

**Internal Revenue Service**

Department of the Treasury

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July 5, 2000

Controlled B =

Holdco B1 =

Holdco B2 =

Holdco B3 =

Merger LLC A =

Merger LLC B =

Merger LLC C =

Conversion LLC A =

Contribution LLC A =

Contribution LLC B =

Contribution LLC C =

Contribution LLC D =

Contribution LLC E =

Contribution LLC F =

Contribution LLC G =

Contribution LLC H =

New Partnership A =

New Partnership B	=
New Partnership C	=
Partnership C	=
F Assets	=
G Assets	=
H Assets	=

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

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

### **Summary of Facts**

Controlled B wholly owns Holdco B1. Holdco B1 wholly owns Merger LLC A, Merger LLC B, Merger LLC C, Conversion LLC A, and Holdco B2. Merger LLC A wholly owns Contribution LLC A and Contribution LLC B. Contribution LLC A and Contribution LLC B are the general partner and limited partner, respectively, of New Partnership A. Merger LLC B wholly owns Contribution LLC C and Contribution LLC D. Contribution LLC C and Contribution LLC D are the general partner and limited partner, respectively, of New Partnership B. New Partnership B owns F Assets. Conversion LLC A wholly owns Contribution LLC E and Contribution LLC F. Contribution LLC E and Contribution LLC F are the general partner and limited partner, respectively, of New Partnership C. New Partnership C owns H Assets. Merger LLC C owns G Assets.

Holdco B2 wholly owns Holdco B3. Holdco B3 wholly owns Contribution LLC G and Contribution LLC H. Contribution LLC G and Contribution LLC H are the general partner and limited partner, respectively, of Partnership C.

### **Proposed Transactions**

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

(i) Holdco B1 will contribute its ownership interest in Merger LLC A to Holdco B2.

(ii) Holdco B2 will contribute the ownership interest in Merger LLC A received in step (i) to Holdco B3.

(iii) Contribution LLC G will merge with and into Contribution LLC A, Contribution LLC H will merge with and into Contribution LLC B, and Partnership C will merge with and into New Partnership A. Following step (iii), Merger LLC A will continue to own all of the interests in Contribution LLC A and Contribution LLC B.

(iv) The F, G, and H Assets may be sold or otherwise disposed of.

### **Ruling**

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

### **Procedural Matters**

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

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

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

Sincerely,  
Assistant Chief Counsel  
(Corporate)  
By: Wayne T. Murray  
Senior Technician/Reviewer  
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