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July 14, 2010

Legend

ForeignParent =

FSub1 =

FSub2 =

FSub3 =

FSub4 =

FSub5 =

FSub6 =

Parent =

Sub1 =

Sub2 =

Sub3 =

Sub4 =

Sub5 =

Sub6 =

BusinessActivityA =

BusinessActivityB =

BusinessActivityC =

BusinessActivityD =

StateA =

CountryA =

CountryB =

CountryC =

Date1 =

Date2 =

Date3 =

Date4 =

BusinessDivision1 =

BusinessDivision2 =

X =

Y =

$A =

NewName =

DE1 =

DE2 =

FHolding1 =

FHolding2 =

Service Center =

Dear

This letter responds to your representative's March 24, 2010, letter requesting rulings as to the Federal income tax consequences of the proposed transactions (the “Proposed Transactions”). Additional information was received in letters dated May 7, and June 10, 2010. The material information submitted is summarized below.

The rulings contained in this letter are based upon facts and representations that were submitted on behalf of 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: (i) whether the distributions described below satisfy the business purpose requirement of § 1.355-2(b) of the Income Tax Regulations (the regulations); (ii) whether the distributions are used principally as a device for the distribution of the earnings and profits of the distributing companies or the controlled companies or both (see § 355(a)(1)(B) of the Internal Revenue Code (the Code) and § 355-2(d) of the regulations); and (iii) whether the distributions are part of a plan (or a series of related transactions) pursuant to which one or more persons will acquire directly or indirectly stock representing a fifty percent (50%) or greater interest in the distributing companies or the controlled companies (see § 355(e) of the Code and § 1.355-7 of the regulations).

SUMMARY OF FACTS

ForeignParent is a CountryA company. In Date1, ForeignParent acquired for cash and ForeignParent stock all of the stock of FSub1, a CountryA company.

FSub1 owns all of the stock of both FSub2, a CountryA company, and FSub3, a CountryA company. FSub2 owns X percent of the stock of FSub4, a CountryA company, and FSub3 owns the remaining Y percent. FSub4 owns all of the stock of Parent, a StateA corporation.

Parent is a holding company that is the common parent of an affiliated group of corporations that files a consolidated return for Federal income tax purposes (the "Parent Group").

Parent owns all of the stock of Sub1 and Sub2. Sub1 is a holding company that owns all of the stock of Sub3 and Sub4, and all of the common stock of FSub5. Sub3 is a holding company that owns all of the stock of Sub5 and Sub6. Sub5 owns all of the stock of FSub6 and all the preference shares of FSub5. Sub1, Sub2, Sub3, Sub4, Sub5, and Sub6 are all members of the Parent Group and have been so for at least five years.

Sub2 conducts BusinessActivityA. Sub4 conducts BusinessActivityB. Sub5 conducts BusinessActivityC. Sub6 conducts BusinessActivityD. Each of the foregoing corporations has conducted their respective business for at least the preceding five years.

Prior to its acquisition by ForeignParent, FSub1 and its affiliates did not structurally align entities by business segment. ForeignParent has concluded that the Parent Group's businesses are not aligned in a manner consistent with the overall ForeignParent corporate business strategy. In order to better align its businesses along functional lines, ForeignParent is undertaking a global restructuring initiative in which certain entities will be realigned to allow for functional reporting on behalf of entire business lines directly to ForeignParent's senior management in CountryA.

PROPOSED TRANSACTIONS

In order to achieve the business purposes described above, ForeignParent will undertake (or has undertaken) the Proposed Transactions which consist of the following series of steps:

1. FSub5 disposed of the following unrelated business divisions to unrelated third parties: (i) BusinessDivision1 on Date2, and (ii) BusinessDivision2 on Date3. FSub5 will change its name to NewName ("FSub5" refers to the corporation before and after the name-change, as the case may be).

2. Sub3 converted to a U.S. limited liability company ("DE1") (the "Sub3 Conversion") on Date4. DE1 has not elected and will not elect to be treated as other than an entity disregarded as separate from its owner for Federal income tax purposes under § 301.7701-3.

3. Sub1 formed a new U.S. limited liability company, DE2, on Date4. DE2 has not elected and will not elect to be treated as other than an entity disregarded as separate from its owner for Federal income tax purposes under § 301.7701-3.

4. On Date4, DE1 sold the stock of Sub5 to DE2 and DE1 sold the stock of Sub6 to Sub1 in exchange for a note.

5. All intercompany account balances between and among Sub5, Sub6, Sub2, Parent, Sub1, and Sub4 were settled through contributions and/or distributions on Date4. As part of this series of transactions, Parent contributed an account receivable ("the "Sub2 Receivable") to Sub2. In addition, Sub1 contributed an account receivable ("the Sub4 Receivable") to Sub4.

6. Sub2 will issue a promissory note (the "Sub2 Note") to Parent. The contribution of the Sub2 Receivable in step 5, net of the issuance of the Sub2 Note in this step, will result in a net contribution to the capital of Sub2 (the "Sub2 Contribution").

7. Parent will distribute the stock of Sub2 to FSub4 (the "Sub2 Distribution") (together with the Sub2 Contribution, the "Sub2 Spin-Off").

8. Parent will merge into Sub1 with Sub1 surviving (the "Parent Merger").

9. Sub5 will merge into DE2 (the "Sub5 Merger").

10. Sub1 will contribute the common stock of FSub5 to DE2 (the "FSub5 Contribution").

11. Sub4 will issue a promissory note (the "Sub4 Note") to Sub1. The contribution of the Sub4 Receivable in step 5, net of the issuance of the Sub4 Note in this step, will result in a net contribution to the capital of Sub4 (the "Sub4 Contribution"). In addition, Sub6 will issue a promissory note (the "Sub6 Note") to Sub1 (the "Sub6 Note Distribution").

12. Sub1 will partially repay its obligation to FSub2 with the Sub2 Note, the Sub6 Note, and the Sub4 Note.

13. Sub1 will distribute the stock of Sub4 to FSub4 (the "Sub4 Distribution") (together with the Sub4 Contribution, the "Sub4 Spin-Off").

14. Sub1 will distribute the stock of Sub6 to FSub4 (the "Sub6 Spin-Off").

15. FSub4 will form two new CountryA holding companies ("FHolding1" and "FHolding2"). Each company will be treated as a corporation for Federal income tax purposes.

16. FSub4 will contribute the stock of Sub1 to FHolding1. ForeignParent also intends, as part of its global alignment initiative, to transfer the non-U.S. entities that conduct the same activities as BusinessActivityC to FHolding1.

17. FSub4 will contribute the stock of Sub2 to FHolding2. ForeignParent also intends, as part of its global alignment initiative, to transfer the non-U.S. entities that conduct the same activities as BusinessActivityA to FHolding2.

REPRESENTATIONS

Parent, on behalf of itself and the members of the Parent Group, makes the following representations regarding the Proposed Transactions:

The Sub3 Conversion

1) Sub1, on the date of adoption of the plan of conversion, and at all times until the deemed liquidation was complete, was the owner of at least 80 percent of the total combined voting power of all classes of stock of Sub3 entitled to vote and the owner of at least 80 percent of the total value of all classes of stock (excluding nonvoting stock that is limited and preferred as to dividends and otherwise meets the requirements of § 1504(a)(4)).

2) No shares of Sub3 stock were redeemed during the three years preceding the date of adoption of the plan of conversion for Sub3.

3) Upon the Sub3 Conversion, Sub3 ceased to exist for Federal income tax purposes.

4) Sub3 did not acquire assets in any nontaxable transaction at any time, except for acquisitions occurring more than three years prior to the date of adoption of the plan of conversion.

5) No assets of Sub3 have been, or will be, disposed of by either Sub3 or Sub1 except for dispositions in the ordinary course of business, dispositions occurring more than three years prior to the date of adoption of the plan of conversion, and transfers occurring as part of the Sub5 Merger and Sub6 Spin-Off.

6) The deemed liquidation of Sub3 in the Sub3 Conversion was not preceded or followed by the reincorporation, transfer, or sale of all or a part of the business assets of Sub3 to another corporation (i) that is the alter ego of Sub3 and (ii) that, directly or indirectly, will be owned more than 20-percent in value by persons holding directly or indirectly more than 20-percent in value of the stock of Sub3. For purposes of this

representation, ownership will be determined by application of the constructive ownership rules of § 318(a), as modified by § 304(c)(3).

7) Prior to the adoption of the plan of conversion, no assets of Sub3 had been distributed in kind, transferred, or sold to Sub1, except for (i) transactions occurring in the normal course of business and (ii) transactions occurring more than three years prior to the date of adoption of the plan of conversion.

8) Sub3 will report all earned income represented by assets that will be deemed distributed to Sub1 such as receivables being reported on a cash basis, unfinished construction contracts, commissions due, etc.

9) The fair market value of the assets of Sub3 exceeded its liabilities both at the date of adoption of the plan of conversion and immediately prior to the Sub3 Conversion.

10) Other than the approximately $A intercompany payable from Sub3 to Sub1 that was settled in Step 5, there is no intercorporate debt existing between Sub1 and Sub3 and none has been cancelled, forgiven, or discounted, except for transactions that occurred more than three years prior to the date of adoption of the plan of conversion.

11) Sub1 is not an organization that is or has been exempt from Federal income tax under § 501 or any other provision of the Code.

12) All other transactions undertaken contemporaneously with, in anticipation of, in conjunction with, or in any way related to, the Sub3 Conversion have been fully disclosed.

13) The Sub3 Conversion will not result in the transfer of stock of any corporation that has been the U.S. transferor, the transferee foreign corporation, or the transferred corporation, or successor thereto, with respect to any unexpired “gain recognition agreement” within the meaning of §§ 1.367(a)-3, 1.367(a)-8 and 1.367(a)-8T.

14) Sub3 has not incurred any losses that are subject to an agreement, election or certification filed pursuant to § 1503(d) and the regulations thereunder.

15) Sub3 does not carry on activities that would rise to the level of a qualified business unit and which, pursuant to § 1.985-1, would be treated as having a functional currency other than the U.S. dollar.

The Sub2 Spin-Off

1) Any indebtedness owed by Sub2 to Parent after the Sub2 Spin-Off will not constitute stock or securities.

2) No part of the consideration distributed by Parent will be received by FSub4 as a

creditor, employee, or in any capacity other than that of a shareholder of Parent.

3) The five years of financial information submitted on behalf of BusinessActivityC conducted by Sub5 (a member of the Parent SAG) represents its present operation, and with regard to that business, there have been no substantial operational changes since the date of the last financial statements submitted.

4) Neither BusinessActivityC conducted by Sub5 nor control of an entity conducting this business will have been acquired during the five-year period ending on the date of the Sub2 Spin-Off in a transaction in which gain or loss was recognized (or treated as recognized under Prop. Reg. § 1.355-3) in whole or in part. Throughout the five-year period ending on the date of the Sub2 Spin-Off, Sub5 (a member of Parent's SAG) will have been the principal owner of the goodwill and significant assets of BusinessActivityC, and Sub1 will be the owner of those assets following the Sub2 Spin-Off and the Sub5 Merger.

5) The five years of financial information submitted on behalf of BusinessActivityA that will be conducted by Sub2 immediately after the Sub2 Spin-Off represents its present operation, and with regard to that business, there have been no substantial operational changes since the date of the last financial statements submitted.

6) Neither BusinessActivityA conducted by Sub2 nor control of an entity conducting this business will have been acquired during the five-year period ending on the date of the Sub2 Spin-Off in a transaction in which gain or loss was recognized (or treated as recognized under Prop. Reg. § 1.355-3) in whole or in part. Throughout the five-year period ending on the date of the Sub2 Spin-Off, Sub2 will have been the principal owner of the goodwill and significant assets of BusinessActivityA and Sub2 will continue to be the owner of these assets following the Sub2 Spin-Off.

7) Following the Sub2 Spin-Off, Parent (or Sub1 after the Parent Merger), through Sub5, and Sub2 will each continue the active conduct of its business, independently and with its separate employees.

8) No liabilities will be assumed (as determined under § 357(d)) by Sub2 in the Sub2 Contribution.

9) The total fair market value of the Sub2 Receivable transferred to Sub2 in the Sub2 Contribution will exceed the sum of (i) the amount of any liabilities assumed (within the meaning of § 357(d)) by Sub2 in connection with the exchange, (ii) the amount of any liabilities owed to Sub2 by Parent that are discharged or extinguished in connection with the exchange, 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 § 361(a) without the recognition of gain) received by Parent in connection with the exchange. The fair market value of the assets of Sub2 will exceed the amount of its liabilities immediately after the exchange.

10) The Sub2 Spin-Off will be carried out to (i) facilitate the ForeignParent global restructuring by realigning the historic Sub1 businesses according to their function and (ii) obtain further cost savings by closing the Sub1 U.S. management office. The Sub2 Spin-Off is motivated, in whole or substantial part, by one or more of these corporate business purposes.

11) The Sub2 Spin-Off will not be used principally as a device for the distribution of earnings and profits of Parent or Sub2 or both.

12) Other than in the Parent Merger, there is no plan or intention to liquidate either Parent or Sub2, to merge either corporation with any other corporation, or to sell or otherwise dispose of the assets of either corporation after the Sub2 Spin-Off, except in the ordinary course of business.

13) Parent will neither accumulate its receivables nor make extraordinary payment of its payables in anticipation of the Sub2 Spin-Off.

14) No intercorporate debt, other than the Sub2 Note, will exist between Parent, on the one hand, and Sub2 and its subsidiaries, on the other hand, at the time of, or after, the Sub2 Spin-Off, other than intercompany loans or obligations that have arisen, or will arise, between the parties in the ordinary course of business.

15) Payments made in connection with all continuing transactions, if any, between Parent, Sub1, and Sub2 will be for fair market value based on terms and conditions arrived at by the parties bargaining at arm's length.

16) Neither Parent nor Sub2 is an investment company as defined in § 368(a)(2)(F)(iii) and (iv).

17) Immediately before the Sub2 Spin-Off, items of income, gain, loss, deduction, and credit will be taken into account as required by the applicable intercompany transaction regulations. Further, any excess loss account that Parent has in the Sub2 stock (or the stock of any direct or indirect subsidiary of Sub2) will be included in income immediately before the Sub2 Spin-Off to the extent required by regulations (*see* § 1.1502-19). At the time of the Sub2 Spin-Off, Parent will not have an excess loss account in the stock of Sub2 (or the stock of any direct or indirect subsidiary of Sub2).

18) For purposes of § 355(d), immediately after the Sub2 Spin-Off, no person (determined after applying § 355(d)(7)) except for ForeignParent will hold stock possessing 50 percent or more of the total combined voting power and 50 percent or more of the total value of all classes of Parent stock, that was acquired by purchase (as defined in § 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of the Sub2 Spin-Off.

19) For purposes of § 355(d), immediately after the Sub2 Spin-Off, no person

(determined after applying § 355(d)(7)) except for ForeignParent will hold stock possessing 50 percent or more of the total combined voting power and 50 percent or more of the total value of all classes of Sub2 stock, that was either (a) acquired by purchase (as defined in § 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of the Sub2 Spin-Off or (b) attributable to distributions on Parent stock or securities that were acquired by purchase (as defined in § 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of the Sub2 Spin-Off.

20) The Sub2 Spin-Off will neither increase ForeignParent's ownership (combined direct and indirect) in Parent or Sub2 nor provide ForeignParent with a purchased basis (within the meaning of § 1.355-6(b)(3)(iii)) in the stock of Sub2.

21) The Sub2 Spin-Off is not part of a plan or series of related transactions (within the meaning of § 1.355-7) pursuant to which one or more persons will acquire directly or indirectly stock representing a 50-percent or greater interest (within the meaning of § 355(d)(4)) in Parent or Sub2 (including any predecessor or successor of any such corporation).

22) Immediately after the transaction (as defined in § 355(g)(4)), either (1) no person will hold a 50-percent or greater interest (within the meaning of § 355(g)(3)) in Parent or Sub2, (2) if any person holds a 50-percent or greater interest (within the meaning of § 355(g)(3)) in any disqualified investment corporation (within the meaning of § 355(g)(2)), such person will have held such interest in such corporation immediately before the transaction, or (3) neither Parent nor Sub2 will be a disqualified investment corporation (within the meaning of § 355(g)(2)).

23) The Sub2 Spin-Off will not result in the transfer of stock of any corporation that has been the U.S. transferor, the transferee foreign corporation, or the transferred corporation, or successor thereto, with respect to any unexpired "gain recognition agreement" within the meaning of §§ 1.367(a)-3, 1.367(a)-8 and 1.367(a)-8T.

24) Neither Parent, nor any member of the Parent consolidated group, including Sub2, has incurred losses that are subject to an agreement, election or certification filed pursuant to § 1503(d) and the regulations thereunder.

25) Parent has not been at any time during the five year period ending on the date of the Sub2 Spin-Off a United States real property holding corporation, as defined under § 897(c) and § 1.897-2(b).

26) FSub4 will establish that its interest in Parent is not a United States real property interest, pursuant to § 1.897-2(g)(1)(i)(A), by obtaining a statement from Parent in accordance with the provisions of § 1.897-2(g)(1)(ii).

27) Parent will provide notice to the Internal Revenue Service, pursuant to § 1.897-

2(h)(2) and will provide the statement requested by FSub4, to the Service Center on or before the 30th day after the requested statement is mailed to FSub4.

28) Parent and Sub2 will apply the provisions of § 1.1502-9T(c)(2), as applicable, for purposes of apportioning any Consolidated Overall Foreign Loss, Consolidated Separate Limitation Loss or Consolidated Overall Domestic Loss accounts, as applicable between Parent and Sub2 when Sub2 ceases to be a member of the Parent consolidated group as a result of the Sub2 Spin-Off

The Parent Merger

1) The fair market value of the Sub1 stock received by Parent's shareholder(s) in the Parent Merger will be approximately equal to the fair market value of the Parent stock surrendered in the exchange.

2) The Parent Merger will be effected pursuant to state law, under which, as a result of the operation of such laws, the following events will occur simultaneously at the effective time of the Parent Merger: (i) all of the assets (other than those distributed in the transaction) and liabilities (except to the extent satisfied or discharged in the transaction) of Parent will become the assets and liabilities of Sub1; and (ii) Parent will cease its separate legal existence for all purposes.

3) All of the proprietary interests in Parent will be exchanged for Sub1 stock and will be preserved within the meaning of § 1.368-1(e)(1)(i) and (ii). Sub1 has no plan or intention to reacquire, directly or through a related person (within the meaning of § 1.368-1(e)(2) and (3)), any of its stock issued in the Parent Merger.

4) The fair market value of the property transferred by Parent to Sub1 will exceed the sum of (a) the amount of liabilities of Parent assumed by Sub1 in the Parent Merger, and (b) the amount of any money and the fair market value of any property (other than stock permitted to be received under § 361(a) without the recognition of gain) received by Parent in the Parent Merger; and the fair market value of the assets of Sub1 will exceed the amount of its liabilities immediately after the Parent Merger.

5) Sub1 has no plan or intention to sell or otherwise dispose of any of the assets of Parent acquired in the Parent Merger, except for (i) dispositions made in the ordinary course of business or (ii) dispositions occurring as part of the Proposed Transactions.

6) The liabilities of Parent, if any, assumed (within the meaning of § 357(d)) by Sub1 in the Parent Merger were incurred by Parent in the ordinary course of its business.

7) Following the Parent Merger, (i) Sub1 will continue its historic business and (ii) will continue the historic business of Parent or use a significant portion of Parent's historic business assets in a business.

8) Sub1, Parent, and Parent's shareholder(s) will each pay their respective expenses, if any, incurred in connection with the Parent Merger.

9) There is no intercorporate indebtedness existing between Parent and Sub1 that was issued, acquired, or will be settled at a discount.

10) No two parties to the Parent Merger are investment companies within the meaning of § 368(a)(2)(F)(iii) and (iv).

11) Parent is not under the jurisdiction of a court in a title 11 or similar case within the meaning of § 368(a)(3)(A).

12) The Parent Merger will not result in the transfer of stock of any corporation that has been the U.S. transferor, the transferee foreign corporation, or the transferred corporation, or successor thereto, with respect to any unexpired "gain recognition agreement" within the meaning of §§ 1.367(a)-3, 1.367(a)-8 and 1.367(a)-8T.

13) Neither Parent, nor any member of the Parent Group, has incurred losses that are subject to an agreement, election or certification filed pursuant to § 1503(d) and the regulations thereunder.

14) Parent does not carry on activities that would rise to the level of a qualified business unit and which, pursuant to § 1.985-1, would be treated as having a functional currency other than the U.S. dollar.

15) Parent has not been at any time during the five year period ending on the date of the Parent Merger a United States real property holding corporation, as defined under § 897(c) and § 1.897-2(b).

16) FSub4 will establish that its interest in Parent is not a United States real property interest, pursuant to § 1.897-2(g)(1)(i)(A), by obtaining a statement from Parent in accordance with the provisions of § 1.897-2(g)(1)(ii).

17) Parent will provide notice to the Internal Revenue Service, pursuant to § 1.897-2(h)(2) and will provide the statement requested by FSub4 to the Service Center on or before the 30th day after the requested statement is mailed to FSub4.

The Sub5 Merger

1) Sub1, on the date of adoption of the plan of merger, and at all times until the deemed liquidation is complete, will be treated as the owner of at least 80 percent of the total combined voting power of all classes of stock of Sub5 entitled to vote and the owner of at least 80 percent of the total value of all classes of stock (excluding nonvoting stock that is limited and preferred as to dividends and otherwise meets the requirements of § 1504(a)(4)).

2) No shares of Sub5 stock will have been redeemed during the three years preceding the date of adoption of the plan of merger for Sub5.

3) All deemed distributions pursuant to the plan of merger will be made within a single taxable year of Sub5.

4) Upon the Sub5 Merger, Sub5 will cease to exist for Federal income tax purposes.

5) For Federal income tax purposes, Sub5 will retain no assets following the Sub5 Merger.

6) Sub5 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 plan of merger.

7) No assets of Sub5 have been, or will be, disposed of by either Sub5 or Sub1 except for dispositions in the ordinary course of business and dispositions occurring more than three years prior to the date of adoption of the plan of merger.

8) The deemed liquidation of Sub5 in the Sub5 Merger will not be preceded or followed by the reincorporation, transfer, or sale of all or a part of the business assets of Sub5 to another corporation (i) that is the alter ego of Sub5 and (ii) that, directly or indirectly, will be owned more than 20-percent in value by persons holding directly or indirectly more than 20-percent in value of the stock of Sub5. For purposes of this representation, ownership will be determined by application of the constructive ownership rules of § 318(a), as modified by § 304(c)(3).

9) Prior to the adoption of the plan of merger, no assets of Sub5 will have been distributed in kind, transferred, or sold to Sub1, except for (i) transactions occurring in the normal course of business and (ii) transactions occurring more than three years prior to the date of adoption of the plan of merger.

10) Sub5 will report all earned income represented by assets that will be distributed to Sub1 such as receivables being reported on a cash basis, unfinished construction contracts, commissions due, etc.

11) The fair market value of the assets of Sub5 will exceed its liabilities both at the date of adoption of the plan of merger and immediately prior to the Sub5 Merger.

12) Other than intercompany payables that will be settled in connection with the Proposed Transactions, there is no intercorporate debt existing between Sub1 and Sub5 and none has been cancelled, forgiven, or discounted, except for transactions that occurred more than three years prior to the date of adoption of the plan of merger.

13) Sub1 is not an organization that is exempt from Federal income tax under § 501 or any other provision of the Code.

14) All other transactions undertaken contemporaneously with, in anticipation of, in conjunction with, or in any way related to, the Sub5 Merger have been fully disclosed.

15) The Sub5 Merger will not result in the transfer of stock of any corporation that has been the U.S. transferor, the transferee foreign corporation, or the transferred corporation, or successor thereto, with respect to any unexpired "gain recognition agreement" within the meaning of §§ 1.367(a)-3, 1.367(a)-8 and 1.367(a)-8T.

16) Sub5 has not incurred any losses that are subject to an agreement, election or certification filed pursuant to § 1503(d) and the regulations thereunder.

17) Sub5 does not carry on activities that would rise to the level of a qualified business unit and which, pursuant to § 1.985-1 would be treated as having a functional currency other than the U.S. dollar.

The Sub4 Spin-Off

1) Any indebtedness owed by Sub4 to Sub1 after the Sub4 Spin-Off will not constitute stock or securities.

2) No part of the consideration distributed by Sub1 will be received by FSub4 as a creditor, employee, or in any capacity other than that of a shareholder of Sub1.

3) The five years of financial information submitted on behalf of BusinessActivityC conducted by Sub5 (and to be conducted by Sub1 after the Sub5 Merger) represents its present operation, and with regard to that business, there have been no substantial operational changes since the date of the last financial statements submitted.

4) Neither BusinessActivityC conducted by Sub5 nor control of an entity conducting this business will have been acquired during the five-year period ending on the date of the Sub4 Spin-Off in a transaction in which gain or loss was recognized (or treated as recognized under Prop. Reg. § 1.355-3) in whole or in part. Throughout the five-year period ending on the date of the Sub5 Merger, Sub5 will have been the principal owner of the goodwill and significant assets of BusinessActivityC, and Sub1 will be the owner of these assets following the Sub5 Merger and the Sub4 Spin-Off.

5) The five years of financial information submitted on behalf of BusinessActivityB that will be conducted by Sub4 immediately after the Sub4 Spin-Off represents its present operation, and with regard to that business, there have been no substantial operational changes since the date of the last financial statements submitted.

6) Neither BusinessActivityB conducted by Sub4 nor control of an entity conducting this business will have been acquired during the five-year period ending on the date of the Sub4 Spin-Off in a transaction in which gain or loss was recognized (or treated as recognized under Prop. Reg. § 1.355-3) in whole or in part. Throughout the five-year

period ending on the date of the Sub4 Spin-Off, Sub4 will have been the principal owner of the goodwill and significant assets of BusinessActivityB, and Sub4 will continue to be the owner of these assets following the Sub4 Spin-Off.

7) Following the Sub4 Spin-Off, Sub1 and Sub4 will each continue the active conduct of its business, independently and with its separate employees.

8) No liabilities will be assumed (as determined under § 357(d)) by Sub4 in the Sub4 Contribution.

9) The total fair market value of the Sub4 Receivable transferred to Sub4 in the Sub4 Contribution will exceed the sum of (i) the amount of any liabilities assumed (within the meaning of § 357(d)) by Sub4 in connection with the exchange, (ii) the amount of any liabilities owed to Sub4 by Sub1 that are discharged or extinguished in connection with the exchange, 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 § 361(a) without the recognition of gain) received by Sub1 in connection with the exchange. The fair market value of the assets of Sub4 will exceed the amount of its liabilities immediately after the exchange.

10) The Sub4 Spin-Off will be carried out to (i) facilitate the ForeignParent global restructuring by realigning the historic Sub1 businesses according to their function and (ii) obtain cost savings by closing the Sub1 U.S. management office. The Sub4 Spin-Off is motivated, in whole or substantial part, by one or more of these corporate business purposes.

11) The Sub4 Spin-Off will not be used principally as a device for the distribution of earnings and profits of Sub1 or Sub4 or both.

12) There is no plan or intention to liquidate either Sub1 or Sub4, to merge either corporation with any other corporation, or to sell or otherwise dispose of the assets of either corporation after the Sub4 Spin-Off, except in the ordinary course of business.

13) Sub1 will neither accumulate its receivables nor make extraordinary payment of its payables in anticipation of the Sub4 Spin-Off.

14) No intercorporate debt will exist between Sub1, on the one hand, and Sub4 and its subsidiaries, on the other hand, at the time of, or after, the Sub4 Spin-Off, other than intercompany loans or obligations that have arisen, or will arise, between the parties in the ordinary course of business.

15) Payments made in connection with all continuing transactions, if any, between Sub1 and Sub4 will be for fair market value based on terms and conditions arrived at by the parties bargaining at arm’s length.

16) Neither Sub1 nor Sub4 is an investment company as defined in § 368(a)(2)(F)(iii) and (iv).

17) Immediately before the Sub4 Spin-Off, items of income, gain, loss, deduction, and credit will be taken into account as required by the applicable intercompany transaction regulations. Further, any excess loss account that Sub1 has in the Sub4 stock (or the stock of any direct or indirect subsidiary of Sub4) will be included in income immediately before the Sub4 Spin-Off to the extent required by regulations (see § 1.1502-19). At the time of the Sub4 Spin-Off, Sub1 will not have an excess loss account in the stock of Sub4 (or the stock of any direct or indirect subsidiary of Sub4).

18) For purposes of § 355(d), immediately after the Sub4 Spin-Off, no person (determined after applying § 355(d)(7)) except for ForeignParent will hold stock possessing 50 percent or more of the total combined voting power and 50 percent or more of the total value of all classes of Sub1 stock, that was acquired by purchase (as defined in § 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of the Sub4 Spin-Off.

19) For purposes of § 355(d), immediately after the Sub4 Spin-Off, no person (determined after applying § 355(d)(7)) except for ForeignParent will hold stock possessing 50 percent or more of the total combined voting power and 50 percent or more of the total value of all classes of Sub4 stock, that was either (a) acquired by purchase (as defined in § 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of the Sub4 Spin-Off or (b) attributable to distributions on Sub1 stock or securities that were acquired by purchase (as defined in §§ 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of the Sub4 Spin-Off.

20) The Sub4 Spin-Off will neither increase ForeignParent's ownership (combined direct and indirect) in Sub1 or Sub4 nor provide ForeignParent with a purchased basis (within the meaning of § 1.355-6(b)(3)(iii)) in the stock of Sub4.

21) The Sub4 Spin-Off is not part of a plan or series of related transactions (within the meaning of § 1.355-7) pursuant to which one or more persons will acquire directly or indirectly stock representing a 50-percent or greater interest (within the meaning of § 355(d)(4)) in Sub1 or Sub4 (including any predecessor or successor of any such corporation).

22) Immediately after the transaction (as defined in § 355(g)(4)), either (1) no person will hold a 50-percent or greater interest (within the meaning of § 355(g)(3)) in Sub1 or Sub4, (2) if any person holds a 50-percent or greater interest (within the meaning of § 355(g)(3)) in any disqualified investment corporation (within the meaning of § 355(g)(2)), such person will have held such interest in such corporation immediately before the transaction, or (3) neither Sub1 nor Sub4 will be a disqualified investment corporation (within the meaning of § 355(g)(2)).

23) The Sub4 Spin-Off will not result in the transfer of stock of any corporation that has been the U.S. transferor, the transferee foreign corporation, or the transferred corporation, or successor thereto, with respect to any unexpired "gain recognition agreement" within the meaning of §§ 1.367(a)-3, 1.367(a)-8 and 1.367(a)-8T.

24) Neither Sub1, nor any member of the Sub1 consolidated group, including Sub4, has incurred losses that are subject to an agreement, election or certification filed pursuant to § 1503(d) and the regulations thereunder.

25) Sub1 has not been at any time during the five year period ending on the date of the Sub4 Spin-Off a United States real property holding corporation, as defined under § 897(c) and § 1.897-2(b).

26) FSub4 will establish that its interest in Sub1 is not a United States real property interest, pursuant to § 1.897-2(g)(1)(i)(A), by obtaining a statement from Sub1 in accordance with the provisions of § 1.897-2(g)(1)(ii).

27) Sub1 will provide notice to the Internal Revenue Service, pursuant to § 1.897-2(h)(2) and will provide a statement requested by FSub4 to the Service Center on or before the 30th day after the requested statement is mailed to FSub4.

28) Sub1 and Sub4 will apply the provisions of § 1.1502-9T(c)(2), as applicable, for purposes of apportioning any Consolidated Overall Foreign Loss, Consolidated Separate Limitation Loss or Consolidated Overall Domestic Loss accounts, as applicable between Sub1 and Sub4 when Sub4 ceases to be a member of the Sub1 consolidated group as a result of the Sub4 Spin-Off.

The Sub6 Spin-Off

1) Any indebtedness owed by Sub6 to Sub1 after the Sub6 Spin-Off will not constitute stock or securities.

2) No part of the consideration distributed by Sub1 will be received by FSub4 as a creditor, employee, or in any capacity other than that of a shareholder of Sub1.

3) The five years of financial information submitted on behalf of BusinessActivityC conducted by Sub5 (and to be conducted by Sub1 after the Sub5 Merger) represents its present operation, and with regard to that business, there have been no substantial operational changes since the date of the last financial statements submitted.

4) Neither BusinessActivityC conducted by Sub5 nor control of an entity conducting this business will have been acquired during the five-year period ending on the date of the Sub6 Spin-Off in a transaction in which gain or loss was recognized (or treated as recognized under Prop. Reg. § 1.355-3) in whole or in part. Throughout the five-year period ending on the date of the Sub5 Merger, Sub5 will have been the principal owner

of the goodwill and significant assets of BusinessActivityC and Sub1 will be the owner of these assets following the Sub5 Merger and the Sub6 Spin-Off.

5) The five years of financial information submitted on behalf of BusinessActivityD that will be conducted by Sub6 immediately after the Sub6 Spin-Off represents its present operation, and with regard to that business, there have been no substantial operational changes since the date of the last financial statements submitted.

6) Neither BusinessActivityD conducted by Sub6 nor control of an entity conducting this business was acquired during the five-year period ending on the date of the Sub6 Spin-Off in a transaction in which gain or loss was recognized (or treated as recognized under Prop. Reg. § 1.355-3) in whole or in part. Throughout the five-year period ending on the date of the Sub6 Spin-Off, Sub6 will have been the principal owner of the goodwill and significant assets of BusinessActivityD, and Sub6 will continue to be the owner following the Sub6 Spin-Off.

7) Following the Sub6 Spin-Off, Sub1 and Sub6 will each continue the active conduct of its business, independently and with its separate employees.

8) The Sub6 Spin-Off will be carried out to (i) facilitate the ForeignParent global restructuring by realigning the historic Sub1 businesses according to their function and (ii) obtain cost savings by closing the Sub1 U.S. management office. The Sub6 Spin-Off is motivated, in whole or substantial part, by one or more of these corporate business purposes.

9) The Sub6 Spin-Off will not be used principally as a device for the distribution of earnings and profits of Sub1 or Sub6 or both.

10) There is no plan or intention to liquidate either Sub1 or Sub6, to merge either corporation with any other corporation, or to sell or otherwise dispose of the assets of either corporation after the Sub6 Spin-Off, except in the ordinary course of business.

11) Sub1 will neither accumulate its receivables nor make extraordinary payment of its payables in anticipation of the Sub6 Spin-Off.

12) No intercorporate debt will exist between Sub1, on the one hand, and Sub6 and its subsidiaries, on the other hand, at the time of, or after, the Sub6 Spin-Off, other than intercompany loans or obligations that have arisen, or will arise, between the parties in the ordinary course of business.

13) Payments made in connection with all continuing transactions, if any, between Sub1 and Sub6 will be for fair market value based on terms and conditions arrived at by the parties bargaining at arm’s length.

14) Neither Sub1 nor Sub6 is an investment company as defined in § 368(a)(2)(F)(iii) and (iv).

15) Immediately before the Sub6 Spin-Off, items of income, gain, loss, deduction, and credit will be taken into account as required by the applicable intercompany transaction regulations. Further, any excess loss account that Sub1 has in the Sub6 stock (or the stock of any direct or indirect subsidiary of Sub6) will be included in income immediately before the Sub6 Spin-Off to the extent required by regulations (see § 1.1502-19). At the time of the Sub6 Spin-Off, Sub1 will not have an excess loss account in the stock of Sub6 (or the stock of any direct or indirect subsidiary of Sub6).

16) For purposes of § 355(d), immediately after the Sub6 Spin-Off, no person (determined after applying § 355(d)(7)) except for ForeignParent will hold stock possessing 50 percent or more of the total combined voting power and 50 percent or more of the total value of all classes of Sub1 stock, that was acquired by purchase (as defined in § 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of the Sub6 Spin-Off.

17) For purposes of § 355(d), immediately after the Sub6 Spin-Off, no person (determined after applying § 355(d)(7)) except for ForeignParent will hold stock possessing 50 percent or more of the total combined voting power and 50 percent or more of the total value of all classes of Sub6 stock, that was either (a) acquired by purchase (as defined in § 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of the Sub6 Spin-Off or (b) attributable to distributions on Sub1 stock or securities that were acquired by purchase (as defined in §§ 355(d)(5) and (8)) during the five-year period (determined after applying § 355(d)(6)) ending on the date of the Sub6 Spin-Off.

18) The Sub6 Spin-Off will neither increase ForeignParent's ownership (combined direct and indirect) in Sub1 or Sub6 nor provide ForeignParent with a purchased basis (within the meaning of § 1.355-6(b)(3)(iii)) in the stock of Sub6.

19) The Sub6 Spin-Off is not part of a plan or series of related transactions (within the meaning of § 1.355-7) pursuant to which one or more persons will acquire directly or indirectly stock representing a 50-percent or greater interest (within the meaning of § 355(d)(4)) in Sub1 or Sub6 (including any predecessor or successor of any such corporation).

20) Immediately after the transaction (as defined in § 355(g)(4)), either (1) no person will hold a 50-percent or greater interest (within the meaning of § 355(g)(3)) in Sub1 or Sub6, (2) if any person holds a 50-percent or greater interest (within the meaning of § 355(g)(3)) in any disqualified investment corporation (within the meaning of § 355(g)(2)), such person will have held such interest in such corporation immediately before the transaction, or (3) neither Sub1 nor Sub6 will be a disqualified investment corporation (within the meaning of § 355(g)(2)).

21) The Sub6 Spin-Off will not result in the transfer of stock of any corporation that has been the U.S. transferor, the transferee foreign corporation, or the transferred corporation, or successor thereto, with respect to any unexpired "gain recognition agreement" within the meaning of §§ 1.367(a)-3, 1.367(a)-8 and 1.367(a)-8T.

22) Neither Sub1, nor any member of the Sub1 consolidated group, including Sub6, has incurred losses that are subject to an agreement, election or certification filed pursuant to § 1503(d) and the regulations thereunder.

23) Sub1 has not been at any time during the five year period ending on the date of the Sub6 Spin-Off a United States real property holding corporation, as defined under § 897(c) and § 1.897-2(b).

24) FSub4 will establish that its interest in Sub1 is not a United States real property interest, pursuant to § 1.897-2(g)(1)(i)(A), by obtaining a statement from Sub1 in accordance with the provisions of § 1.897-2(g)(1)(ii).

25) Sub1 will provide notice to the Internal Revenue Service, pursuant to § 1.897-2(h)(2) and will provide a statement requested by FSub4 to the Service Center on or before the 30th day after the requested statement is mailed to FSub4.

26) Sub1 and Sub6 will apply the provisions of § 1.1502-9T(c)(2), as applicable, for purposes of apportioning any Consolidated Overall Foreign Loss, Consolidated Separate Limitation Loss or Consolidated Overall Domestic Loss accounts, between Sub1 and Sub6 when Sub6 ceases to be a member of the Sub1 consolidated group as a result of the Sub6 Spin-Off.

RULINGS

Based solely on the information submitted and the representations set forth above, we rule as follows:

The Sub3 Conversion (Step 3)

1) The change in classification of Sub3 from a corporation into a StateA LLC disregarded as separate from its owner under § 301.7701-3 will be treated for Federal income tax purposes as a complete liquidation of Sub3 into Sub1 (§ 301.7701-3(g)(1)(iii)).

2) No gain or loss will be recognized by Sub1 or Sub3 in the Sub3 Conversion (§§ 332(a), 336(d)(3), 337(a) and 337(b)).

3) Sub1's basis in each asset deemed received from Sub3 in the Sub3 Conversion will equal the basis of that asset in the hands of Sub3 immediately before the Sub3 Conversion (§ 334(b)(1)).

4) Sub1's holding period in each asset deemed received from Sub3 in the Sub3 Conversion will include the period during which the asset was held by Sub3 (§ 1223(2)).

5) Sub1 will succeed to and take into account the items of Sub3 described in § 381(c), subject to the conditions and limitations specified in §§ 381, 382, 383, and 384 and the regulations thereunder.

6) Sub1 will succeed to and take into account the earnings and profits, or deficit in earnings and profits, of Sub3 as of the date of the Sub3 Conversion (§§ 381(a)(1) and 381(c)(2)). Any deficit in earnings and profits will be used only to offset earnings and profits accumulated after the date of the Sub3 Conversion (§ 381(c)(2)(B)). To the extent the Sub3 earnings and profits are reflected in the Sub1 earnings and profits, the Sub3 earnings and profits to which Sub1 succeeds must be adjusted to prevent duplication (§ 1.1502-33(a)).

The Sub2 Spin-Off (Step 7)

1) The Sub2 Contribution, followed by the Sub2 Distribution, will be a reorganization under § 368(a)(1)(D). Parent and Sub2 will each be a "party to a reorganization" under § 368(b).

2) No gain or loss will be recognized by Parent on the Sub2 Contribution (§§ 361(a) and 357(a)).

3) No gain or loss will be recognized by Sub2 on the Sub2 Contribution (§ 1032(a)).

4) Sub2's basis in each asset received in the Sub2 Contribution will equal the basis of that asset in the hands of Parent immediately before the Sub2 Contribution (§ 362(b)).

5) Sub2's holding period in each asset received in the Sub2 Contribution will include the period during which Parent held the asset (§ 1223(2)).

6) No gain or loss will be recognized by Parent on the Sub2 Distribution (§ 361(c)).

7) No gain or loss will be recognized by FSub4 on the Sub2 Distribution (§ 355(a)(1)).

8) The aggregate basis of the Parent stock and the Sub2 stock in the hands of FSub4 immediately after the Sub2 Distribution will equal the aggregate basis of the Parent stock held by FSub4 immediately before the Sub2 Distribution, allocated between the stock of Parent and Sub2 in proportion to the fair market value of each immediately following the Sub2 Distribution in accordance with § 1.358-1(a) (§ 358(b)(2) and (c)).

9) The holding period of the Sub2 stock received by FSub4 will include the period during which FSub4 held the Parent stock on which the Sub2 Distribution is made, provided the Parent stock is held as a capital asset on the date of the Sub2 Distribution (§ 1223(1)).

10) Earnings and profits will be allocated between Parent and Sub2 in accordance with § 312(h) and §§ 1.312-10(a) and 1.1502-33(e)(3).

The Parent Merger (*Step 6*)

1) The Parent Merger will qualify as a reorganization under § 368(a)(1)(A). Sub1 and Parent will each be a "party to a reorganization" within the meaning of § 368(b).

2) No gain or loss will be recognized by Parent on the transfer of its assets to Sub1 in exchange for Sub1 stock and the assumption by Sub1 of any liabilities of Parent (§§ 361(a) and 357(a)).

3) No gain or loss will be recognized by Parent upon the transfer of Sub1 stock to Parent's shareholder(s) (§ 361(c)).

4) No gain or loss will be recognized by Sub1 on the receipt of the Parent assets in exchange for Sub1 stock (§ 1032(a)).

5) Sub1's basis in each asset received from Parent will equal the basis of that asset in the hands of Parent immediately before the Parent Merger (§ 362(b)).

6) Sub1's holding period in each asset received from Parent will include the period during which Parent held the asset (§ 1223(2)).

7) No gain or loss will be recognized by Parent's shareholder(s) on the receipt of Sub1 stock in exchange for Parent stock (§ 354(a)(1)).

8) The basis in the Sub1 stock received by Parent's shareholder(s) will equal the basis of the Parent stock surrendered in exchange therefor (§ 358(a)(1)).

9) The holding period in the Sub1 stock received by Parent's shareholder(s) will include the holding period of the Parent stock surrendered in exchange therefor, provided the Parent stock was held as a capital asset on the date of the exchange (§ 1223(1)).

10) Sub1 will succeed to and take into account the items of Parent described in § 381(c), subject to the conditions and limitations specified in §§ 381, 382, 383, and 384 and the regulations thereunder.

11) The Parent Group will remain in existence after the Parent Merger, with Sub1, the surviving entity in the Parent Merger, as the common parent (§ 1.1502-75(d)(2)(ii)).

The Sub5 Merger (Step 9)

1) The Sub5 Merger will be treated for Federal income tax purposes as a complete liquidation of Sub5 into Sub1 (§ 1.332-2(d)).

2) No gain or loss will be recognized by Sub1 or Sub5 in the Sub5 Merger (§§ 332(a), 336(d)(3), 337(a), and 337(b)).

3) Sub1's basis in each asset deemed received from Sub5 in the Sub5 Merger will equal the basis of that asset in the hands of Sub5 immediately before the Sub5 Merger (§ 334(b)(1)).

4) Sub1's holding period in each asset deemed received from Sub5 in the Sub5 Merger will include the period during which the asset was held by Sub5 (§ 1223(2)).

5) Sub1 will succeed to and take into account the items of Sub5 described in § 381(c), subject to the conditions and limitations specified in §§ 381, 382, 383, and 384 and the regulations thereunder.

6) Sub1 will succeed to and take into account the earnings and profits, or deficit in earnings and profits, of Sub5 as of the date of the Sub5 Merger (§ 381(a)(1) and 381(c)(2)). Any deficit in earnings and profits will be used only to offset earnings and profits accumulated after the date of the Sub5 Merger (§ 381(c)(2)(A) and (B)). To the extent the Sub5 earnings and profits are reflected in the Sub1 earnings and profits, the Sub5 earnings and profits to which Sub1 succeeds must be adjusted to prevent duplication (§ 1.1502-33(a)).

The Sub6 Note Distribution (Step 11)

1) The distribution of the Sub6 Note by Sub6 to Sub1 will be treated as a distribution to which § 301 applies, subject to the provisions of §§ 1.1502-13(f)(2) and 1.1502-32.

The Sub4 Spin-Off (Step 13)

1) The Sub4 Contribution, followed by the Sub4 Distribution, will be a reorganization under § 368(a)(1)(D). Sub1 and Sub4 will each be a "party to a reorganization" under § 368(b).

2) No gain or loss will be recognized by Sub1 on the Sub4 Contribution (§§ 361(a) and 357(a)).

3) No gain or loss will be recognized by Sub4 on the Sub4 Contribution (§ 1032(a)).

4) Sub4's basis in each asset received in the Sub4 Contribution will equal the basis of that asset in the hands of Sub1 immediately before the Sub4 Contribution (§ 362(b)).

5) Sub4's holding period in each asset received in the Sub4 Contribution will include the period during which Sub1 held the asset (§ 1223(2)).

6) No gain or loss will be recognized by Sub1 on the Sub4 Distribution (§ 361(c)).

7) No gain or loss will be recognized by FSub4 on the Sub4 Distribution (§ 355(a)(1)).

8) The aggregate basis of the Sub1 stock and the Sub4 stock in the hands of FSub4 immediately after the Sub4 Distribution will equal the aggregate basis of the Sub1 stock held by FSub4 immediately before the Sub4 Distribution, allocated between the stock of Sub1 and Sub4 in proportion to the fair market value of each immediately following the Sub4 Distribution in accordance with § 1.358-1(a) (§ 358(b)(2) and (c)).

9) The holding period of the Sub4 stock received by FSub4 will include the period during which FSub4 held the Parent stock on which the Sub4 Distribution is made, provided the Parent stock is held as a capital asset on the date of the Sub4 Distribution (§ 1223(1)).

10) Earnings and profits will be allocated between Sub1and Sub4 in accordance with § 312(h) and §§ 1.312-10(a) and 1.1502-33(e)(3).

The Sub6 Spin-Off (Step 14)

1) No gain or loss will be recognized by Sub1 on the distribution of the stock of Sub6 in the Sub6 Spin-Off (§ 355(c)(1)).

2) No gain or loss will be recognized by (and no amount will be included in the income of) FSub4 on the receipt of the stock of Sub6 in the Sub6 Spin-Off (§ 355(a)(1)).

3) The aggregate basis of the Sub1 stock and the Sub6 stock in the hands of FSub4 immediately after the Sub6 Spin-Off will equal the aggregate basis of the Sub1 stock held by FSub4 immediately before the Sub6 Spin-Off, allocated between the stock of Sub1 and Sub6 in proportion to the fair market value of each immediately following

the Sub6 Spin-Off in accordance with § 1.358-2 (§ 358(a)(1), (b)(2) and (c) and § 1.358-1(a)).

4) The holding period of the Sub6 stock received by FSub4 will include the period during which FSub4 held the Sub1 stock on which the Sub6 Spin-Off is made, provided the Sub1 stock is held as a capital asset on the date of the Sub6 Spin-Off (§ 1223(1)).

5) Earnings and profits will be allocated between Sub1 and Sub6 in accordance with § 312(h) and §§ 1.312-10(b) and 1.1502-33(e)(3).

CAVEATS

Except as expressly provided herein, no opinion is expressed or implied concerning the tax consequences of any aspect of any transaction or item discussed or referenced in this letter, including the federal income tax consequences of step 1**.** Specifically, no opinion is expressed regarding the following:

a) To the extent not otherwise specifically ruled upon above, the adjustments to earnings and profits or deficits in earnings and profits, if any, in any of the transactions to which § 367 applies.

b) To the extent not otherwise specifically ruled upon above, any other consequences under § 367 on any internal restructuring transaction in this ruling letter.

c) Whether any or all of the above-referenced foreign corporations are PFICs within the meaning of § 1297(a). If it is determined that any such corporations are PFICs, no opinion is expressed with respect to the application of §§ 1291 through 1298 to the proposed transactions. In particular, in a transaction in which gain is not otherwise recognized, regulations under § 1291(f) may require gain recognition notwithstanding any other provisions of the Code.

PROCEDURAL STATEMENTS

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

A copy of this letter 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 return that provides the date and control number of the letter ruling.

In accordance with the Power of Attorney on file with this office, a copy of this letter is being sent to your authorized representative.

Sincerely,

_____

Bruce A. Decker
Assistant Branch Chief, Branch 3
Office of Associate Chief Counsel (Corporate)