing (and its subsidiaries) and Controlled (and its subsidiaries) has been or will be cancelled in connection with the External Spin-Off other than the LP 3 Note, the LLC 1 Loans and the settlement of open intercompany account balances and other intercompany loans attributable to normal business operations of Distributing and its subsidiaries prior to the External Spin-Off.

(h24) No intercorporate debt will exist between Distributing (or any of its subsidiaries) and Controlled (or any of its subsidiaries) at the time of, or subsequent to, the External Spin-Off, except for payables arising under transitional agreements or otherwise in the ordinary course of business.

(h25) Immediately before the External Spin-Off, items of income, gain, loss, deduction and credit will be taken into account as required by the applicable intercompany transaction Treasury Regulations. Further, Distributing's excess loss account, if any, with respect to its Controlled common stock will be included in income immediately before the External Spin-Off to the extent required by applicable Treasury Regulations (see Treas. Reg. §1.1502-19). At the time of the External Spin-Off, Distributing will not have an excess loss account in the stock of Controlled or the stock of any direct or indirect subsidiary of Controlled.

(h26) Except for certain payments that will be made in connection with the Contingent Liability Arrangements and certain service agreements that are transitional in nature, payments made in connection with any continuing transactions between Distributing (and its subsidiaries) and Controlled (and its subsidiaries) following the External Spin-Off will be for fair market value based on terms and conditions comparable to those that would be arrived at by the parties bargaining at arm's length.

(h27) No two parties to the External Spin-Off are investment companies as defined in section 368(a)(2)(F)(iii) and (iv).

(h28) Except as described above, the External Spin-Off is not part of a plan or series of related transactions (within the meaning of Treas. Reg. §1.355-7) pursuant to which one or more persons will acquire directly or indirectly stock representing a 50% or greater interest (within the meaning of section

355(d)(4)) in Distributing or Controlled (including any predecessor or successor of any such corporation).

(h29) None of Distributing's directors or officers will serve as directors or officers of Controlled as long as Distributing retains the Class B Common Stock.

(h30) All Class B Common Stock will be disposed of within five years of Step 16.

(h31) Distributing and its disregarded entities will vote the Class B Common Stock in proportion to the votes cast by Controlled's other stockholders and will grant Controlled a proxy with respect to such Class B Common Stock requiring such manner of voting.

(h32) Distributing was not a United States real property holding corporation (as defined by section 897(c)(2)) at any time during the five-year period ending on the date of the External Spin-Off. Furthermore, neither Distributing nor Controlled will be a United States real property holding corporation from the date hereof until immediately after the External Spin-Off.

## RULINGS

Based solely on the information and representations submitted and described above, we rule as follows with respect to the Proposed Transactions:

### The Sub 10 Contribution

(1A) No gain or loss will be recognized by Sub 4 or Sub 5 on the transfer of assets to Sub 10 in exchange for Sub 10 stock and Sub 10's assumption of liabilities. (sections 351(a) and 357(a)).

(2A) The basis of the Sub 10 stock received by Sub 4 and Sub 5 will be the same as the basis of the assets transferred by Sub 4 and Sub 5 to Sub 10, decreased by the Sub 4 and Sub 5 liabilities, respectively, assumed by Sub 10. (sections 358(a)(1) and 358(d)(1)).

(3A) The holding period of the Sub 10 stock received by Sub 4 and Sub 5 will include the holding period of the Sub 4 and Sub 5 assets transferred in exchange therefore, provided the assets were held as capital assets on the date of the Sub 10 Contribution. (section 1223(1)).

(4A) No gain or loss will be recognized by Sub 10 on the receipt of assets of Sub 4 and Sub 5 in exchange for Sub 10 stock. (section 1032(a)).

(5A) The basis of each Sub 4 and Sub 5 asset received by Sub 10 will be the same as the basis of such asset in the hands of Sub 4 and Sub 5 immediately prior to the Sub 10 Contribution. (section 362(a)(1)).

(6A) The holding period of each Sub 4 and Sub 5 asset received by Sub 10 will include the period during which such asset was held by Sub 4 and Sub 5. (section 1223(2)).

(7A) No portion of the earnings and profits of Sub 4 or Sub 5 will be allocated to Sub 10 as a result of the Sub 10 Contribution. (Treas. Reg. §1.312-11(a)).

The Sub 11 Contribution

(1B) No gain or loss will be recognized by Sub 4 or Sub 5 on the transfer of assets to Sub 11 in exchange for Sub 11 stock and Sub 11's assumption of liabilities. (sections 351(a) and 357(a)).

(2B) The basis of the Sub 11 stock received by Sub 4 and Sub 5 will be the same as the basis of the assets transferred by Sub 4 and Sub 5 to Sub 11, decreased by the Sub 4 and Sub 5 liabilities, respectively, assumed by Sub 11. (sections 358(a)(1) and 358(d)(1)).

(3B) The holding period of the Sub 11 stock received by Sub 4 and Sub 5 will include the holding period of the Sub 4 and Sub 5 assets transferred in exchange therefore, provided the assets were held as capital assets on the date of the Sub 11 Contribution. (section 1223(1)).

(4B) No gain or loss will be recognized by Sub 11 on the receipt of assets of Sub 4 and Sub 5 in exchange for Sub 11 stock. (section 1032(a)).

(5B) The basis of each Sub 4 and Sub 5 asset received by Sub 11 will be the same as the basis of such asset in the hands of Sub 4 and Sub 5 immediately prior to the Sub 11 Contribution. (section 362(a)(1)).

(6B) The holding period of each Sub 4 and Sub 5 asset received by Sub 11 will include the period during which such asset was held by Sub 4 and Sub 5. (section 1223(2)).

(7B) No portion of the earnings and profits of Sub 4 or Sub 5 will be allocated to Sub 11 as a result of the Sub 11 Contribution. (Treas. Reg. §1.312-11(a)).

The Sub 4 Merger

(1C) The Sub 4 Merger will be treated as a complete liquidation of Sub 4 within the meaning of section 332. (section 332(b) and Treas. Reg.§1.332-2(d)).

(2C) No gain or loss will be recognized by Sub 4 in the Sub 4 Merger. (sections 336(d)(3) and 337(a)).

(3C) No gain or loss will be recognized by Sub 3 in the Sub 4 Merger. (section 332(a)).

(4C) Sub 3's basis in each asset deemed received from Sub 4 in the Sub 4 Merger will equal the basis of that asset in the hands of Sub 4 immediately before the Sub 4 Merger. (section 334(b)(1)).

(5C) Sub 3's holding period in each asset deemed received from Sub 4 in the Sub 4 Merger will include the period during which that asset was held by Sub 4. (section 1223(2)).

(6C) Sub 3 will succeed to and take into account the items of Sub 4 described in section 381(c), subject to the conditions and limitations specified in sections 381, 382, 383, and 384 and the regulations thereunder. (section 381(a)(1) and Treas. Reg. §1.381(a)-1).

(7C) Except to the extent Sub 4's earnings and profits are reflected in Sub 3's earnings and profits, Sub 3 will succeed to and take into account the earnings and profits, or deficit in earnings and profits, of Sub 4 as of the date of the Sub 4 Merger. (section 381(c)(2)(A); Treas. Reg. §§1.381(c)(2)-1 and 1.1502-33(a)(2)). Any deficit in earnings and profits of Sub 4 or Sub 3 will be used only to offset earnings and profits accumulated after the date of the Sub 4 Merger. (section 381(c)(2)(B)).

(8C) No income, gain, deduction, or loss will be recognized by Sub 4 or Sub 3 upon the extinguishment of the intercorporate debt in the Sub 4 Merger (section 337(b)(1)).

The Sub 5 Merger

(1D) The Sub 5 Merger will be treated as a complete liquidation of Sub 5 within the meaning of section 332. (section 332(b) and Treas. Reg. §1.332-2(d)).

(2D) No gain or loss will be recognized by Sub 5 in the Sub 5 Merger. (sections 336(d)(3) and 337(a)).

(3D) No gain or loss will be recognized by Sub 3 in the Sub 5 Merger. (section 332(a)).

(4D) Sub 3's basis in each asset deemed received from Sub 5 in the Sub 5 Merger will equal the basis of that asset in the hands of Sub 5 immediately before the Sub 5 Merger. (section 334(b)(1)).

(5D) Sub 3's holding period in each asset deemed received from Sub 5 in the Sub 5 Merger will include the period during which that asset was held by Sub 5. (section 1223(2)).

(6D) Sub 3 will succeed to and take into account the items of Sub 5 described in section 381(c), subject to the conditions and limitations specified in sections 381, 382, 383, and 384 and the regulations thereunder. (section 381(a)(1) and Treas. Reg. §1.381(a)-1).

(7D) Except to the extent Sub 5's earnings and profits are reflected in Sub 3's earnings and profits, Sub 3 will succeed to and take into account the earnings and profits, or deficit in earnings and profits, of Sub 5 as of the date of the Sub 5 Merger. (section 381(c)(2)(A); Treas. Reg. §§1.381(c)(2)-1 and 1.1502-33(a)(2)). Any deficit in earnings and profits of Sub 5 or Sub 3 will be used only to offset earnings and profits accumulated after the date of the Sub 5 Merger. (section 381(c)(2)(B)).

(8D) No income, gain, deduction, or loss will be recognized by Sub 5 or Sub 3 upon the extinguishment of the intercorporate debt, if any, in the Sub 5 Merger. (section 337(b)(1)).

The Sub 3 Merger

(1E) The Sub 3 Merger will be treated as a complete liquidation of Sub 3 within the meaning of section 332. (section 332(b) and Treas. Reg. §1.332-2(d)).

(2E) No gain or loss will be recognized by Sub 3 in the Sub 3 Merger. (sections 336(d)(3) and 337(a)).

(3E) No gain or loss will be recognized by Sub 2 in the Sub 3 Merger. (section 332(a)).

(4E) Sub 2's basis in each asset deemed received from Sub 3 in the Sub 3 Merger will equal the basis of that asset in the hands of Sub 3 immediately before the Sub 3 Merger. (section 334(b)(1)).

(5E) Sub 2's holding period in each asset deemed received from Sub 3 in the Sub 3 Merger will include the period during which that asset was held by Sub 3. (section 1223(2)).

(6E) Sub 2 will succeed to and take into account the items of Sub 3 described in section 381(c), subject to the conditions and limitations specified in sections 381, 382, 383, and 384 and the regulations thereunder. (section 381(a)(1) and Treas. Reg. §1.381(a)-1).

(7E) Except to the extent Sub 3's earnings and profits are reflected in Sub 2's earnings and profits, Sub 2 will succeed to and take into account the earnings and profits, or deficit in earnings and profits, of Sub 3 as of the date of the Sub 3 Merger. (section 381(c)(2)(A); Treas. Reg. §§1.381(c)(2)-1 and 1.1502-33(a)(2)). Any deficit in earnings and profits of Sub 3 or Sub 2 will be used only to offset earnings and profits accumulated after the date of the Sub 3 Merger. (section 381(c)(2)(B)).

(8E) No income, gain, deduction, or loss will be recognized by Sub 3 or Sub 2 upon the extinguishment of the intercorporate debt, if any, in the Sub 3 Merger (section 337(b)(1)).

The Sub 2 Conversion

(1F) The Sub 2 Conversion will be treated as a complete liquidation of Sub 2 within the meaning of section 332. (section 332(b) and Treas. Reg. §1.332-2(d)).

(2F) No gain or loss will be recognized by Sub 2 in the Sub 2 Conversion. (sections 336(d)(3) and 337(a)).

(3F) No gain or loss will be recognized by Sub 1 in the Sub 2 Conversion. (section 332(a)).

(4F) Sub 1's basis in each asset deemed received from Sub 2 in the Sub 2 Conversion will equal the basis of that asset in the hands of Sub 2 immediately before the Sub 2 Conversion. (section 334(b)(1)).

(5F) Sub 1's holding period in each asset deemed received from Sub 2 in the Sub 2 Conversion will include the period during which that asset was held by Sub 2. (section 1223(2)).

(6F) Sub 1 will succeed to and take into account the items of Sub 2 described in section 381(c), subject to the conditions and limitations specified in sections 381, 382, 383, and 384 and the regulations thereunder. (section 381(a)(1) and Treas. Reg.§1.381(a)-1.)

(7F) Except to the extent Sub 2's earnings and profits are reflected in Sub 1's earnings and profits, Sub 1 will succeed to and take into account the earnings and profits, or deficit in earnings and profits, of Sub 2 as of the date of the Sub 2 Conversion. (section 381(c)(2)(A); Treas. Reg. §§ 1.381(c)(2)-1 and 1.1502-33(a)(2)). Any deficit in earnings and profits of Sub 2 or Sub 1 will be used only to offset earnings and profits accumulated after the date of the Sub 2 Conversion. (section 381(c)(2)(B)).

(8F) No income, gain, deduction, or loss will be recognized by Sub 2 or Sub 1 upon the extinguishment of the intercorporate debt, if any, in the Sub 2 Conversion (section 337(b)(1)).

The Sub 1 Conversion

(1G) The Sub 1 Conversion will be treated as a complete liquidation of Sub 1 within the meaning of section 332. (section 332(b) and Treas. Reg. §1.332-2(d)).

(2G) No gain or loss will be recognized by Sub 1 in the Sub 1 Conversion. (sections 336(d)(3) and 337(a)).

(3G) No gain or loss will be recognized by Distributing in the Sub 1 Conversion. (section 332(a)).

(4G) Distributing's basis in each asset deemed received from Sub 1 in the Sub 1 Conversion will equal the basis of that asset in the hands of Sub 1 immediately before the Sub 1 Conversion. (section 334(b)(1)).

(5G) Distributing's holding period in each asset deemed received from Sub 1 in the Sub 1 Conversion will include the period during which that asset was held by Sub 1. (section 1223(2)).

(6G) Distributing will succeed to and take into account the items of Sub 1 described in section 381(c), subject to the conditions and limitations specified in sections 381, 382, 383, and 384 and the regulations thereunder. (section 381(a)(1) and Treas. Reg. §1.381(a)-1).

(7G) Except to the extent Sub 1's earnings and profits are reflected in Distributing's earnings and profits, Distributing will succeed to and take into account the earnings and profits, or deficit in earnings and profits, of Sub 1 as of the date of the Sub 1 Conversion. (section 381(c)(2)(A); Treas. Reg. §§1.381(c)(2)-1 and 1.1502-33(a)(2)). Any deficit in earnings and profits of Sub 1 or Distributing will be used only to offset earnings and profits accumulated after the date of the Sub 1 Conversion. (section 381(c)(2)(B)).

(8G) No income, gain, deduction, or loss will be recognized by Sub 1 or Distributing upon the extinguishment of the intercorporate debt, if any, in the Sub 1 Conversion. (section 337(b)(1)).

The External Spin-Off and the Debt Exchange

(1H) The Contribution (including the receipt by Distributing of the Special Payment and the Controlled Securities), together with the distribution of the Controlled Common Stock in the External Spin-Off, will qualify as a reorganization within the

meaning of section 368(a)(1)(D). Distributing and Controlled will each be "a party to a reorganization" within the meaning of section 368(b).

(2H) Provided that the Controlled Securities are transferred in the Debt Exchange and the Special Payment is transferred to creditors of Distributing, Distributing will not recognize any gain or loss on the Contribution, including the receipt by Distributing of the Controlled stock and the Controlled Securities, the Special Payment and the assumption of any liabilities. (sections 361(a), 361(b) and 357(a)).

(3H) Controlled will not recognize any gain or loss on the Contribution. (section 1032(a)).

(4H) Controlled's basis in each asset received in the Contribution will equal the basis of that asset in the hands of Distributing immediately before the transfer (section 362(b)).

(5H) Controlled's holding period in each asset received in the Contribution will include the period during which Distributing held that asset. (section 1223(2)).

(6H) Distributing will not recognize any gain or loss on the External Spin-Off. (section 361(c)).

(7H) The Distributing shareholders will not recognize any gain or loss (and will not otherwise include any amount in income) upon the receipt of the Controlled Common Stock in the External Spin-Off. (section 355(a)).

(8H) Each Distributing shareholder's basis in a share of Distributing Common Stock shall be allocated between the share of Distributing Common Stock with respect to which the External Spin-Off is made and the share of Controlled Common Stock (or allocable portions thereof) received in the External Spin-Off with respect to the share of Distributing Common Stock in proportion to their fair market values. (section 358(b)).

(9H) Each Distributing shareholder's holding period in the Controlled Common Stock received will include the holding period of the Distributing Common Stock with respect to which the distribution of the Controlled Common Stock is made, provided that the Distributing Common Stock is held as a capital asset on the date of the External Spin-Off. (section 1223(1)).

(10H) Earnings and profits, if any, will be allocated between Distributing and Controlled in accordance with section 312(h). (Treas. Reg. §§1.312-10(a) and 1.1502-33(f)(2)).

(11H) Provided that the Controlled Securities are transferred in the Debt Exchange, then Distributing will not recognize any income, gain, loss, or deduction with respect to the Controlled Securities on the transfer of the Controlled Securities in exchange for Eligible External Debt. (section 361(c)).

(12H) Except for purposes of section 355(g), any payments between Distributing and Controlled that are made following the External Spin-Off pursuant to the Contingent Liability Arrangements regarding obligations that (i) have arisen or will arise for a taxable period ending on or before the External Spin-Off or for a taxable period beginning before but ending after the External Spin-Off and (ii) will not have become fixed and ascertainable until after the External Spin-Off, will be treated as occurring immediately before the External Spin-Off (*cf*. *Arrowsmith v. Commissioner,* 344 U.S. 6, 1952-2 C.B. 136, 1952-2 C.B. 136 (1952); Rev. Rul. 83-73, 1983-1 C.B. 84).

(13H) Following the External Spin-Off, Controlled will not be a successor of Distributing for purposes of section 1504(a)(3). Therefore, Controlled and its direct and indirect subsidiaries that are "includible corporations" under section 1504(b) and satisfy the ownership requirements of section 1504(a)(2) will be members of an affiliated group of corporations entitled to file a consolidated federal income tax return.

## CAVEATS

Except as expressly provided herein, no opinion is expressed or implied concerning the tax treatment of the Proposed Transactions under other provisions of the Code and regulations or the tax treatment of any condition existing at the time of, or effect resulting from the Proposed Transactions that is not specifically covered by the above rulings. In particular, except as so provided, no opinion is expressed or implied regarding (1), whether the External Spin-Off satisfies the business purpose requirement of section 1.355-2(b), (2) whether the External Spin-Off is being used principally as a device for the distribution of the earnings and profits of the distributing corporation or the controlled corporation or both (see section 355(a)(1)(B) and Treas. Reg. §1.355-2(d)), and; (3) whether the External Spin-Off and the acquisition or acquisitions are part of a plan (or series of related transactions) under section 355(e)(2)(A)(ii). Additionally, no opinion is expressed or implied as to the federal income tax consequences of the Proposed Transactions under subchapter K of the Internal Revenue Code including, but not limited to sections 707, 731, 751, and 752.

## Procedural Statements

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

It is important that a copy of this ruling letter be attached to the federal income tax return of each party involved for the taxable year in which the transaction covered by this letter is consummated. Alternatively, taxpayers filing their returns electronically may satisfy this requirement by attaching a statement to their returns that provides the date and control number of the letter ruling.

Pursuant to the power of attorney on file in this office, a copy of this letter is being sent to your authorized representative.

Sincerely,

*Isaac W. Zimbalist*

Isaac W. Zimbalist
Senior Technician Reviewer, Branch 5
Office of Associate Chief Counsel
(Corporate)