Internal Revenue Service

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Department of the Treasury
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Third Party Communication: None
Date of Communication: Not Applicable

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Date:
June 29, 2023

Distributing Parent =

Distributing 1 =

Distributing 2 =

Distributing 3 =

Distributing 4 =

Distributing 5 =

Distributing 6 =

Distributing 7 =

Distributing 8 =

Controlled Parent =

Controlled 1 =

Controlled 2 =

Company =

Company A =

Company B =

Company C =

Company D =

Company E =

Company F =

Company G =

Company H =

Company I =

Company J =

Company K =

Company L =

Company M =

Company N =

Company O =

Company P =

Company Q =

Company R =

Company S =

Company T =

Company U =

Company V =

Company W =

Company X =

Company Y =

Company Z =

Company AA =

Company BB =

Company CC =

Company DD =

Subordinated Notes =

Subordinated Note 1 =

Business A =

Business B =

Country A =

Country B =

Country C =

Country D =

Country E =

Country F =

Country G =

State A =

State B =

State C =

State D =

Date A =

Date B =

Date C =

Date D =

Date E =

Date F =

Date G =

Date H =

Date I =

Year A =

a =

b =

c	=
d	=
e	=
f	=
g	=
h	=
x	=
y	=
Worldwide Group	=
Continuing Arrangements	=

U.S. Entity Simplification =

Post-Distribution Amounts Payable =

Post-Distribution Payments =

TSA =

Dear :

This letter responds to your letter dated April 3, 2023, as supplemented by an additional letter dated June 19, 2023, submitted on behalf of Distributing Parent, its affiliates, and its shareholders, requesting rulings under sections 355 and 368(a)(1)(D), and related provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and related regulations with respect to a series of proposed transactions (the "Transactions," as described below). The material information submitted in that request and subsequent correspondence is summarized below.

This letter is issued pursuant to Rev. Proc. 2023-1, 2023-1 I.R.B. 1, Rev. Proc. 2022-10, 2022-6 I.R.B. 473, and Rev. Proc. 2017-52, 2017-41 I.R.B. 283, as amplified and modified by Rev. Proc. 2018-53, 2018-43 I.R.B. 667, regarding one or more "Covered Transactions" under section 355 and/or section 368 of the Code and pursuant to section 6.03(2) of Rev. Proc. 2023-1, 2023-1 I.R.B. 1, regarding one or more significant issues under sections 332, 337, and 355 of the Code. This Office expresses no opinion as to any issue not specifically addressed by the rulings below.

The rulings contained in this letter are based upon information and representations submitted by the taxpayer and accompanied by a penalties of perjury statement executed by an appropriate party. While this office has not verified any of the material submitted in support of the request for rulings, it is subject to verification on examination.

This office has made no determination regarding whether the Transactions: (i) satisfy the business purpose requirement of Treas. Reg. § 1.355-2(b); (ii) are used primarily as a device for the distribution of the earnings and profits of the distributing corporations or the controlled corporations 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 corporations or the controlled corporations, or any predecessor or successor of the distributing corporations or the controlled corporations, within the meaning of Treas. Reg. § 1.355-8 (see section 355(e)(2)(A)(ii) and Treas. Reg. § 1.355-7).

Summary of Facts

Distributing Parent, a publicly traded, widely held, State A corporation, is the parent of a multinational group of domestic and foreign entities (i.e., the Worldwide Group), and the common parent of a group of affiliated U.S. corporations that join in the filing of a consolidated U.S. federal income tax return. At the time of the Transactions, Distributing Parent will have a single class of voting common stock issued and outstanding. The following summary describes the relevant ownership structure of the Worldwide Group immediately prior to the Transactions.

Distributing Parent is engaged in Business A and Business B directly and indirectly through domestic and foreign subsidiaries.

Distributing Parent directly owns, in addition to other entities not relevant to the Transactions: (i) all of the issued and outstanding stock of Company A, a State B corporation; (ii) all of the issued and outstanding membership interests of Company B, a State C limited liability company ("LLC") treated as a disregarded entity for U.S. federal income tax purposes; (iii) all of the issued and outstanding stock of Company C, an entity incorporated in a U.S. territory and treated as a controlled foreign corporation ("CFC") for U.S. federal income tax purposes; (iv) all of the issued and outstanding membership interests of Company D, a State A LLC treated as a disregarded entity for U.S. federal income tax purposes; (v) all of the issued and outstanding stock of Company E, a State A corporation; and (vi) all of the issued and outstanding stock of Company F, a State A corporation.

Company A directly owns all of the issued and outstanding stock of Company G, a State A corporation. Company B directly owns all of the issued and outstanding stock of Distributing 8, a State D corporation. Distributing 8 directly owns all of the issued and outstanding stock of Distributing 7, a State A corporation. Distributing 8 has directly owned all of the issued and outstanding stock of Distributing 7 since Date D, following the Company's completion of the U.S. Entity Simplification. Distributing 7 directly owns Distributing 6, a State A corporation.

Distributing 6 directly owns all of the issued and outstanding stock of: (i) Company H, a State A corporation; (ii) Distributing 5, a State A corporation; and (iii) Company I, a State A corporation. Company H directly owns all of the issued and outstanding membership interests of a domestic LLC that is treated as a disregarded entity for U.S. federal income tax purposes ("Domestic LLC"). Distributing 5 directly owns all of the issued and membership interests of various State A LLCs, all of which are treated as disregarded entities for U.S. federal income tax purposes.

Company E directly owns all of the issued and outstanding stock of Company J, a Country B limited company treated as a CFC for U.S. federal income tax purposes, which, in turn, directly owns all of the issued and outstanding stock of Company K, a Country B limited company treated as a CFC for U.S. federal income tax purposes. Company K directly owns all of the issued and outstanding membership interests of Company L, a Country C private limited liability company treated as a disregarded entity for U.S. federal income tax purposes.

Company D directly owns all of the issued and outstanding membership interests of Company M, a Country D limited company treated as a disregarded entity for U.S. federal income tax purposes. Company M directly owns all of the issued and outstanding stock of Distributing 4, a Country D limited company treated as a CFC for U.S. federal income tax purposes. Distributing 4 directly owns b%, a majority of the issued and outstanding stock of Distributing 3, a Country D limited company that is treated as a CFC for U.S. federal income tax purposes. The remaining c% of the issued and outstanding stock of Distributing 3 is owned by Company F, Company K, and Company L (collectively, the “Distributing 3 Minority Shareholders”).

Distributing 3 owns, in addition to other entities not relevant to the Transactions, d%, a majority of the issued and outstanding stock, of Company N, a Country E limited company treated as a CFC for U.S. federal income tax purposes. The remaining e% of Company N is owned by other members of the Worldwide Group. Distributing 3 also directly owns all of the issued and outstanding stock of Distributing 2, a Country D limited company treated as a CFC for U.S. federal income tax purposes.

Company N owns, in addition to other entities not relevant to the Transactions, f%, a majority of the issued and outstanding membership interests, of Company O, a Country E limited company treated as a disregarded entity for U.S. federal income tax purposes. The remaining g% of Company O is owned by another member of the Worldwide Group.

Distributing 2 directly owns all of the issued and outstanding stock of Distributing 1, a Country A incorporated entity treated as a CFC for U.S. federal income tax purposes. Distributing 1 directly and indirectly owns all of the issued and outstanding interests in various Country D, Country F, and Country G entities, some of which are treated as CFCs for U.S. federal income tax purposes and some of which are treated as disregarded entities for U.S. federal income tax purposes.

The organizational structure has been the same for at least five years preceding the Transactions, except for the changes to the organizational structure for the U.S. Entity Simplification that was executed prior to Date D, and Company H’s direct ownership of Domestic LLC (which began in Year A).

Distributing Parent proposes to undertake the Transactions to separate Business B from Business A pursuant to one overall plan of reorganization (the “Plan”).

For purposes of satisfying the active trade or business requirements of section 355(b) with respect to each of Internal Spin 1, Internal Spin 2, Internal Spin 3, and Internal Spin 4 (as defined below), each of Distributing 1, Distributing 2, Distributing 3, and Distributing 4 and the members of its "separate affiliated group" as defined in section 355(b)(3) ("SAG") will rely on Business A, and Controlled 1 and the members of its SAG will rely on Business B, which will include any activities performed for Business B by employees of Distributing 1 and its SAG for each of the past five years.

For purposes of satisfying the active trade or business requirements of section 355(b) with respect to Internal Spin 5 (as defined below), Distributing 5 and the members of its SAG will rely on Business A, and Controlled 2 and the members of its SAG will rely on Business B, which will include any activities performed for Business B by employees of Distributing 5 and its SAG for each of the past five years.

For purposes of satisfying the active trade or business requirements of section 355(b) with respect to Internal Spin 6, Internal Spin 7, and Internal Spin 8 (as defined below), Distributing 6, Distributing 7, and Distributing 8 and the members of its SAG will rely on Business A, and Controlled 2 and the members of its SAG will rely on Business B, which will include any activities performed for Business B by employees of Distributing 6 and its SAG for each of the past five years.

For purposes of satisfying the active trade or business requirements of section 355(b) with respect to the External Spin (defined below), Distributing Parent and the members of its SAG will rely on Business A, and Controlled Parent and members of its SAG will rely on Business B, which will include any activities performed for Business B by employees of Distributing Parent and the members of its SAG for each of the past five years.

The Company has submitted financial information in accordance with Rev. Proc. 2017-52 indicating that each of Business A and Business B at each of the SAGs relevant to each of Internal Spin 1, Internal Spin 2, Internal Spin 3, Internal Spin 4, Internal Spin 5, Internal Spin 6, Internal Spin 7, Internal Spin 8, and the External Spin (all defined below), has had gross receipts and operating expenses representing the active conduct of a trade or business for each of the past five years.

Distributing Parent has outstanding subordinated long-term notes and debentures (i.e., the "Subordinated Notes"), including Subordinated Note 1, along with regular indebtedness in the form of commercial paper (the "Commercial Paper"). On Date A, 60 days prior to Date B (the date on which the Company publicly announced the Transactions), the Company had Commercial Paper outstanding with an aggregate principal balance of approximately a. The Company expects to have outstanding Commercial Paper with an aggregate principal balance of approximately h as of the date of filing this request for ruling.

Any Controlled Parent Proceeds received by Distributing Parent as a result of the Controlled Parent Proceeds Transfer (defined below) are currently expected to be used

first to repay outstanding Commercial Paper balances, in an amount not to exceed the lesser of: (i) the Commercial Paper balance outstanding on Date A, or (ii) the Commercial Paper balance outstanding as of the date of filing this request for ruling. Then, to the extent available, Controlled Parent Proceeds will be used to pay down the Subordinated Notes, of which, Subordinated Note 1, will be the first Subordinated Note to be repaid. The Company intends to treat the Commercial Paper and the Subordinated Notes as satisfying the requirements of Rev. Proc. 2018-53. The Commercial Paper together with the Subordinated Notes are herein referred to as the "Historic Company Debt." The creditors of the Historic Company Debt are referred to as the "Eligible Creditors."

Distributing Parent may refinance some or all of the Historic Company Debt prior to the Controlled Parent Distribution (such debt, the "Refinanced Company Debt"). In such event, any Refinanced Company Debt proceeds will be used to satisfy only the Historic Company Debt, and the proceeds from the Controlled Parent Proceeds Transfer (defined below) and/or the Distributing Exchange Debt (defined below) will be used to repay the Refinanced Company Debt.

The Transactions

For what are represented to be valid business reasons, the Company proposes to undertake the following transactions to separate Business B from Business A and distribute Business B to its shareholders. Following the Transactions, Distributing Parent will conduct Business A and Controlled Parent will conduct Business B.

The Controlled Parent Formation

Step 1: On Date C, Distributing Parent formed Controlled Parent, a State A company treated as a corporation for U.S. federal income tax purposes (the "Controlled Parent Formation"). Controlled Parent has one authorized class of voting common stock, all of which is directly owned by Distributing Parent.

Step 2: On Date E, Controlled Parent formed Company P, a State A LLC treated as a disregarded entity for U.S. federal income tax purposes.

Internal Spin 1

Step 3: Distributing 1 will file articles of amendment to create and authorize: (i) new common shares; and (ii) new preferred shares (the "Distributing 1 Butterfly Shares"). Subsequently, Distributing 2 will exchange each existing Distributing 1 share for one new common share and one new preferred share (i.e., the Distributing 1 Butterfly Shares).

Step 4: On Date E, Distributing 2 formed Company Q, a State A LLC treated as a disregarded entity for U.S. federal income tax purposes.

Step 5: On Date F, Company Q formed Controlled 1, a Country A incorporated entity treated as a CFC for U.S. federal income tax purposes.

Step 6: Using a three-party share exchange (which involves a share transfer and equity issuance among three entities), contemporaneously as a single transaction:

i. Distributing 2 will transfer the Distributing 1 Butterfly Shares that it holds in Distributing 1 directly to Controlled 1;

ii. In consideration for acquiring the Distributing 1 Butterfly Shares, Controlled 1 will issue additional common shares to its sole parent, Company Q; and

iii. In consideration for the shares in Controlled 1 that is issued to it, Company Q will issue additional equity interests to Distributing 2.

Step 7: Distributing 1 will transfer Business B to Controlled 1 in exchange for the issuance of preferred shares of Controlled 1 (the “Controlled 1 Butterfly Shares”).

Step 8: Distributing 1 will redeem the Distributing 1 Butterfly Shares held by Controlled 1 in exchange for a note (“Note 1”).

Step 9: Controlled 1 will redeem the Controlled 1 Butterfly Shares held by Distributing 1 in exchange for a note (“Note 2”).

Step 10: Note 1 and Note 2, owed between Distributing 1 and Controlled 1, will be settled in repayment of one another. Steps 3 through 10 are referred to as the “Butterfly Transaction” or “Internal Spin 1.”

Step 11: Within x days of the Butterfly Transaction, Distributing 1 will complete a cash “true-up” transfer to complete any additional butterfly types of property balancing, to ensure “pro rata” compliance at the time of the Butterfly Transaction (the “true-up payment”).

Internal Spins 2 through 4

Step 12: Distributing 2 will distribute all of the issued and outstanding membership interests of Company Q to Distributing 3 (“Internal Spin 2”).

Step 13: Distributing 3 will make pro rata distribution to its shareholders, whereby Distributing 3 will distribute:

i. All of the issued and outstanding membership interests in Company Q to Distributing 4 (“Internal Spin 3”); and

ii. Cash to the Distributing 3 Minority Shareholders.

Step 14: Distributing 4 will distribute all of the issued and outstanding membership interests of Company Q to Company M ("Internal Spin 4").

Step 15: Company M will distribute all of the issued and outstanding membership interests of Company Q to Company D.

Step 16: Company D will distribute all of the issued and outstanding membership interests of Company Q to Distributing Parent.

Country E Taxable Sale

Step 17: Distributing Parent will contribute cash to Controlled Parent in an amount equal to Business B in Country E.

Step 18: To effectuate the separation of Business B in Country E, Controlled Parent will make cash contributions through certain newly formed State A LLCs that are treated as disregarded entities for U.S. federal income tax purposes, to directly owned Country E entities that are treated as CFCs for U.S. federal income tax purposes. Such CFCs will use such cash to acquire Business B in Country E from Company N and Company O (the "Country E Taxable Sale"). The Country E Taxable Sale is intended to result in a taxable sale for U.S. federal income tax purposes and is not expected to trigger any losses for U.S. federal income tax purposes.

Internal Spin 5

Step 19: On Date G, Company I formed Company R, a State A LLC treated as a disregarded entity for U.S. federal income tax purposes, and will contribute the legacy Company I Business B assets and liabilities to Company R.

Step 20: On Date G, Distributing 5 formed Company S, a State A LLC treated as a disregarded entity for U.S. federal income tax purposes, and will contribute its directly held Business B assets and liabilities to Company S.

Step 21: Distributing 6 will form Company T, a State A company treated as a corporation for U.S. federal income tax purposes.

Step 22: Distributing 6 will contribute all of the issued and outstanding stock of Company I to Company T.

Step 23: Two days after Step 22, Company I will convert under state law to a State A LLC, becoming Company U, a disregarded entity for U.S. federal income tax purposes.

Step 24: Company U will distribute all of the issued and outstanding membership interests of Company R to Company T.

Step 25: Company T will merge, under state law, with and into Distributing 5, with Distributing 5 surviving.

Step 26: Distributing 5 will form Controlled 2, a State A company treated as a corporation for U.S. federal income tax purposes, and will contribute its directly held Business B assets and liabilities, i.e., its interests in both Company R and Company S, to Controlled 2 (the "Internal Spin 5 Contribution").

Step 27: Distributing 5 will distribute all of the issued and outstanding stock of Controlled 2 to Distributing 6 (the "Internal Spin 5 Distribution"). The Internal Spin 5 Contribution, together with the Internal Spin 5 Distribution are herein referred to as "Internal Spin 5."

Internal Spin 6

Step 28: On Date H, Distributing 6 formed Company V, a State A LLC which timely filed an initial check-the-box ("CTB") election to be treated as a corporation for U.S. federal income tax purposes, and will contribute its directly held Business A assets and liabilities to Company V.

Step 29: On Date G, Company H formed Company W, a State A LLC treated as a disregarded entity for U.S. federal income tax purposes, and will contribute its directly held Business B assets and liabilities to Company W.

Step 30: Company H will enter into an agreement with Company W for Company W's continued use of certain intellectual property ("IP") that will be owned by Company H, as well as for Company H's continued use of certain IP that will be owned by Company W.

Step 31: Company H will convert under state law to a State A LLC, becoming Company AA, a disregarded entity for U.S. federal income tax purposes (the "Company H Liquidation").

Step 32: Company AA will distribute all of the issued and outstanding membership interests of Company W to Distributing 6.

Step 33: Distributing 6 will contribute its directly held Business B assets and liabilities, i.e., all of the issued and outstanding membership interests of Company W, to Controlled 2 (the "Internal Spin 6 Contribution" or the "Company H Reincorporation").

Step 34: Distributing 6 will distribute all of the issued and outstanding stock of Controlled 2 to Distributing 7 (the "Internal Spin 6 Distribution"). The Internal Spin 6 Contribution, together with the Internal Spin 6 Distribution are herein referred to as "Internal Spin 6."

Internal Spins 7 and 8

Step 35: Distributing 7 will distribute all of the issued and outstanding stock of Controlled 2 to Distributing 8 (“Internal Spin 7”).

Step 36: Distributing 8 will distribute all of the issued and outstanding stock of Controlled 2 to Company B (“Internal Spin 8”).

Step 37: On Date H, Distributing 5 formed Company X, a State A company treated as a corporation for U.S. federal income tax purposes, and will contribute all of the issued and outstanding membership interests of Company U to the newly formed Company X.

Step 38: On Date H, Company B formed Company Y, a State A LLC treated as a disregarded entity for U.S. federal income tax purposes, and will contribute its directly held Business A assets and liabilities to Company Y.

Step 39: Company B will distribute: (i) all of the issued and outstanding membership interests of Company Y to Distributing Parent; and (ii) all of the issued and outstanding stock of Distributing 8 to Distributing Parent.

Business B Separation in the U.S. Territory

Step 40: On Date I, Distributing Parent formed Company Z, an LLC in a U.S. territory that timely filed an initial CTB election to be treated as a corporation and be treated as a CFC for U.S. federal income tax purposes.

Step 41: Distributing Parent will contribute cash to Company Z equal to the fair market value (“FMV”) of the Business B assets and liabilities held by Company C.

Step 42: Company C will transfer its Business B assets and liabilities to Company Z in exchange for cash consideration, to the extent any is required.

Other Domestic Restructuring & Business B Separation

Step 43: Company A and Company G will convert under state law to State B and State A LLCs, respectively, becoming Company BB and Company CC, respectively (the “Company A & Company G Liquidations”), both of which will be treated as disregarded entities for U.S. federal income tax purposes.

Step 44: Company BB and Company CC will enter into agreements with Distributing Parent for Distributing Parent’s continued use of certain IP that will be owned by Company BB and Company CC and will transfer legal title of certain other IP to Distributing Parent, the continued use of which may be licensed by Company BB and Company CC from Distributing Parent.

The External Spin

Step 45: Distributing Parent will contribute its directly held Business B assets and liabilities (i.e., its interests in Company B, Company Z, Company BB, as well as any other directly held Business B assets and liabilities), other than the Business B assets and liabilities in Country A, to Controlled Parent in exchange for Controlled Parent stock. Controlled Parent may also issue debt obligations constituting "securities" for U.S. federal income tax purposes to Distributing Parent (the "Controlled Parent Securities"). The contribution of Company BB to Controlled Parent in this step is herein referred to as the "Company A/Company G Reincorporation."

Step 46: Distributing Parent and Controlled Parent will enter into agreements for each party's continued use of certain IP that will be owned by the other party (i.e., the Continuing IP). The Controlled Parent Formation, together with steps 17, 45, 46, and 48 (below), involving the transfer of Business B by Distributing Parent to Controlled Parent (the "Controlled Parent Business B") are collectively referred to as the "Controlled Parent Contribution." All of the issued and outstanding stock of Controlled Parent immediately before the Controlled Parent Distribution (defined below) is collectively referred as the "Controlled Parent Stock."

Step 47: On Date E, Controlled Parent formed Company DD, a State A LLC treated as a disregarded entity for U.S. federal income tax purposes.

Step 48: Prior to the External Spin (defined below) and after step 45, using a three-party share exchange (which involves a share transfer and equity issuance among three corporations), contemporaneously as a single transaction:

i. Distributing Parent will transfer all of the issued and outstanding membership interests of Company Q directly to Company DD;

ii. In consideration for acquiring Company Q, Company DD will issue equity to its parent corporation, Controlled Parent; and

iii. In consideration for the equity in Company DD that is issued to it, Controlled Parent will issue additional equity to Distributing Parent.

Step 49: Immediately after the prior step, Company Q will be wound-up and liquidated into Company DD with Company DD surviving.

Step 50: Controlled Parent will secure new borrowings from third-party financing sources (the "Controlled Parent Debt"), which will be used for the following purposes: a portion will be used to pay the fees, costs, and expenses associated with the new borrowings, as well as to meet operational needs, and the net proceeds will be available for distribution by Controlled Parent to Distributing Parent (the "Controlled Parent Proceeds").

Step 51: Controlled Parent will distribute the Controlled Parent Proceeds to Distributing Parent. Distributing Parent will transfer the Controlled Parent Proceeds to Eligible Creditors in repayment of the Historic Company Debt over a period of time, not to exceed y months (the "Controlled Parent Proceeds Transfer").

Depending on the market conditions and in light of the significant amount of the debt of Controlled Parent to be placed, it is likely that some or all of the Controlled Parent Debt issued, as well as potentially the Controlled Parent Proceeds Transfer, will occur before the completion of the Controlled Parent Contribution. Additionally, and for the same reasons, it is likely that some or all of the issuance and exchange of the Controlled Parent Securities will occur before the completion of the Controlled Parent Contribution.

With regard to the Controlled Parent Debt, Distributing Parent will provide a conditional guarantee of repayment of the Controlled Parent Debt, with such guarantee terminating upon completion of the Controlled Parent Contribution or Controlled Parent Distribution (both defined below). With regard to the Controlled Parent Securities, Distributing Parent will provide a similar conditional guarantee of repayment, with such guarantee terminating upon completion of the Controlled Parent Contribution or Controlled Parent Distribution. The Controlled Parent Securities will be secured by the underlying assets of Business B (i.e., generally non-liquid assets, as Controlled Parent is not expected to hold substantial amounts of cash prior to the Controlled Parent Distribution).

In the event the Debt-for-Debt Exchange (defined below) occurs prior to the completion of the Controlled Parent Contribution, it is anticipated that Distributing Parent will be obligated (e.g., under a separation and distribution agreement or similar legal agreement) to contribute the Controlled Parent Business B to Controlled Parent, and the legal documents supporting the Controlled Parent Securities will include covenants and/or conditions, enforceable by the holders of the Controlled Parent Securities, that Distributing Parent will complete such contribution of the Controlled Parent Business B prior to the Controlled Parent Distribution. If the External Spin is abandoned or otherwise delayed to a point that it may be terminated for failure to occur, it is anticipated that the holders of the Controlled Parent Securities would have their debt prepaid or redeemed by Controlled Parent at such time (prior to maturity), along with, potentially, a prepayment premium.

Step 52: Distributing Parent will distribute all of the issued and outstanding stock of Controlled Parent pro rata to its shareholders (the "Controlled Parent Distribution"). The Controlled Parent Contribution and Controlled Parent Distribution are collectively referred to as the "External Spin."

Step 53: In connection with the External Spin, if Distributing Parent acquires Controlled Parent Securities in the Controlled Parent Contribution, Distributing Parent intends to effect an exchange as described in Rev. Proc. 2018-53 by means of the following transactions no later than y months following the External Spin (the "Debt-for-Debt Exchange"):

i. One or more investment banks (the “Exchange Banks”), acting as a principal for their own account, will make a loan to Distributing Parent in an amount based on the anticipated FMV of the Controlled Parent Securities, and such loan will be made in the form of commercial paper or a short-term loan (the “Distributing Exchange Debt”). The cash proceeds from the issuance of the Distributing Exchange Debt will not be segregated in a separate bank account or otherwise. Distributing Parent will use an amount equal to the net proceeds of the Distributing Exchange Debt to pay principal, interest or premium on the outstanding Historic Company Debt that satisfies the requirements of Rev. Proc. 2018-53.

ii. On the day following the issuance of the Distributing Exchange Debt, Distributing Parent will enter into an exchange agreement with the Exchange Banks (neither being legally obligated to do so) pursuant to which Distributing Parent will transfer the Controlled Parent Securities to the Exchange Banks in exchange for (and in retirement of) the Distributing Exchange Debt (the “Debt-for-Debt Exchange Agreement”). The pricing of the Controlled Parent Securities and the exchange ratio will be fixed on the date that the Debt-for-Debt Exchange Agreement is entered into with the Exchange Banks.

iii. Following the entering into of the Debt-for-Debt Exchange Agreement, Distributing Parent will deliver the Controlled Parent Securities to the Exchange Banks in satisfaction of the Distributing Exchange Debt.

iv. The Exchange Banks (or certain affiliates thereof) may sell the Controlled Parent Securities to investors for cash pursuant to a transaction in which the pricing is set prior to any of the foregoing steps.

In connection with the External Spin, Distributing Parent and Controlled Parent, collectively with their affiliates, will enter into certain agreements that will continue after the completion of the External Spin in order to effect an orderly transition of Controlled Parent to a standalone public company, including a transitional services agreement, a tax matters agreement, and other agreements (i.e., the Continuing Arrangements).

Distributing Parent and Controlled Parent will operate as independent companies having separate boards of directors. The separate boards of directors will have no overlapping membership with the exception of one overlapping board member (the “Overlapping Board Member”). The Overlapping Board Member will represent a minority share of the overall composition of Distributing Parent’s and Controlled Parent’s board of directors. The Overlapping Board Member will serve in this capacity to benefit both Business A and Business B as Business B transitions into an independent public company. The Overlapping Board Member will not be an officer or employee involved in the day-to-day operations of Distributing Parent or Controlled Parent. The Overlapping Board Member will at all times have a minority voting power with respect to each of the boards of Distributing Parent and Controlled Parent.

Representations

The Company has made the following representations with respect to the Transactions.

Internal Spin 1

With respect to Internal Spin 1, except as set forth below, the Company has made all of the representations in section 3 of the Appendix to Rev. Proc. 2017-52. The Company makes each of the representations with the understanding that for U.S. federal income tax purposes, Distributing 1's transfer of its Country A Business B to Controlled 1 in a series of transactions, as described above, will be collectively treated as if Distributing 1 (i) forms Controlled 1; (ii) contributes its Country A Business B assets and liabilities to Controlled 1 (the "Controlled 1 Contribution"); and (iii) distributes all of its Controlled 1 shares to Distributing 2 (the "Controlled 1 Distribution"). As such, Internal Spin 1 should be a deemed transaction for U.S. federal income tax purposes. Therefore, the Company hereby modifies all representations it makes in section 3 of the Appendix to Rev. Proc. 2017-52 regarding Internal Spin 1 to include the language "deemed" where applicable.

1. The Company has made the following alternative representations: 3(a), 8(a), 11(a), 15(a), 22(a), 31(a), and 41(a).

2. The Company has not made the following representations because they do not apply to Internal Spin 1: 7, 20, 24, 25, 35, 36, 37, 38, and 39.

3. The Company has not made the following representation, but provided the required explanation: 40.

4. The Company has made the following modified representation:

> Representation 43: For Internal Spin 1, for purposes of Treas. Reg. § 1.367(b)-5(c), Distributing 2's pre-distribution amount with respect to both Distributing 1 and Controlled 1 will not exceed Distributing 2's post-distribution amount with respect to both entities, or, if the pre-distribution amount does exceed the post-distribution amount, Distributing 2 will reduce its basis, or include an amount in income as a deemed dividend to the extent provided in Treas. Reg. § 1.367(b)-5(c)(2).

Internal Spin 2, Internal Spin 3, and Internal Spin 4

With respect to Internal Spin 2, Internal Spin 3, and Internal Spin 4, except as set forth below, the Company has made all the representations in section 3 of the Appendix to Rev. Proc. 2017-52.

1. The Company has made the following alternative representations: 3(a), 8(a), 11(a), 15(a), 22(a), 31(a), and 41(a).

2. The Company has not made the following representations because they do not apply to Internal Spin 2, Internal Spin 3, or Internal Spin 4: 7, 17, 18, 19, 20, 24, 25, 35, 36, 37, 38, and 39.

3. The Company has not made the following representations, but provided the required explanation: 40.

4. The Company has made the following modified representations:

Representation 43:
For Internal Spin 2, for purposes of Treas. Reg. § 1.367(b)-5(c), Distributing 3's pre-distribution amount with respect to both Distributing 2 and Controlled 1 will not exceed Distributing 3's post-distribution amount with respect to both entities, or, if the pre-distribution amount does exceed the post-distribution amount, Distributing 3 will reduce its basis, or include an amount in income as a deemed dividend to the extent provided in Treas. Reg. § 1.367(b)-5(c)(2).

For Internal Spin 3, for purposes of Treas. Reg. § 1.367(b)-5(d), Distributing 4's and the Distributing 3 Minority Shareholders' pre-distribution amount with respect to both Distributing 3 and Controlled 1 will not exceed Distributing 4's and the Distributing 3 Minority Shareholders' post-distribution amount with respect to both entities, respectively, or, if the pre-distribution amount does exceed the post-distribution amount, Distributing 4 and/or the Distributing 3 Minority Shareholders will include an amount in income as a deemed dividend to the extent provided in Treas. Reg. § 1.367(b)-5(d)(3).

For Internal Spin 4, for purposes of Treas. Reg. § 1.367(b)-5(c), Distributing Parent's pre-distribution amount with respect to both Distributing 4 and Controlled 1 will not exceed Distributing Parent's post-distribution amount with respect to both entities, or, if the pre-distribution amount does exceed the post-distribution amount, Distributing Parent will reduce its basis or include an amount in income as a deemed dividend to the extent provided in Treas. Reg. § 1.367(b)-5(c)(2).

Internal Spin 5 and Internal Spin 6

With respect to Internal Spin 5 and Internal Spin 6, except as set forth below, the Company has made all the representations in section 3 of the Appendix to Rev. Proc. 2017-52.

1. The Company has made the following alternative representations: 3(a), 8(a), 11(a), 15(a), 22(a), 31(a), and 41(a).

2. The Company has not made the following representations because they do not apply to Internal Spin 5 or Internal Spin 6: 7, 20, 24, 25, and 35.

3. The Company has not made the following representations, but provided the required explanation: 40.

Internal Spin 7 and Internal Spin 8

With respect to Internal Spin 7 and Internal Spin 8, except as set forth below, the Company has made all the representations in section 3 of the Appendix to Rev. Proc. 2017-52.

1. The Company has made the following alternative representations: 3(a), 8(a), 11(a), 15(a), 22(a), 31(a), and 41(a).

2. The Company has not made the following representations because they do not apply to Internal Spin 7 or Internal Spin 8: 7, 17, 18, 19, 20, 24, 25, and 35.

3. The Company has not made the following representations, but provided the required explanation: 40.

The External Spin

With respect to the External Spin, except as set forth below, the Company has made all the representations in section 3 of the Appendix to Rev. Proc. 2017-52.

1. The Company has made the following alternative representations: 3(a), 11(a), 15(a), 22(a), 31(a), and 41(a).

2. The Company has not made the following representations because they do not apply to the External Spin: 7, 24, 25, and 40.

3. The Company has made the following modified representations:

> Representation 5: Other than with respect to the Debt-for-Debt Exchange and the Controlled Parent Proceeds Transfer, none of the Controlled Parent Stock, Controlled Parent Securities or Controlled Parent Proceeds to be distributed in the Controlled Parent Distribution will be received in any capacity other than that of a shareholder of Distributing Parent.
>
> Representation 8: Other than in the Debt-for-Debt Exchange and Controlled Parent Proceeds Transfer, Distributing Parent will not distribute Controlled Parent Stock, Controlled Parent Securities or other property to any holder of Distributing Parent securities in the Controlled Parent Distribution, in satisfaction thereof.
>
> Representation 32: Other than the Post-Distribution Amounts Payable, no intercorporate debt will exist between Distributing Parent and Controlled Parent at the time of, or subsequent to, the Controlled Parent Distribution.

Representation 33: Payments made in connection with all Continuing Arrangements, if any, between Distributing Parent and Controlled Parent after the Controlled Parent Distribution will be for fair market value based on arm's-length terms, except as contemplated by the TSA (where arrangements governed by the TSA will be provided on a cost or cost-plus basis or a fixed fee arrangement and will terminate within 24 months, or sooner, of the Controlled Parent Distribution).

Representation 35: The payment of cash in lieu of fractional shares of Controlled Parent stock, if any, will be solely for the purpose of avoiding the expense and inconvenience of issuing fractional shares and will not represent separately bargained-for consideration. The fractional share interests of each of the Company's shareholders will be aggregated, and none of the Company's shareholders will receive cash in an amount equal to or greater than the value of one full share of Controlled Parent Stock (with the possible exception of shareholders who hold Controlled Parent stock in multiple accounts or with multiple brokers).

Additional Representations under Rev. Proc. 2018-53

With respect to the External Spin, except as set forth below, the Company has made each of the representations provided in section 3 of Rev. Proc. 2018-53.

1. The Company has made the following modified representations:

Representation 4: If Distributing Parent refinances any Historic Company Debt (i.e., the Refinanced Company Debt), any Historic Company Debt that will be refinanced was incurred by Distributing Parent in each case (a) before the request for any relevant ruling is submitted and (b) no later than 60 before the earliest of the following dates: (i) the date of the first public announcement (as defined in Treas. Reg. § 1.355-7(h)(1)) of the Transactions or a similar transaction, (ii) the date of the entry by Distributing Parent into a binding agreement to engage in the Transactions or a similar transaction, and (iii) the date of approval of the Transactions or a similar transaction by the board of directors of Distributing Parent.

Representation 6: There are one of more substantial business reasons for any delay in satisfying the Historic Company Debt or Refinanced Company Debt with the Controlled Parent Proceeds and/or the Controlled Parent Securities beyond 30 days after the date of the Controlled Parent Distribution. The Controlled Parent Proceeds Transfer and Debt-for-Debt Exchange will be completed within y months of the Controlled Parent Distribution and are undertaken in connection with the Plan. The Controlled Parent Securities will constitute securities for purposes of the application of section 361(a) and (c).

Additional Representations

The Company has made the following additional representations:

1. Other than the Company H Reincorporation, the Company H Liquidation will otherwise qualify as a tax-free liquidation under section 332.

2. Other than the Company H Reincorporation, the Company H Liquidation will not be preceded or followed by the reincorporation in, or transfer or sale to, a recipient corporation, of more than 30 percent of the fair market value of the respective assets of Company H.

3. Other than the Company A/Company G Reincorporation, the Company A & Company G Liquidations will otherwise qualify as a tax-free liquidation under section 332.

4. Other than the Company A/Company G Reincorporation, the Company A & Company G Liquidations will not be preceded or followed by the reincorporation in, or transfer or sale to, a recipient corporation, of more than 30 percent of the fair market value of the respective assets of Company A or Company G.

Rulings

Based solely upon the information submitted and the representations made, we rule as follows with respect to the Transactions:

Internal Spin 1

1. For U.S. federal income tax purposes, the steps of Internal Spin 1 will be treated as if Distributing 1: (i) forms Controlled 1; (ii) contributes its Country A Business B assets and liabilities to Controlled 1 in exchange for Controlled 1's stock (i.e., the Controlled 1 Contribution); and (iii) distributes all of the issued and outstanding stock of Controlled 1 to Distributing 2 (i.e., the Controlled 1 Distribution). See Rev. Rul. 77-191, 1971-1 C.B. 94; Rev. Rul. 57-311, 1957-2 C.B. 243.

2. The Controlled 1 Contribution together with the Controlled 1 Distribution will qualify as a tax-free reorganization within the meaning of section 368(a)(1)(D) and section 355. Distributing 1 and Controlled 1 will each be a "party to a reorganization" within the meaning of section 368(b).

3. No gain or loss will be recognized by Distributing 1 on the Controlled 1 Contribution. Sections 357(a) and 361(a).

4. No gain or loss will be recognized by Controlled 1 on the Controlled 1 Contribution. Section 1032(a).

5. The basis of the assets received by Controlled 1 in the Controlled 1 Contribution will equal the basis of such assets in the hands of Distributing 1 immediately before the Controlled 1 Contribution. Section 362(b).

6. The holding period in each asset received by Controlled 1 in the Controlled 1 Contribution will include the period during which the asset was held by Distributing 1. Section 1223(2).

7. No gain or loss will be recognized by (and no amount will be included in the income of) Distributing 2 on its receipt of Controlled 1 stock in Internal Spin 1. Section 355(a).

8. No gain or loss will be recognized by Distributing 1 on its distribution of the Controlled 1 stock to Distributing 2. Section 361(c).

9. The holding period of the Controlled 1 stock received by Distributing 2 in Internal Spin 1 will include the holding period of the Distributing 1 stock with respect to which the distribution of the Controlled 1 stock is made; provided that the Distributing 1 stock is held as a capital asset on the date of the Internal Spin 1. Section 1223(1).

10. The earnings and profits of Distributing 1 will be allocated between Distributing 1 and Controlled 1 in accordance with section 312(h) and Treas. Reg. § 1.312-10(a).

11. Except for purposes of section 355(g), any post-Internal Spin 1 payments (i.e., any Post-Distribution Payments) made between Distributing 1 and Controlled 1, if any (e.g., the true-up payment), that: (i) have arisen or will arise for a taxable period ending on or before Internal Spin 1 or for a taxable year beginning before and ending after Internal Spin 1; and (ii) will not become fixed and ascertainable until after Internal Spin 1, will be treated as occurring immediately before Internal Spin 1. See Arrowsmith v. Commissioner, 344 U.S. 6 (1952); Rev. Rul. 83-73, 1983-1 C.B. 84.

Internal Spin 2

12. Internal Spin 2 will qualify as a tax-free distribution under section 355.

13. No gain or loss will be recognized by Distributing 2 on its distribution of the Controlled 1 stock to Distributing 3. Section 355(c)(1).

14. No gain or loss will be recognized by (and no amount will be included in the income of) Distributing 3 on its receipt of Controlled 1 stock in Internal Spin 2. Section 355(a)(1).

15. The holding period of the Controlled 1 stock received by Distributing 3 in Internal Spin 2 will include the holding period of the Distributing 2 stock with respect to which the distribution of the Controlled 1 stock was made, provided that the Distributing 2 stock is held as a capital asset on the date of Internal Spin 2. Section 1223(1).

16. The earnings and profits of Distributing 2 will be allocated between Distributing 2 and Controlled 1 in accordance with section 312(h) and Treas. Reg. § 1.312-10(b).

17. Except for purposes of section 355(g), any post-Internal Spin 2 payments (i.e., any Post-Distribution Payments) made between Distributing 2 and Controlled 1, if any, that: (i) have arisen or will arise for a taxable period ending on or before Internal Spin 2 or for a taxable year beginning before and ending after Internal Spin 2; and (ii) will not become fixed and ascertainable until after Internal Spin 2, will be treated as occurring immediately before Internal Spin 2. See Arrowsmith v. Commissioner, 344 U.S. 6 (1952); Rev. Rul. 83-73, 1983-1 C.B. 84.

Internal Spin 3

18. Internal Spin 3 will qualify as a tax-free distribution under section 355.

19. No gain or loss will be recognized by Distributing 3 on its distribution of the Controlled 1 stock to Distributing 4. Section 355(c)(1).

20. No gain or loss will be recognized by (and no amount will be included in the income of) Distributing 4 on its receipt of Controlled 1 stock in Internal Spin 3. Section 355(a)(1).

21. The holding period of the Controlled 1 stock received by Distributing 4 in Internal Spin 3 will include the holding period of the Distributing 3 stock with respect to which the distribution of the Controlled 1 stock was made, provided that the Distributing 3 stock is held as a capital asset on the date of Internal Spin 3. Section 1223(1).

22. The earnings and profits of Distributing 3 will be allocated between Distributing 3 and Controlled 1 in accordance with section 312(h) and Treas. Reg. § 1.312-10(b).

23. Except for purposes of section 355(g), any post-Internal Spin 3 payments (i.e., any Post-Distribution Payments) made between Distributing 3 and Controlled 1, if any, that: (i) have arisen or will arise for a taxable period ending on or before Internal Spin 3 or for a taxable year beginning before and ending after Internal Spin 3; and (ii) will not become fixed and ascertainable until after Internal Spin 3, will be treated as occurring immediately before Internal Spin 3. See Arrowsmith v. Commissioner, 344 U.S. 6 (1952); Rev. Rul. 83-73, 1983-1 C.B. 84.

Internal Spin 4

24. Internal Spin 4 will qualify as a tax-free distribution under section 355.

25. No gain or loss will be recognized by Distributing 4 on its distribution of the Controlled 1 stock to Distributing Parent. Section 355(c)(1).

26. No gain or loss will be recognized by (and no amount will be included in the income of) Distributing Parent on its receipt of Controlled 1 stock in Internal Spin 4. Section 355(a)(1).

27. The holding period of the Controlled 1 stock received by Distributing Parent in Internal Spin 4 will include the holding period of the Distributing 4 stock with respect to which the distribution of the Controlled 1 stock was made, provided that the Distributing 4 stock is held as a capital asset on the date of Internal Spin 5. Section 1223(1).

28. The earnings and profits of Distributing 4 will be allocated between Distributing 4 and Controlled 1 in accordance with section 312(h) and Treas. Reg. § 1.312-10(b).

29. Except for purposes of section 355(g), any post-Internal Spin 4 payments (i.e., any Post-Distribution Payments) made between Distributing 4 and Controlled 1, if any, that: (i) have arisen or will arise for a taxable period ending on or before Internal Spin 4 or for a taxable year beginning before and ending after Internal Spin 4; and (ii) will not become fixed and ascertainable until after Internal Spin 4, will be treated as occurring immediately before Internal Spin 4. See Arrowsmith v. Commissioner, 344 U.S. 6 (1952); Rev. Rul. 83-73, 1983-1 C.B. 84.

Internal Spin 5

30. The Internal Spin 5 Contribution together with the Internal Spin 5 Distribution will qualify as a tax-free reorganization within the meaning of section 368(a)(1)(D) and section 355. Distributing 5 and Controlled 2 will each be a “party to a reorganization” within the meaning of section 368(b).

31. No gain or loss will be recognized by Distributing 5 on the Internal Spin 5 Contribution. Sections 357(a) and 361(a).

32. No gain or loss will be recognized by Controlled 2 on the Internal Spin 5 Contribution. Section 1032(a).

33. The basis of the assets received by Controlled 2 in the Internal Spin 5 Contribution will equal the basis of such assets in the hands of Distributing 5 immediately before the Internal Spin 5 Contribution. Section 362(b).

34. The holding period in each asset received by Controlled 2 in the Internal Spin 5 Contribution will include the period during which the asset was held by Distributing 5. Section 1223(2).

35. No gain or loss will be recognized by (and no amount will be included in the income of) Distributing 6 on its receipt of Controlled 2 stock in Internal Spin 5. Section 355(a).

36. No gain or loss will be recognized by Distributing 5 on its distribution of the Controlled 2 stock to Distributing 6. Section 361(c).

37. The holding period of the Controlled 2 stock received by Distributing 6 in Internal Spin 5 will include the holding period of the Distributing 5 stock with respect to which the distribution of the Controlled 2 stock is made; provided that the Distributing 5 stock is held as a capital asset on the date of the Internal Spin 5. Section 1223(1).

38. The earnings and profits of Distributing 5 will be allocated between Distributing 5 and Controlled 2 in accordance with section 312(h), Treas. Reg. § 1.312-10(a), and Treas. Reg. § 1.1502-33(f)(2).

39. Except for purposes of section 355(g), any post-Internal Spin 5 payments (i.e., any Post-Distribution Payments) made between Distributing 5 and Controlled 2, if any, that: (i) have arisen or will arise for a taxable period ending on or before Internal Spin 5 or for a taxable year beginning before and ending after Internal Spin 5; and (ii) will not become fixed and ascertainable until after Internal Spin 5, will be treated as occurring immediately before Internal Spin 5. See Arrowsmith v. Commissioner, 344 U.S. 6 (1952); Rev. Rul. 83-73, 1983-1 C.B. 84.

Internal Spin 6

40. The Company H Reincorporation will not preclude the Company H Liquidation from otherwise qualifying as a “complete liquidation” within the meaning of section 332.

41. The Internal Spin 6 Contribution together with the Internal Spin 6 Distribution will qualify as a tax-free reorganization within the meaning of section 368(a)(1)(D) and section 355. Distributing 6 and Controlled 2 will each be a “party to a reorganization” within the meaning of section 368(b).

42. No gain or loss will be recognized by Distributing 6 on the Internal Spin 6 Contribution. Sections 357(a) and 361(a).

43. No gain or loss will be recognized by Controlled 2 on the Internal Spin 6 Contribution. Section 1032(a).

44. The basis of the assets received by Controlled 2 in the Internal Spin 6 Contribution will equal the basis of such assets in the hands of Distributing 6 immediately before the Internal Spin 6 Contribution. Section 362(b).

45. The holding period in each asset received by Controlled 2 in the Internal Spin 6 Contribution will include the period during which the asset was held by Distributing 6. Section 1223(2).

46. No gain or loss will be recognized by (and no amount will be included in the income of) Distributing 7 on its receipt of Controlled 2 stock in Internal Spin 6. Section 355(a).

47. No gain or loss will be recognized by Distributing 6 on its distribution of the Controlled 2 stock to Distributing 7. Section 361(c).

48. The holding period of the Controlled 2 stock received by Distributing 7 in Internal Spin 6 will include the holding period of the Distributing 6 stock with respect to which the distribution of the Controlled 2 stock is made; provided that the Distributing 6 stock is held as a capital asset on the date of the Internal Spin 6. Section 1223(1).

49. The earnings and profits of Distributing 6 will be allocated between Distributing 6 and Controlled 2 in accordance with section 312(h), Treas. Reg. § 1.312-10(a), and Treas. Reg. § 1.1502-33(f)(2).

50. Except for purposes of section 355(g), any post-Internal Spin 6 payments (i.e., any Post-Distribution Payments) made between Distributing 6 and Controlled 2, if any, that: (i) have arisen or will arise for a taxable period ending on or before Internal Spin 6 or for a taxable year beginning before and ending after Internal Spin 6; and (ii) will not become fixed and ascertainable until after Internal Spin 6, will be treated as occurring immediately before Internal Spin 6. See Arrowsmith v. Commissioner, 344 U.S. 6 (1952); Rev. Rul. 83-73, 1983-1 C.B. 84.

Internal Spin 7

51. Internal Spin 7 will qualify as a tax-free distribution under section 355.

52. No gain or loss will be recognized by Distributing 7 on its distribution of the Controlled 2 stock to Distributing 8. Section 355(c)(1).

53. No gain or loss will be recognized by (and no amount will be included in the income of) Distributing 8 on its receipt of Controlled 2 stock in Internal Spin 7. Section 355(a)(1).

54. The holding period of the Controlled 2 stock received by Distributing 8 in Internal Spin 7 will include the holding period of the Distributing 7 stock with respect to which the distribution of the Controlled 2 stock was made, provided that the Distributing 7 stock is held as a capital asset on the date of Internal Spin 5. Section 1223(1).

55. The earnings and profits of Distributing 7 will be allocated between Distributing 7 and Controlled 2 in accordance with section 312(h), Treas. Reg. § 1.312-10(b), and Treas. Reg. § 1.1502-33(f)(2).

56. Except for purposes of section 355(g), any post-Internal Spin 7 payments (i.e., any Post-Distribution Payments) made between Distributing 7 and Controlled 2, if any, that: (i) have arisen or will arise for a taxable period ending on or before Internal Spin 7 or for

a taxable year beginning before and ending after Internal Spin 7; and (ii) will not become fixed and ascertainable until after Internal Spin 7, will be treated as occurring immediately before Internal Spin 7. See Arrowsmith v. Commissioner, 344 U.S. 6 (1952); Rev. Rul. 83-73, 1983-1 C.B. 84.

Internal Spin 8

57. Internal Spin 8 will qualify as a tax-free distribution under section 355.

58. No gain or loss will be recognized by Distributing 8 on its distribution of the Controlled 2 stock to Distributing Parent. Section 355(c)(1).

59. No gain or loss will be recognized by (and no amount will be included in the income of) Distributing Parent on its receipt of Controlled 2 stock in Internal Spin 8. Section 355(a)(1).

60. The holding period of the Controlled 2 stock received by Distributing Parent in Internal Spin 8 will include the holding period of the Distributing 8 stock with respect to which the distribution of the Controlled 2 stock was made, provided that the Distributing 8 stock is held as a capital asset on the date of Internal Spin 8. Section 1223(1).

61. The earnings and profits of Distributing 8 will be allocated between Distributing 8 and Controlled 2 in accordance with section 312(h), Treas. Reg. § 1.312-10(b), and Treas. Reg. § 1.1502-33(f)(2).

62. Except for purposes of section 355(g), any post-Internal Spin 8 payments (i.e., any Post-Distribution Payments) made between Distributing 8 and Controlled 2, if any, that: (i) have arisen or will arise for a taxable period ending on or before Internal Spin 8 or for a taxable year beginning before and ending after Internal Spin 8; and (ii) will not become fixed and ascertainable until after Internal Spin 8, will be treated as occurring immediately before Internal Spin 8. See Arrowsmith v. Commissioner, 344 U.S. 6 (1952); Rev. Rul. 83-73, 1983-1 C.B. 84.

The External Spin

63. The Company A/Company G Reincorporation will not preclude the Company A & Company G Liquidations from otherwise qualifying as a “complete liquidation” within the meaning of section 332.

64. The Controlled Parent Contribution together with the Controlled Parent Distribution, will qualify as a tax-free reorganization within the meaning of section 368(a)(1)(D) and section 355. Distributing Parent and Controlled Parent will each be a “party to a reorganization” within the meaning of section 368(b).

65. No gain or loss will be recognized by Distributing Parent on the Controlled Parent Contribution. Sections 361(a), 361(b), and 357(a).

66. No gain or loss will be recognized by Controlled Parent on the Controlled Parent Contribution. Section 1032(a).

67. The basis of the assets received by Controlled Parent in the Controlled Parent Contribution will equal the basis of such assets in the hands of Distributing Parent immediately before the Controlled Parent Contribution. Section 362(b).

68. The holding period in each asset received by Controlled Parent in the Controlled Parent Contribution will include the period during which the asset was held by Distributing Parent. Section 1223(2).

69. No gain or loss will be recognized by (and no amount will be included in the income of) Distributing Parent's shareholders on their receipt of the Controlled Parent Stock in the Controlled Parent Distribution. Section 355(a).

70. No gain or loss will be recognized by Distributing Parent on: (i) the Controlled Parent Distribution; (ii) the Controlled Parent Proceeds Transfer; or (iii) the Debt-for-Debt Exchange, other than (i) deductions attributable to the fact that the Historic Company Debt may be redeemed at a premium; (ii) income attributable to the fact that the Historic Company Debt may be redeemed at a discount, and (iii) interest expense accrued with respect to the Historic Company Debt. Section 361(b) and (c).

71. The Debt-for-Debt Exchange will be treated as being pursuant to the Plan for purposes of section 361(c)(1) and (c)(3).

72. The Controlled Parent Proceeds Transfer will be treated as being pursuant to the Plan for purposes of section 361(b)(1)(A) and (b)(3). Distributing Parent will not be required to segregate or otherwise trace the Controlled Parent Proceeds.

73. Each Distributing Parent shareholder's aggregate basis in the Distributing Parent stock and the Controlled Parent stock immediately after the Controlled Parent Distribution (including any fractional share interest in the Controlled Parent stock to which the shareholder may be entitled) will equal such shareholder's aggregate basis of the Distributing Parent stock immediately before the Controlled Parent Distribution. Section 358(a). The basis will be allocated between the Distributing Parent stock and the Controlled Parent stock in proportion to their fair market values. Section 358(b) and (c); Treas. Reg. § 1.358-2.

74. Each Distributing Parent shareholder's holding period in its Controlled Parent stock received in the Controlled Parent Distribution (including any fractional share interest in Controlled Parent stock to which the shareholder may be entitled) will include the holding period of the Distributing Parent stock exchanged therefor or with respect to which a distribution of Controlled Parent stock was made, provided that such Distributing Parent stock is held by such Distributing Parent shareholder as a capital asset on the date of the Controlled Parent Distribution. Section 1223(1).

75. The receipt by Distributing Parent's shareholders of cash in lieu of fractional shares of Controlled Parent stock, if any, will be treated for U.S. federal income tax purposes as if the fractional shares had been distributed to Distributing Parent's shareholders as part of the Controlled Parent Distribution and then had been disposed of by such shareholders for the amount of such cash in a sale or exchange. The gain (or loss) recognized (determined using the basis allocated to the fractional shares in Ruling 73), if any, will be treated as capital gain (or loss) under section 1001, provided the stock was held as a capital asset by the selling shareholder. Such gain (or loss) will be short-term or long-term capital gain (or loss) determined using the holding period provided in Ruling 74.

76. The earnings and profits of Distributing Parent will be allocated between Distributing Parent and Controlled Parent in accordance with section 312(h), Treas. Reg. § 1.312-10(a), and Treas. Reg. § 1.1502-33(e)(3).

77. Except for purposes of section 355(g), any post-Controlled Parent Distribution payments (i.e., any Post-Distribution Payments) made between Distributing Parent and Controlled Parent, if any, that: (i) have arisen or will arise for a taxable period ending on or before the Controlled Parent Distribution or for a taxable year beginning before and ending after the Controlled Parent Distribution; and (ii) will not become fixed and ascertainable until after the Controlled Parent Distribution, will be treated as occurring immediately before the Controlled Parent Distribution. See Arrowsmith v. Commissioner, 344 U.S. 6 (1952); Rev. Rul. 83-73, 1983-1 C.B. 84.

Caveats

No opinion is expressed or implied about the tax treatment of the Transactions under any other provisions of the Code or regulations or the tax treatment of any conditions existing at the time of, or effects resulting from, the Transactions that is not specifically covered by the above rulings.

Procedural Statements

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

A copy of this letter ruling 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 returns that provides the date and control number (PLR-107343-23) of this letter ruling.

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

Sincerely,

_____

Brian R. Loss
Senior Technician Reviewer, Branch 4
Office of Associate Chief Counsel (Corporate)

cc: