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LEGEND

Parent =

Sub 1 =

Sub 2 =

Sub 3 =

Sub 4 =

Sub 5 =

Sub 6 =

Sub 7 =

Sub 8 =

Sub 9 =

Sub 10 =

Sub 11 =

Sub 12 =

Sub 13 =

Sub 14 =

Sub 15 =

Sub 16 =

Sub 17 =

PLR-129639-13

3

FSub 1 =

FSub 2 =

FSub 3 =

FSub 4 =

FSub 5 =

FSub 6 =

FSub 7 =

Country A =

Country B =

Country C =

Country D =

State A =

Stockholder 1 =

Stockholder 2 =

Stockholder 3 =

Regulators =

PLR-129639-13

4

Business A =

Business B =

Business C =

Business D =

Segment 1 =

Segment 2 =

Date 1 =

Date 2 =

Date 3 =

Date 4 =

Date 5 =

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Date 12 =

Date 13 =

Date 14 =

Date 15 =

Date 16 =

Date 17 =

Date 18 =

Date 19 =

Date 20 =

Date 21 =

Date 22 =

Ongoing Agreements =

a =

b =

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d =

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i =

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Dear :

This letter responds to your June 28, 2013 request for rulings regarding certain U.S. federal income tax consequences of certain proposed transactions. The information provided in that request and in later correspondence is summarized below.

The rulings contained in this letter are based upon information and representations submitted by the taxpayer and accompanied by a penalty of perjury statement executed by an appropriate party. This office has not verified any of the materials submitted in support of the request for rulings. Verification of the information, representations, and other data may be required as part of the audit process.

In particular, this office has not reviewed any information pertaining to, and has made no determination regarding, whether any of the Distributions (defined as the External Distribution and Distributions 1 through 16) which occurred as part of the Proposed Transactions (described below) for which qualification under sections 355 or 368(a)(1)(D) of the Internal Revenue Code (the "Code") is sought : (i) satisfied the business purpose requirement of § 1.355-2(b); (ii) was used principally as a device for the distribution of the earnings and profits of the distributing corporation or the controlled corporation or both (see section 355(a)(1)(B) and § 1.355-2(d)); and (iii) was part of a plan (or series of related transactions) pursuant to which one or more persons did or will acquire directly or indirectly stock representing a 50-percent or greater interest in any distributing corporation or any controlled corporation (see section 355(e)(2)(A)(ii) and § 1.355-7).

FACTS

Parent, a State A corporation with one class of common stock ("Parent Common Stock"), which is widely-held and publicly traded, is the common parent of a group of corporations, that files a consolidated U.S. federal income tax return using the accrual method of accounting (the "Parent Consolidated Group"). Parent operates Business A (which comprises Segment 1 and Segment 2), Business B, Business C, and Business

D, in the United States and worldwide through its U.S. and non-U.S. affiliates (the “Parent Group”).

Based on public filings with Regulators, Parent believes that only Stockholder 1, Stockholder 2 and Stockholder 3 (owning a%, b%, and c% of Parent Common Stock respectively), owns more than 5 percent of its stock. Stockholder 1, Stockholder 2 and Stockholder 3 and the other stockholders of Parent Common Stock (excluding Parent Restricted Stockholders (as defined below)) are referred to as the “Parent Stockholders”. Certain employees of the Parent hold Parent Common Stock subject to vesting issued to them in connection with the performance of services (the “Parent Restricted Stockholders”). For purposes of this letter, the term “Restricted Stock” means stock granted to employees subject to vesting.

Unless otherwise indicated, all entities are organized in the United States and for U.S. federal income tax purposes, are characterized as a corporation and use the accrual method of accounting. Prior to the Proposed Transactions described below, Parent owned all the outstanding stock of Sub 2 and Sub 3. Sub 2 owned all the outstanding interests in FSub 1, a Country A corporation, and Sub 3 owned all the outstanding stock of Sub 4. Sub 4 owned all the outstanding stock of Sub 5, which, in turn, owned all the outstanding stock of Sub 6, Sub 7, Sub 8, and Sub 9. Sub 6 owned all the outstanding interests in FSub 2, a Country B corporation. Sub 9 owned all the outstanding stock of Sub 10, Sub 11, and Sub 12. Sub 10 owned all the outstanding stock of Sub 13. Sub 13 owned d% and Sub 3 owned e% of Sub 14. Sub 14 owned all the outstanding interest in FSub 3, a Country C corporation. FSub 3 owned all the outstanding interest in FSub 5, a Country C corporation, and FSub 6, a Country D entity that is treated for U.S. federal income tax purposes as an entity disregarded as separate from its owner.

The Proposed Transactions (described below) separated Segment 1 from Segment 2, Business B, Business C and Business D (a) to allow management of each of Parent and Sub 1 to focus on its core business or businesses without distraction; (b) to enhance and align the equity-based compensation programs of Parent and Sub 1 with performance related solely to its business or businesses; (c) to provide Parent and Sub 1 with a more attractive equity currency for acquisitions; and (d) to achieve other corporate purposes attributable to a higher aggregate equity value for Parent and Sub 1 than for Parent if the External Distribution did not occur (collectively, the “Corporate Business Purposes”).

PROPOSED TRANSACTION

To achieve the Corporate Business Purposes described above, the Parent Group has proposed and undertaken the following transactions (the “Proposed Transactions”):

- (1) On Date 1, Parent formed Sub 1, under the laws of State A.

(2) On Date 2, Sub 6 formed Sub 15, a limited liability company formed under the laws of State A. Effective Date 2, Sub 15 elected, under § 301.7701-3(c), to be treated as a corporation for U.S. federal income tax purposes.

(3) On Date 3, Sub 3 formed Sub 16 under the laws of State A.

(4) On Date 3, Sub 3 formed Sub 17 under the laws of State A.

(5) On Date 4, FSub 3 formed FSub 7, under the laws of Country C.

(6) On Date 5, Sub 6 distributed all of the stock of FSub 2 to Sub 5 (“Distribution 1”).

(7) An election was made under § 301.7701-3(c) to treat FSub 2 as an entity disregarded as separate from its sole owner for U.S. federal income tax purposes as of Date 6 (“FSub 2 Election”).

(8) On Date 5, Sub 6 contributed its Segment 1 product line to Sub 15 (“Contribution A”).

(9) On Date 7, Sub 6 distributed all of the membership interests of Sub 15 to Sub 5 (“Distribution 2”).

(10) On Date 7, immediately following Distribution 2, Sub 5 distributed all of the membership interests of Sub 15 to Sub 4 (“Distribution 3”).

(11) On Date 7, immediately following Distribution 3, Sub 4 distributed all of the membership interests of Sub 15 to Sub 3 (“Distribution 4”).

(12) On Date 7, immediately following Distribution 4, Sub 3 distributed all of the membership interests of Sub 15 to Parent (“Distribution 5”).

(13) On Date 7, Parent contributed all of the membership interests of Sub 15 to Sub 1 (“Contribution B”).

(14) Sub 15 elected under § 301.7701-3(c) to be treated as an entity disregarded as separate from its owner for U.S. federal income tax purposes effective Date 8, at least one day after Date 7 (“Sub 15 Election”, and collectively with Contribution B, the “Sub 15 Restructuring”).

(15) On Date 9, Sub 2 sold all of the stock of FSub 1 to FSub 3 for \$f (“Cash Consideration”), an amount equal to the fair market value of the transferred stock (the “FSub 1 Sale”).

(16) Effective Date 10, which is at least one day after Date 9, FSub 1 elected under § 301.7701-3(c) to be treated as an entity disregarded as separate from its owner

for U.S. federal income tax purposes (the “FSub 1 Election”, and collectively with the FSub 1 Sale, the “FSub 3 Restructuring”).

(17) On Date 11, FSub 3 contributed all of the stock of FSub 4, FSub 5, and FSub 6 to FSub 7 in exchange for FSub 7's equity interest and the assumption by FSub 7 of certain FSub 3 liabilities (“Contribution C”).

(18) On Date 12, FSub 3 distributed all of the stock of FSub 7 to Sub 14 (“Distribution 6”).

(19) On Date 13, Sub 14 distributed a portion of the stock of FSub 7 to Sub 13 solely in exchange for all the Sub 14 stock held by Sub 13 and the remaining FSub 7 stock to Sub 3 (“Distribution 7”).

(20) On Date 14, Sub 9 distributed all of the stock of Sub 11 and Sub 12 to Sub 5 (“Distribution 8” and “Distribution 9” respectively).

(21) On Date 15, Sub 5 distributed all of the stock of Sub 7, Sub 8, and Sub 9 to Sub 4 (“Distribution 10”, “Distribution 11”, and “Distribution 12” respectively).

(22) On Date 15, immediately following Distributions 10, 11 and 12, Sub 4 distributed all of the stock of Sub 7, Sub 8, and Sub 9 to Sub 3 (“Distribution 13”, “Distribution 14”, and “Distribution 15” respectively).

(23) On Date 16, Sub 3 contributed all of the stock of Sub 7 to Sub 17 (“Contribution D”).

(24) On Date 17, Sub 7 converted under the laws of State A to become a limited liability company (the “Sub 7 Conversion”, and collectively with Contribution D, the “Sub 7 Restructuring”).

(25) On Date 18, Sub 3 contributed all of the stock it held of FSub 7, Sub 8, Sub 9, and Sub 16 to Sub 17 (“Contribution E”).

(26) On Date 19, Sub 3 distributed all of the stock of Sub 17 to Parent (“Distribution 16”).

(27) On Date 19, following Distribution 16, Parent contributed all the stock of Sub 17 to Sub 1 (the “External Contribution”).

(28) On Date 20, in connection with the External Contribution, Sub 1 borrowed \$g on its own account under credit facilities with unrelated financial institutions (the “Sub 1 External Borrowing”).

(29) On Date 20, following the Sub 1 External Borrowing, Sub 1 distributed the proceeds from the Sub 1 External Borrowing to Parent (the “Special Distribution”), who

will use the proceeds to (a) repurchase outstanding Parent common stock and/or (b) to repay Parent debt owed to unrelated third parties no later than within 12 months following the External Distribution (as defined below) and pursuant to the plan of reorganization.

(30) On Date 20, in connection with the External Contribution, following the distribution of the Special Distribution, Sub 1 recapitalized issuing h additional shares of Sub 1 common stock to Parent, in order to facilitate the External Distribution (as defined below).

(31) Following Step 30, at the close of business of Date 20, Parent distributed pro rata all of the non-Restricted Stock of Sub 1 to the Parent Stockholders (the "External Distribution"). Parent did not issue any fractional shares of Sub 1 in the External Distribution. Instead, the distribution agent aggregated and sold on the open market all fractional shares and distributed the proceeds to those shareholders otherwise entitled to fractional shares. Parent will not retain any Sub 1 stock following the External Distribution.

In addition to the Proposed Transactions, the Parent Group also undertook additional restructuring steps prior to the External Distribution, which are not the subject of this ruling request, to achieve the Corporate Business Purposes (the "Other Transactions").

From the signing of the Distribution Agreement (defined below) until the closing of the Proposed Transactions, Parent did not declare or pay any dividend or other distribution in respect of its capital stock or otherwise make any payments to its shareholders other than dividends paid in the regular course.

In connection with the External Contribution and External Distribution, Parent and Sub 1 or their respective subsidiaries will have certain continuing relationships that have been formalized in agreements between them ("Continuing Relationships"). The Continuing Relationships can be categorized into Separation Agreements, Transitional Agreements, and Ongoing Agreements.

The Separation Agreements were (i) a Distribution Agreement which provided the key terms for separating Segment 1 from Business A, (ii) a Tax Matters Agreement which governs the rights, responsibilities, and obligations of Parent and Sub 1 and their respective subsidiaries regarding tax matters arising subsequent to the External Distribution, and (iii) an Employee Matters Agreement which contains indemnification provisions relating to the allocation of responsibilities with respect to employees in the Proposed Transactions. The indemnification provisions of these agreements are referred to as the Contingent Liability Arrangements. Upon the later of the expiration of the Separation Agreements and the receipt of the final payment due under the Contingent Liability Arrangements by Parent or Sub 1, Parent and Sub 1 shall determine whether there was a Net Contribution (as defined below) or a Net Excess (as defined below). A Net Contribution exists if taking into account all transfers of cash from

Parent to Sub 1 or Sub 1 to Parent pursuant to the Contingent Liability Arrangements, the total cash that Parent received from Sub 1 for such items is less than the total cash that Parent transferred to Sub 1 pursuant to such items. A Net Excess exists if taking into account all transfers of cash from Parent to Sub 1 or Sub 1 to Parent pursuant to the Contingent Liability Arrangements, the total cash that Parent received from Sub 1 for such items exceeds the total cash that Parent transferred to Sub 1 pursuant to such items. In the event of a Net Excess, Parent will either (a) distribute the Net Excess to its shareholders pro rata, or (b) repay Parent debt owed to unrelated third parties, no later than within 12 months following the determination of a Net Excess and pursuant to the plan of reorganization.

The Transitional Agreements involve obligations arising after the External Distribution that relate to transitional and administrative support services that Parent and its subsidiaries will provide to Sub 1 and its subsidiaries, or vice versa, for an interim period not to exceed j years while Sub 1 establishes its own administrative support and corporate service arrangements. Payments made pursuant to the Transitional Agreements and the Ongoing Agreements will be on an arm's length basis.

After the External Distribution, Parent and Sub 1 have operated as independent companies with separate boards of directors. Parent had j members on its board and Sub 1's board had k members. Initially, l members of the Parent's board that are not officers of either Parent or Sub 1 will also serve on the Sub 1's board to provide a sense of management and business continuity to reassure the financial markets and investors. All members of the Sub 1 board will be required to stand for election in the normal course following the External Distribution.

REPRESENTATIONS

The following representations have been made with respect to the Proposed Transactions:

(1a) With respect to any existing gain recognition agreement ("GRA") previously entered into by Parent, as parent of the Parent Consolidated Group, in connection with a prior transfer of stock or securities, or any GRA to be entered into in connection with the Proposed Transactions, Parent will, in accordance with §§ 1.367(a)-8(k) and 1.367(a)-8(c)(5), enter into a new GRA (i) identifying all triggering events and exceptions thereto resulting from the Proposed Transactions, (ii) designating a successor transferor corporation, transferee corporation, and/or transferred corporation, as applicable, and (iii) complying with all other requirements for GRAs under § 1.367(a)-8. Additionally, Parent will comply with the notification requirements of § 1.367(a)-8 with respect to any such GRA.

(1b) The steps of the Proposed Transactions for which rulings have not been requested and the Other Transactions will not affect the U.S. federal income tax consequences of the steps of the Proposed Transactions that are being ruled upon.

Distribution 1

The following representations have been made regarding Distribution 1:

(2a) Any indebtedness owed by FSub 2 to Sub 6 after Distribution 1 did not constitute stock or securities.

(2b) No part of the consideration distributed by Sub 6 in Distribution 1 was received by a shareholder as a creditor, employee, or in any capacity other than that of a shareholder of Sub 6.

(2c) The distribution of the FSub 2 stock to Sub 5 in Distribution 1 was with respect to Sub 5's ownership of its Sub 6 stock.

(2d) The five years of financial information submitted on behalf of Sub 6 with respect to Segment 2 is representative of the operations of Sub 6 as of Date 21, and with regard to such business, there have been no substantial operational changes since the date of the last financial statements submitted.

(2e) The five years of financial information submitted on behalf of FSub 2 with respect to Segment 2 is representative of the operations of FSub 2 as of Date 21, and with regard to such business, there have been no substantial operational changes since the date of the last financial statements submitted.

(2f) Neither Segment 2 conducted by Sub 6 nor control of an entity conducting this business was acquired during the five-year period ending on the date of Distribution 1 in a transaction in which gain or loss was recognized (or treated as recognized) in whole or in part.

(2g) Neither Segment 2 conducted by FSub 2 nor control of an entity conducting this business was acquired during the five-year period ending on the date of Distribution 1 in a transaction in which gain or loss was recognized (or treated as recognized) in whole or in part.

(2h) Other than due to FSub 2 Election, following Distribution 1, Sub 6 and FSub 2 each has continued, and each will continue, the active conduct of Segment 2 independently and with its own separate employees.

(2i) Distribution 1 was carried out to facilitate the External Distribution and was motivated, in whole or substantial part, by one or more of the Corporate Business Purposes.

(2j) Distribution 1 was not used principally as a device for the distribution of the earnings and profits of Sub 6 or FSub 2 or both.

(2k) For purposes of section 355(d), immediately after Distribution 1, no person (determined after applying section 355(d)(7)) held stock possessing 50% or more of the total combined voting power of all classes of Sub 6 stock entitled to vote, or 50% or more of the total value of shares of all classes of Sub 6 stock, that was acquired by purchase (as defined in section 355(d)(5) and (8)) during the five-year period (determined after applying section 355(d)(6)) ending on the date of Distribution 1.

(2l) For purposes of section 355(d), immediately after Distribution 1, no person (determined after applying section 355(d)(7)) held stock possessing 50% or more of the total combined voting power of all classes of FSub 2 stock entitled to vote, or 50% or more of the total value of shares of all classes of FSub 2 stock, that was either (i) acquired by purchase (as defined in section 355(d)(5) and (8)) during the five-year period (determined after applying section 355(d)(6)) ending on the date of Distribution 1 or (ii) attributable to distributions on Sub 6 stock that was acquired by purchase (as defined in section 355(d)(5) and (8)) during the five-year period (determined after applying section 355(d)(6)) ending on the date of Distribution 1.

(2m) No intercorporate debt existed between Sub 6 (or any entity controlled directly or indirectly by Sub 6) and FSub 2 at the time of, or after, Distribution 1, other than obligations arising in the ordinary course of business.

(2n) Immediately before Distribution 1, items of income, gain, loss, deduction and credit were taken into account as required by the applicable intercompany transaction regulations (see §§ 1.1502-13 and 1.1502-14 as in effect before the publication of T.D. 8597, 1995-2 C.B. 147, and as currently in effect; § 1.1502-13 as published by T.D. 8597).

(2o) Payments made in connection with all continuing transactions, if any, between Sub 6 and FSub 2 will be for fair market value based on terms and conditions arrived at by the parties bargaining at arm's length.

(2p) Distribution 1 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% or greater interest (within the meaning of section 355(d)(4)) in Sub 6 or FSub 2 (including any predecessor or successor of Sub 6 or FSub 2).

(2q) Immediately following Distribution 1 (taking into account section 355(g)(4)), either (i) no person held a 50% or greater interest (within the meaning of section 355(g)(3)) in any disqualified investment corporation (within the meaning of section 355(g)(2)) who did not so hold such interest immediately before Distribution 1 or (ii) neither Sub 6 nor FSub 2 was a disqualified investment corporation (within the meaning of section 355(g)(2)).

(2r) Each of the parties to Distribution 1 paid its own expenses, if any, incurred in connection with Distribution 1.

(2s) The notice requirements of § 1.367(b)-1(c)(1) will be met with respect to Distribution 1.

(2t) FSub 2 was a controlled foreign corporation, within the meaning of section 957(a), immediately before and after Distribution 1.

(2u) Sub 5 was a section 1248 shareholder (as defined in § 1.1248(f)-1(c)(12)) with respect to FSub 2 immediately after Distribution 1 (§ 1.1248(f)-2(b)).

(2v) Distribution 1 was an existing stock distribution (as defined in § 1.1248(f)-1(b)(2)) to which Sub 6 and Sub 5 will elect to apply the provisions of § 1.1248(f)-2(b) in accordance with § 1.1248(f)-2(b)(1).

(2w) Sub 6 and Sub 5 will file the statement required under § 1.1248(f)-2(b)(1)(i) and will enter into the written agreement required under § 1.1248(f)-2(b)(1)(ii) with respect to Distribution 1.

(2x) Immediately after Distribution 1, Sub 5, for purposes of section 1248 and in accordance with § 1.1248(f)-2(b)(2), adjusted its holding period in each share of stock of FSub 2 received in Distribution 1 such that Sub 5's holding period in each share is equal to Sub 6's holding period in the share at the time of Distribution 1. Sub 5, in accordance with § 1.1248(f)-2(b)(3), reduced its section 358 basis (as defined in § 1.1248(f)-1(c)(7)) in each share of stock of FSub 2 received in Distribution 1 to the extent that Sub 6's section 1248 amount (as defined in § 1.1248(f)-1(c)(9)) with respect to the share exceeds Sub 5's post-distribution amount (as defined in § 1.1248(f)-1(c)(6)) with respect to the share.

(2y) FSub 2 was not a passive foreign investment company within the meaning of section 1297(a) immediately before or after Distribution 1.

(2z) FSub 2 did not hold any United States real property interests, as defined in section 897(c)(1), immediately before or after Distribution 1.

FSub 2 Election

The following representations have been made regarding FSub 2 Election:

(3a) Sub 5, on the day before the effective date of the FSub 2 Election, was the owner of 100 percent of the single outstanding class of FSub 2 stock and FSub 2 had no (and will have no) outstanding warrants, options, convertible securities, or other obligations that may be classified as equity for U.S. federal income tax purposes.

(3b) No shares of FSub 2 have been redeemed during the three years preceding the date of the FSub 2 Election, and any intercompany gain previously realized with respect to the stock of FSub 2 or with respect to an asset to which FSub 2 stock is a successor asset (within the meaning of § 1.1502-13(2)), and not previously taken into account, was taken into account immediately before the FSub 2 Election.

(3c) All distributions deemed to occur from FSub 2 to Sub 5 pursuant to the FSub 2 Election occurred on the effective date of the FSub 2 Election.

(3d) All distributions deemed to occur from FSub 2 to Sub 5 pursuant to the FSub 2 Election were with respect to its ownership of FSub 2 stock.

(3e) On the effective date of FSub 2 Election, FSub 2 ceased to be a going concern, ceased to conduct any activities as a corporation, and did not retain any assets for U.S. federal income tax purposes.

(3f) FSub 2 did not acquire assets in any nontaxable transaction at any time, except for acquisitions occurring more than three years prior to the effective time of the FSub 2 Election.

(3g) No assets of FSub 2 had been, or will be, disposed of by FSub 2 or Sub 5, except for dispositions in the ordinary course of business and dispositions occurring more than three years prior to the effective time of the FSub 2 Election.

(3h) The deemed liquidation of FSub 2 was not preceded by or followed by the reincorporation in, or transfer or sale to, a recipient corporation (Recipient) of any of the businesses or assets of FSub 2, if persons holding, directly or indirectly, more than 20 percent in value of the FSub 2 stock also hold, directly or indirectly, more than 20 percent in value of the stock in Recipient. For purposes of this representation, ownership will be determined by application of the constructive ownership rule of section 318(a) as modified by section 304(c)(3).

(3i) Prior to the effective time of the FSub 2 Election, no assets of FSub 2 had been distributed in kind, transferred, or sold to Sub 5, except for (i) transactions occurring in the normal course of business, and (ii) transactions occurring more than three years prior to the date of the FSub 2 Election.

(3j) There was no plan or intention and continues to be no plan or intention to undertake any action (e.g., an election to be treated as an association taxable as a corporation for U.S. federal income tax purposes under § 301.7701-3, etc.), and no other circumstances will exist, following the FSub 2 Election, that will prevent FSub 2 from being disregarded as an entity separate from Sub 5 for U.S. federal income tax purposes under §§ 301.7701-2 and 301.7701-3.

(3k) The fair market value of the assets of FSub 2 exceeded its liabilities, immediately prior to the time the FSub 2 Election was effective.

(3l) The aggregate fair market value of the assets of FSub 2 exceeded the aggregate tax basis on its assets, immediately prior to the time the FSub 2 Election was effective.

(3m) There is no intercorporate debt existing between Sub 5 and FSub 2 and none has been cancelled, forgiven, or discounted, except for transactions that occurred more than three years prior to the effective time of the FSub 2 Election.

(3n) Sub 5 was not and continues to not be an organization that is exempt from U.S. federal income tax under section 501 or another provision of the Code.

(3o) All other transactions undertaken contemporaneously with, in anticipation of, in conjunction with, or in any way related to the FSub 2 Election have been fully disclosed.

(3p) FSub 2 was an “eligible entity” within the meaning of § 301.7701-3. No prior election under § 301.7701-3 to change the classification of FSub 2, excluding any election made on the formation of FSub 2, was made within the sixty-month period preceding the effective date of the FSub 2 Election.

(3q) FSub 2 did not adopt a formal plan of liquidation that contemplates the election to be classified as disregarded as an entity separate from its owner, within the meaning of § 301.7701-3(g)(2)(ii), other than the actual filing of the FSub 2 Election.

(3r) With respect to the FSub 2 Election: (i) the notice requirements of § 1.367(b)-1(c)(1) will be met; (ii) FSub 2 did not distribute any U.S. real property interests (as defined in § 1.897-1(c)); and (iii) Sub 5 includes in income as a deemed dividend the all earnings and profits amount with respect to its stock of FSub 2 in accordance with § 1.367(b)-3(b)(3).

(3s) The all earnings and profits amount (as defined in § 1.367(b)-2(d)) and the section 1248 amount (as defined in § 1.367(b)-2(c)) with respect to the stock of FSub 2 are equal to one another.

Contribution A and Distribution 2

The following representations have been made regarding Contribution A and Distribution 2:

(4a) No part of the consideration distributed by Sub 6 in Distribution 2 was received by a shareholder as a creditor, employee, or in any capacity other than that of a shareholder of Sub 6.

(4b) The distribution of Sub 15 membership interests to Sub 5 in Distribution 2 was with respect to its ownership of Sub 6 stock.

(4c) Any money, property, or stock contributed by Sub 6 to Sub 15 in Contribution A was exchanged solely for membership interests or securities in Sub 15.

(4d) The five years of financial information submitted on behalf of Sub 6 with respect to Segment 2 is representative of the operation of Sub 6 as of Date 21, and with regard to such business, there have been no substantial operational changes since the date of the last financial statements submitted.

(4e) The five years of financial information submitted on behalf of Sub 15 with respect to Segment 1 is representative of the operation of Sub 15 as of Date 21, and with regard to such business, there have been no substantial operational changes since the date of the last financial statements submitted.

(4f) Neither Segment 2 conducted by Sub 6 nor control of an entity conducting this business was acquired during the five-year period ending on the date of Distribution 2 in a transaction in which gain or loss was recognized (or treated as recognized) in whole or in part.

(4g) Neither Segment 1 conducted by Sub 15 (following Contribution A) nor control of an entity conducting this business was acquired during the five-year period ending on the date of Distribution 2 in a transaction in which gain or loss was recognized (or treated as recognized) in whole or in part.

(4h) Following Distribution 2, Sub 6 and Sub 15 each has continued, and each will continue, the active conduct of Segment 2 and Segment 1, respectively, independently and with its own separate employees.

(4i) Distribution 2 was carried out to facilitate the External Distribution and was motivated, in whole or substantial part, by one or more of the Corporate Business Purposes.

(4j) Distribution 2 was not used principally as a device for the distribution of the earnings and profits of Sub 6 or Sub 15 or both.

(4k) The total adjusted basis and the fair market value of the assets transferred to Sub 15 in Contribution A exceeded the sum of (i) the total liabilities assumed (within the meaning of section 357(d)) (if any) by Sub 15, (ii) the amount of any liabilities (if any) owed to Sub 15 by Sub 6 that are discharged or extinguished in connection with the exchange, and (iii) the total amount of any money and the fair market value of any other property (within the meaning of section 361(b)) (if any) received by Sub 6 in connection with the exchange. The fair market value of the assets of Sub 15 exceeded the amount of its liabilities immediately after Contribution A.

(4l) The liabilities (if any) assumed (within the meaning of section 357(d)) by Sub 15 in Contribution A were incurred in the ordinary course of business and were associated with the assets transferred to Sub 15 in Contribution A.

(4m) No property was transferred by Sub 6 to Sub 15 for which an investment credit allowed under section 46 has been or will be claimed.

(4n) The aggregate fair market value of the assets transferred to Sub 15 in Contribution A equaled or exceeded the aggregate adjusted basis of these assets.

(4o) For purposes of section 355(d), immediately after Distribution 2, no person (determined after applying section 355(d)(7)) held stock possessing 50% or more of the total combined voting power of all classes of Sub 6 stock entitled to vote, or 50% or more of the total value of shares of all classes of Sub 6 stock, that was acquired by purchase (as defined in section 355(d)(5) and (8)) during the five-year period (determined after applying section 355(d)(6)) ending on the date of Distribution 2.

(4p) For purposes of section 355(d), immediately after Distribution 2, no person (determined after applying section 355(d)(7)) held stock possessing 50% or more of the total combined voting power of all classes of Sub 15 membership interests entitled to vote, or 50% or more of the total value of shares of all classes of Sub 15 membership interests, that was either (i) acquired by purchase (as defined in section 355(d)(5) and (8)) during the five-year period (determined after applying section 355(d)(6)) ending on the date of Distribution 2 or (ii) attributable to distributions on Sub 6 stock that was acquired by purchase (as defined in section 355(d)(5) and (8)) during the five-year period (determined after applying section 355(d)(6)) ending on the date of Distribution 2.

(4q) No intercorporate debt existed between Sub 6 and Sub 15 at the time of, or after, Distribution 2.

(4r) No two parties to the transaction are investment companies as defined in section 368(a)(2)(F)(iii) and (iv).

(4s) Immediately before Distribution 2, items of income, gain, loss, deduction and credit were taken into account as required by the applicable intercompany transaction regulations (see §§ 1.1502-13 and 1.1502-14 as in effect before the publication of T.D. 8597, 1995-2 C.B. 147, and as currently in effect; § 1.1502-13 as published by T.D. 8597). At the time of Distribution 2, Sub 6 did not have an excess loss account in the Sub 15 membership interests.

(4t) Payments made in connection with all continuing transactions, if any, between Sub 6 and Sub 15 will be for fair market value based on terms and conditions arrived at by the parties bargaining at arm's length.

(4u) Distribution 2 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% or greater interest (within the meaning of section 355(d)(4)) in Sub 6 or Sub 15 (including any predecessor or successor of Sub 6 or Sub 15).

(4v) Immediately following Distribution 2 (taking into account section 355(g)(4)), either (i) no person held a 50% or greater interest (within the meaning of section 355(g)(3)) in any disqualified investment corporation (within the meaning of section 355(g)(2)) who did not so hold such interest immediately before Distribution 2 or (ii) neither Sub 6 nor Sub 15 was a disqualified investment corporation (within the meaning of section 355(g)(2)).

(4w) Each of the parties to Distribution 2 paid its own expenses, if any, incurred in connection with Distribution 2.

Distribution 3

The following representations have been made regarding Distribution 3:

(5a) Any indebtedness owed by Sub 15 to Sub 5 after Distribution 3 did not constitute stock or securities.

(5b) No part of the consideration distributed by Sub 5 in Distribution 3 was received by a shareholder as a creditor, employee, or in any capacity other than that of a shareholder of Sub 5.

(5c) The distribution of Sub 15 membership interests to Sub 4 in Distribution 3 was with respect to its ownership of Sub 5 stock.

(5d) Sub 5 treated all members of its respective separate affiliated group (SAG) (as defined in section 355(b)(3)(B)) as one corporation in determining whether it met the requirements of section 355(b)(2)(A) regarding the active conduct of a trade or business.

(5e) The five years of financial information submitted on behalf of the Sub 5 SAG with respect to Business D is representative of the operations of the Sub 5 SAG as of Date 21, and with regard to such business, there have been no substantial operational changes since the date of the last financial statements submitted.

(5f) The five years of financial information submitted on behalf of Sub 15 with respect to Segment 1 is representative of the operations of Sub 15 as of Date 21, and with regard to such business, there have been no substantial operational changes since the date of the last financial statements submitted.

(5g) Neither Business D conducted by the Sub 5 SAG nor control of an entity conducting this business was acquired during the five-year period ending on the date of Distribution 3 in a transaction in which gain or loss was recognized (or treated as recognized) in whole or in part.

(5h) Neither Segment 1 conducted by Sub 15 nor control of an entity conducting this business was acquired during the five-year period ending on the date of Distribution 3 in a transaction in which gain or loss was recognized (or treated as recognized) in whole or in part.

(5i) Following Distribution 3, the Sub 5 SAG has continued, and will continue, the active conduct of Business D independently and with its own separate employees.

(5j) Following Distribution 3, Sub 15 has continued, and will continue, the active conduct of Segment 1, independently and with its own separate employees.

(5k) Distribution 3 was carried out to facilitate the External Distribution and was motivated, in whole or substantial part, by one or more of the Corporate Business Purposes.

(5l) Distribution 3 was not used principally as a device for the distribution of the earnings and profits of Sub 5 or Sub 15 or both.

(5m) For purposes of section 355(d), immediately after Distribution 3, no person (determined after applying section 355(d)(7)) held stock possessing 50% or more of the total combined voting power of all classes of Sub 5 stock entitled to vote, or 50% or more of the total value of shares of all classes of Sub 5 stock, that was acquired by purchase (as defined in section 355(d)(5) and (8)) during the five-year period (determined after applying section 355(d)(6)) ending on the date of Distribution 3.

(5n) For purposes of section 355(d), immediately after Distribution 3, no person (determined after applying section 355(d)(7)) held stock possessing 50% or more of the total combined voting power of all classes of Sub 15 membership interests entitled to vote, or 50% or more of the total value of shares of all classes of Sub 15 membership interests, that was either (i) acquired by purchase (as defined in section 355(d)(5) and (8)) during the five-year period (determined after applying section 355(d)(6)) ending on the date of Distribution 3 or (ii) attributable to distributions on Sub 5 stock that was acquired by purchase (as defined in section 355(d)(5) and (8)) during the five-year period (determined after applying section 355(d)(6)) ending on the date of Distribution 3.

(5o) No intercorporate debt existed between Sub 5 (or any entity controlled directly or indirectly by Sub 5) and Sub 15 at the time of, or after, Distribution 3, other than obligations arising in the ordinary course of business.

(5p) Immediately before Distribution 3, items of income, gain, loss, deduction and credit were taken into account as required by the applicable intercompany transaction regulations (see §§ 1.1502-13 and 1.1502-14 as in effect before the publication of T.D. 8597, 1995-2 C.B. 147, and as currently in effect; § 1.1502-13 as published by T.D. 8597). At the time of Distribution 3, Sub 5 did not have an excess loss account in the Sub 15 membership interests.

(5q) Payments made in connection with all continuing transactions, if any, between Sub 5 and its subsidiaries and Sub 15 will be for fair market value based on terms and conditions arrived at by the parties bargaining at arm's length.

(5r) Distribution 3 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% or greater interest (within the meaning of section 355(d)(4)) in Sub 5 or Sub 15 (including any predecessor or successor of Sub 5 or Sub 15).

(5s) Immediately following Distribution 3 (taking into account section 355(g)(4)), either (i) no person held a 50% or greater interest (within the meaning of section 355(g)(3)) in any disqualified investment corporation (within the meaning of section 355(g)(2)) who did not so hold such interest immediately before Distribution 3 or (ii) neither Sub 5 nor Sub 15 was a disqualified investment corporation (within the meaning of section 355(g)(2)).

(5t) Each of the parties to Distribution 3 paid its own expenses, if any, incurred in connection with Distribution 3.

Distribution 4

The following representations have been made regarding Distribution 4:

(6a) Any indebtedness owed by Sub 15 to Sub 4 after Distribution 4 did not constitute stock or securities.

(6b) No part of the consideration distributed by Sub 4 in Distribution 4 was received by a shareholder as a creditor, employee, or in any capacity other than that of a shareholder of Sub 4.

(6c) The distribution of Sub 15 membership interests to Sub 3 in Distribution 4 was with respect to its ownership of Sub 4 stock.

(6d) Sub 4 treated all members of its SAG (as defined in section 355(b)(3)(B)) as one corporation in determining whether it met the requirements of section 355(b)(2)(A) regarding the active conduct of a trade or business.

(6e) The five years of financial information submitted on behalf of the Sub 4 SAG with respect to Business C is representative of the operations of the Sub 4 SAG as of Date 21, and with regard to such business, there have been no substantial operational changes since the date of the last financial statements submitted.

(6f) The five years of financial information submitted on behalf of Sub 15 with respect to Segment 1 is representative of the operations of Sub 15 as of Date 21, and with regard to such business, there have been no substantial operational changes since the date of the last financial statements submitted.

(6g) Neither Business C conducted by the Sub 4 SAG nor control of an entity conducting this business was acquired during the five-year period ending on the date of Distribution 4 in a transaction in which gain or loss was recognized (or treated as recognized) in whole or in part.

(6h) Neither Segment 1 conducted by Sub 15 nor control of an entity conducting this business was acquired during the five-year period ending on the date of Distribution 4 in a transaction in which gain or loss was recognized (or treated as recognized) in whole or in part.

(6i) Following the distribution, the Sub 4 SAG has continued, and will continue, the active conduct of Business C independently and with its own separate employees.

(6j) Following the distribution, Sub 15 has continued, and will continue, the active conduct of Segment 1, independently and with its own separate employees.

(6k) Distribution 4 was carried out to facilitate the External Distribution and was motivated, in whole or substantial part, by one or more of the Corporate Business Purposes.

(6l) Distribution 4 was not used principally as a device for the distribution of the earnings and profits of Sub 4 or Sub 15 or both.

(6m) For purposes of section 355(d), immediately after Distribution 4, no person (determined after applying section 355(d)(7)) held stock possessing 50% or more of the total combined voting power of all classes of Sub 4 stock entitled to vote, or 50% or more of the total value of shares of all classes of Sub 4 stock, that was acquired by purchase (as defined in section 355(d)(5) and (8)) during the five-year period (determined after applying section 355(d)(6)) ending on the date of Distribution 4.

(6n) For purposes of section 355(d), immediately after Distribution 4, no person (determined after applying section 355(d)(7)) held stock possessing 50% or more of the total combined voting power of all classes of Sub 15 membership interests entitled to vote, or 50% or more of the total value of shares of all classes of Sub 15 membership interests, that was either (i) acquired by purchase (as defined in section 355(d)(5) and

(8)) during the five-year period (determined after applying section 355(d)(6)) ending on the date of Distribution 4 or (ii) attributable to distributions on Sub 4 stock that was acquired by purchase (as defined in section 355(d)(5) and (8)) during the five-year period (determined after applying section 355(d)(6)) ending on the date of Distribution 4.

(6o) No intercorporate debt existed between Sub 4 (or any entity controlled directly or indirectly by Sub 4) and Sub 15 at the time of, or after, Distribution 4, other than obligations arising in the ordinary course of business.

(6p) Immediately before Distribution 4, items of income, gain, loss, deduction and credit were taken into account as required by the applicable intercompany transaction regulations (see §§ 1.1502-13 and 1.1502-14 as in effect before the publication of T.D. 8597, 1995-2 C.B. 147, and as currently in effect; § 1.1502-13 as published by T.D. 8597). At the time of Distribution 4, Sub 4 did not have an excess loss account in the Sub 15 membership interests.

(6q) Payments made in connection with all continuing transactions, if any, between Sub 4 and its subsidiaries and Sub 15 will be for fair market value based on terms and conditions arrived at by the parties bargaining at arm's length.

(6r) Distribution 4 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% or greater interest (within the meaning of section 355(d)(4)) in Sub 4 or Sub 15 (including any predecessor or successor of Sub 4 or Sub 15).

(6s) Immediately following Distribution 4 (taking into account section 355(g)(4)), either (i) no person held a 50% or greater interest (within the meaning of section 355(g)(3)) in any disqualified investment corporation (within the meaning of section 355(g)(2)) who did not so hold such interest immediately before Distribution 4 or (ii) neither Sub 4 nor Sub 15 was a disqualified investment corporation (within the meaning of section 355(g)(2)).

(6t) Each of the parties to Distribution 4 paid its own expenses, if any, incurred in connection with Distribution 4.

Distribution 5

The following representations have been made regarding Distribution 5:

(7a) Any indebtedness owed by Sub 15 to Sub 3 after Distribution 5 did not constitute stock or securities.

(7b) No part of the consideration distributed by Sub 3 in Distribution 5 was received by a shareholder as a creditor, employee, or in any capacity other than that of a shareholder of Sub 3.

(7c) The distribution of Sub 15 membership interests to Parent in Distribution 5 was with respect to its ownership of Sub 3 stock.

(7d) Sub 3 treated all members of its SAG (as defined in section 355(b)(3)(B)) as one corporation in determining whether it met the requirements of section 355(b)(2)(A) regarding the active conduct of a trade or business.

(7e) The five years of financial information submitted on behalf of the Sub 3 SAG with respect to Business C is representative of the operations of the Sub 3 SAG as of Date 21, and with regard to such business, there have been no substantial operational changes since the date of the last financial statements submitted.

(7f) The five years of financial information submitted on behalf of Sub 15 with respect to Segment 1 is representative of the operations of Sub 15 as of Date 21, and with regard to such business, there have been no substantial operational changes since the date of the last financial statements submitted.

(7g) Neither Business C conducted by the Sub 3 SAG nor control of an entity conducting this business was acquired during the five-year period ending on the date of Distribution 5 in a transaction in which gain or loss was recognized (or treated as recognized) in whole or in part.

(7h) Neither Segment 1 conducted by Sub 15 nor control of an entity conducting this business was acquired during the five-year period ending on the date of Distribution 4 in a transaction in which gain or loss was recognized (or treated as recognized) in whole or in part.

(7i) Following Distribution 5, the Sub 3 SAG has continued, and will continue, the active conduct of Business C, independently and with its own separate employees.

(7j) Following Distribution 5, Sub 15 has continued, and will continue, the active conduct of Segment 1, independently and with its own separate employees.

(7k) Distribution 5 was carried out to facilitate the External Distribution and was motivated, in whole or substantial part, by one or more of the Corporate Business Purposes.

(7l) Distribution 5 was not used principally as a device for the distribution of the earnings and profits of Sub 3 or Sub 15 or both.

(7m) For purposes of section 355(d), immediately after Distribution 5, no person (determined after applying section 355(d)(7)) held stock possessing 50% or more of the

total combined voting power of all classes of Sub 3 stock entitled to vote, or 50% or more of the total value of shares of all classes of Sub 3 stock, that was acquired by purchase (as defined in section 355(d)(5) and (8)) during the five-year period (determined after applying section 355(d)(6)) ending on the date of Distribution 5.

(7n) For purposes of section 355(d), immediately after Distribution 5, no person (determined after applying section 355(d)(7)) held stock possessing 50% or more of the total combined voting power of all classes of Sub 15 membership interests entitled to vote, or 50% or more of the total value of shares of all classes of Sub 15 membership interests, that was either (i) acquired by purchase (as defined in section 355(d)(5) and (8)) during the five-year period (determined after applying section 355(d)(6)) ending on the date of Distribution 5 or (ii) attributable to distributions on Sub 3 stock that was acquired by purchase (as defined in section 355(d)(5) and (8)) during the five-year period (determined after applying section 355(d)(6)) ending on the date of Distribution 5.

(7o) No intercorporate debt existed between Sub 3 (or any entity controlled directly or indirectly by Sub 3) and Sub 15 at the time of, or after, Distribution 5, other than obligations arising in the ordinary course of business.

(7p) Immediately before Distribution 5, items of income, gain, loss, deduction and credit were taken into account as required by the applicable intercompany transaction regulations (see §§ 1.1502-13 and 1.1502-14 as in effect before the publication of T.D. 8597, 1995-2 C.B. 147, and as currently in effect; § 1.1502-13 as published by T.D. 8597). At the time of Distribution 5, Sub 3 did not have an excess loss account in the Sub 15 membership interests.

(7q) Payments made in connection with all continuing transactions, if any, between Sub 3 and its subsidiaries and Sub 15 will be for fair market value based on terms and conditions arrived at by the parties bargaining at arm's length.

(7r) Distribution 5 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% or greater interest (within the meaning of section 355(d)(4)) in Sub 3 or Sub 15 (including any predecessor or successor of Sub 3 or Sub 15).

(7s) Immediately following Distribution 5 (taking into account section 355(g)(4)), either (i) no person held a 50% or greater interest (within the meaning of section 355(g)(3)) in any disqualified investment corporation (within the meaning of section 355(g)(2)) who did not so hold such interest immediately before Distribution 5 or (ii) neither Sub 3 nor Sub 15 was a disqualified investment corporation (within the meaning of section 355(g)(2)).

(7t) Each of the parties to Distribution 5 paid its own expenses, if any, incurred in connection with Distribution 5.

Sub 15 Restructuring

The following representations have been made regarding Sub 15 Restructuring:

- (8a) Immediately prior to Contribution B, Sub 1 had no assets or liabilities.
- (8b) The fair market value of the Sub 1 stock received by Parent was approximately equal to the fair market value of the Sub 15 membership interests surrendered in exchange therefor.
- (8c) Immediately following consummation of the Sub 15 Restructuring, Parent owned all of the outstanding Sub 1 stock and owned such stock solely by reason of its ownership of Sub 15 membership interests immediately prior to the Sub 15 Restructuring.
- (8d) Immediately following consummation of the Sub 15 Restructuring and prior to the External Contribution, Sub 1 possessed the same assets and liabilities as those possessed by Sub 15 immediately prior to the Sub 15 Restructuring (other than any cash used to pay expenses incurred in connection with the Sub 15 Restructuring and assets distributed to Sub 1).
- (8e) Sub 1 has not issued nor has any plan or intention to issue additional shares of its stock following the Sub 15 Restructuring, except in connection with the Proposed Transactions.
- (8f) Assets distributed to shareholders who receive cash or other property, assets used to pay expenses, and all redemptions and distributions (except for regular, normal dividends) made by Sub 15, if any, immediately preceding the Sub 15 Restructuring, in the aggregate, constituted less than 1% of the net assets of Sub 15. There were no dissenting shareholders.
- (8g) At the time of the Sub 15 Restructuring, Sub 15 did not have outstanding any warrants, options, convertible securities or any other type of right pursuant to which any person could acquire stock in Sub 15.
- (8h) Except in connection with the Proposed Transactions, Sub 1 has not reacquired nor has a plan or intention to reacquire any of the Sub 1 stock issued in the Sub 15 Restructuring.
- (8i) The liabilities of Sub 15 assumed or treated as assumed (within the meaning of section 357(d)) by Sub 1 plus the liabilities, if any, to which the transferred assets were subject were incurred by Sub 15 in the ordinary course of its business and were associated with the assets transferred.
- (8j) Parent paid its respective expenses, if any, incurred in connection with the Sub 15 Restructuring.

(8k) Sub 15 was not under the jurisdiction of a court in a Title 11 or similar case within the meaning of section 368(a)(3)(A).

(8l) Sub 15 was an “eligible entity” within the meaning of § 301.7701-3. No prior election under § 301.7701-3 to change the classification of Sub 15, excluding any election made on the formation of Sub 15, was made within the sixty-month period preceding the effective date of the Sub 15 Election.

(8m) Sub 15 was an “eligible entity” within the meaning of § 301.7701-3 on Date 2.

(8n) There was no plan or intention and continues to be no plan or intention to undertake any action (e.g., an election to be treated as an association taxable as a corporation for U.S. federal income tax purposes under § 301.7701-3, etc.), and no other circumstances will exist, following the Sub 15 Election, that will prevent Sub 15 from being disregarded as an entity separate from Sub 1 for U.S. federal income tax purposes under §§ 301.7701-2 and 301.7701-3.

(8o) Sub 15 did not adopt a formal plan of liquidation that contemplates the election to be classified as disregarded as an entity separate from its owner, within the meaning of § 301.7701-3(g)(2)(ii), prior to Date 8, if at all.

FSub 3 Restructuring

The following representations have been made regarding FSub 3 Restructuring:

(9a) Immediately prior to the FSub 1 Sale, Sub 2’s basis in the FSub 1 stock surrendered in the exchange was greater than its fair market value.

(9b) The Cash Consideration was equal to the fair market value of the FSub 1 stock surrendered in the exchange.

(9c) Other than as provided by operation of § 1.368-2(l) with respect to the nominal share deemed issued, there was and continues to be no plan or intention by Sub 2 to sell, exchange or otherwise dispose of shares of FSub 3 stock deemed received in the FSub 3 Reorganization, defined below.

(9d) All of the proprietary interest in FSub 1 was preserved (within the meaning of § 1.368-1(e)(1)).

(9e) There was and continues to be no plan or intention by Sub 14 to sell, exchange or otherwise dispose of any interests in FSub 3.

(9f) FSub 3 acquired at least 90% of the fair market value of the net assets and at least 70% of the fair market value of the gross assets held by FSub 1 immediately prior to the FSub 3 Restructuring. For purposes of this representation,

amounts used by FSub 1 to pay its expenses incurred in connection with the FSub 3 Restructuring, if any, and all redemptions and distributions (except for regular, normal dividends) made by FSub 1 immediately preceding the FSub 3 Restructuring were included as assets of FSub 1 held immediately prior to the FSub 3 Restructuring.

(9g) The Cash Consideration was solely with respect to the FSub 1 stock Sub 2 sold to FSub 3.

(9h) Sub 2 used the Cash Consideration in its internal operations as the holding company of subsidiaries conducting Business B, Business C and Business D.

(9i) After the FSub 3 Restructuring, Sub 2 was in control of FSub 3 within the meaning of section 368(a)(2)(H).

(9j) Neither FSub 3 nor any person related to FSub 3 (within the meaning of § 1.368-1(e)(3)) had or has any plan or intention to reacquire any stock of FSub 3 deemed issued in the FSub 3 Reorganization.

(9k) FSub 3 has no plan or intention to sell or otherwise dispose of any of the assets of FSub 1 acquired in the FSub 3 Restructuring, except for dispositions made in the ordinary course of business.

(9l) The liabilities (if any) assumed (as determined under section 357(d)) by FSub 3 were incurred in the ordinary course of its business and were associated with the assets transferred to FSub 3 in the FSub 3 Restructuring.

(9m) Following the FSub 3 Restructuring, FSub 3 has either continued and will continue the historic business of FSub 1 or has used and will continue to use a significant portion of FSub 1's historic business assets in a business.

(9n) At the time of the FSub 3 Restructuring, FSub 3 did not have outstanding any warrants, options, convertible securities, or any other type of right pursuant to which any person could acquire stock in FSub 3 that, if exercised or converted, would affect Sub 2's acquisition or retention of control of FSub 3 (as defined in section 368(a)(2)(H)).

(9o) Each of the parties to the FSub 3 Restructuring paid their respective expenses, if any, incurred in connection with the FSub 3 Restructuring.

(9p) No intercorporate debt existed between FSub 3 (or any entity controlled directly or indirectly by FSub 3 and its subsidiaries) and FSub 1 at the time of, or after, the FSub 3 Restructuring.

(9q) No two parties to the FSub 3 Restructuring are investment companies as defined in section 368(a)(2)(F)(iii) and (iv).

(9r) The total adjusted basis and the fair market value of the assets transferred to FSub 3 in the FSub 3 Restructuring exceeded the sum of (i) the total liabilities assumed (within the meaning of section 357(d)) (if any) by FSub 3 and (ii) the amount of any liabilities (if any) owed to FSub 1 by Sub 2 that are discharged or extinguished in connection with the exchange. The fair market value of the assets of FSub 1 will exceed the amount of its liabilities immediately after the FSub 3 Restructuring.

(9s) FSub 1 was not under the jurisdiction of a court in a Title 11 or similar case within the meaning of section 368(a)(3)(A).

(9t) FSub 1 was an “eligible entity” within the meaning of § 301.7701-3. No prior election under § 301.7701-3 to change the classification of FSub 1, excluding any election made on the formation of FSub 1, was made within the sixty-month period preceding the effective date of the FSub 1 Election.

(9u) There was no plan or intention and continues to be no plan or intention to undertake any action (e.g., an election to be treated as an association taxable as a corporation for U.S. federal income tax purposes under § 301.7701-3, etc.), and no other circumstances will exist, following the FSub 1 Election, that will prevent FSub 1 from being disregarded as an entity separate from FSub 3 for U.S. federal income tax purposes under §§ 301.7701-2 and 301.7701-3.

(9v) With respect to the FSub 3 Restructuring: (i) the notice requirements of § 1.367(b)-1(c)(1) will be met and (ii) FSub 1 did not distribute any U.S. real property interests (as defined in § 1.897-1(c)).

Contribution C and Distribution 6

The following representations have been made regarding Contribution C and Distribution 6:

(10a) No part of the consideration distributed by FSub 3 in Distribution 6 was received by Sub 14 as a creditor, employee, or in any capacity other than that of a shareholder of FSub 3.

(10b) The distribution of FSub 7 stock to Sub 14 in Distribution 6 was with respect to its ownership of FSub 3 stock.

(10c) Any money, property, or stock contributed by FSub 3 to FSub 7 in Contribution C was exchanged solely for stock or securities in FSub 7 and the assumption of certain FSub 3 liabilities.

(10d) FSub 3 and FSub 7 will each treat all members of their respective SAG (as defined in section 355(b)(3)(B)) as one corporation in determining whether its

meeting the requirement of section 355(b)(2)(A) regarding the active conduct of a trade or business.

(10e) The five years of financial information submitted on behalf of the FSub 3 SAG with respect to Business D is representative of the operation of the FSub 3 SAG as of Date 21, and with regard to such business, there have been no substantial operational changes since the date of the last financial statements submitted.

(10f) The five years of financial information submitted on behalf of the FSub 7 SAG with respect to Segment 1 is representative of the operation of the FSub 7 SAG as of Date 21, and with regard to such business, there have been no substantial operational changes since the date of the last financial statements submitted.

(10g) Neither Business D conducted by the FSub 3 SAG nor control of an entity conducting this business was acquired during the five-year period ending on the date of Distribution 6 in a transaction in which gain or loss was recognized (or treated as recognized) in whole or in part.

(10h) Neither Segment 1 conducted by the FSub 7 SAG (following Contribution C) nor control of an entity conducting this business was acquired during the five-year period ending on the date of Distribution 6 in a transaction in which gain or loss was recognized (or treated as recognized) in whole or in part, excluding in each case acquisitions that constitute expansions, as contemplated by § 1.355-3(b)(3)(ii), of Segment 1.

(10i) Following Distribution 6, the FSub 3 SAG has continued, and will continue, the active conduct of Business D independently and with its own separate employees.

(10j) Following Distribution 6, the FSub 7 SAG has continued, and will continue, the active conduct of Segment 1, independently and with its own separate employees.

(10k) Distribution 6 was carried out to facilitate the External Distribution and was motivated, in whole or substantial part, by one or more of the Corporate Business Purposes.

(10l) Distribution 6 was not used principally as a device for the distribution of the earnings and profits of FSub 3 or FSub 7 or both.

(10m) The total adjusted basis and the fair market value of the assets transferred to FSub 7 in Contribution C exceeded the sum of (i) the total liabilities assumed (within the meaning of section 357(d)) (if any) by FSub 7, (ii) the amount of any liabilities (if any) owed to FSub 7 by FSub 3 that are discharged or extinguished in connection with the exchange, and (iii) the total amount of any money and the fair market value of any other property (within the meaning of § 361(b)) (if any) received by FSub 3 in

connection with the exchange. The fair market value of the assets of FSub 7 will exceed the amount of its liabilities immediately after Contribution C.

(10n) The liabilities (if any) assumed (within the meaning of section 357(d)) by FSub 7 in Contribution C were incurred in the ordinary course of business and were associated with the assets transferred to FSub 7 in Contribution C.

(10o) No property was transferred by FSub 3 to FSub 7 for which an investment credit allowed under section 46 has been or will be claimed.

(10p) The aggregate fair market value of the assets transferred to FSub 7 in Contribution C equaled or exceeded the aggregate adjusted basis of these assets.

(10q) For purposes of section 355(d), immediately after Distribution 6, no person (determined after applying section 355(d)(7)) held stock possessing 50% or more of the total combined voting power of all classes of FSub 3 stock entitled to vote, or 50% or more of the total value of shares of all classes of FSub 3 stock, that was acquired by purchase (as defined in section 355(d)(5) and (8)) during the five-year period (determined after applying section 355(d)(6)) ending on the date of Distribution 6.

(10r) For purposes of section 355(d), immediately after Distribution 6, no person (determined after applying section 355(d)(7)) held stock possessing 50% or more of the total combined voting power of all classes of FSub 7 stock entitled to vote, or 50% or more of the total value of shares of all classes of FSub 7 stock, that was either (i) acquired by purchase (as defined in section 355(d)(5) and (8)) during the five-year period (determined after applying section 355(d)(6)) ending on the date of Distribution 6 or (ii) attributable to distributions on FSub 7 stock that was acquired by purchase (as defined in section 355(d)(5) and (8)) during the five-year period (determined after applying section 355(d)(6)) ending on the date of Distribution 6.

(10s) No intercorporate debt existed between FSub 3 and FSub 7 at the time of, or after, Distribution 6.

(10t) No two parties to the transaction are investment companies as defined in section 368(a)(2)(F)(iii) and (iv).

(10u) Immediately before Distribution 6, items of income, gain, loss, deduction and credit were taken into account as required by the applicable intercompany transaction regulations (see §§ 1.1502-13 and 1.1502-14 as in effect before the publication of T.D. 8597, 1995-2 C.B. 147, and as currently in effect; § 1.1502-13 as published by T.D. 8597).

(10v) Payments made in connection with all continuing transactions, if any, between FSub 3 and its subsidiaries and FSub 7 and its subsidiaries will be for fair

market value based on terms and conditions arrived at by the parties bargaining at arm's length.

(10w) Distribution 6 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% or greater interest (within the meaning of section 355(d)(4)) in FSub 3 or FSub 7 (including any predecessor or successor of FSub 3 or FSub 7).

(10x) Immediately following Distribution 6 (taking into account section 355(g)(4)), either (i) no person held a 50% or greater interest (within the meaning of section 355(g)(3)) in any disqualified investment corporation (within the meaning of section 355(g)(2)) who did not so hold such interest immediately before Distribution 6 or (ii) neither FSub 3 nor FSub 7 was a disqualified investment corporation (within the meaning of section 355(g)(2)).

(10y) Each of the parties to Distribution 6 paid its own expenses, if any, incurred in connection with Distribution 6.

(10z) FSub 3 was, and both FSub 3 and FSub 7 are, a controlled foreign corporation within the meaning of section 957(a), immediately before and after Contribution C and Distribution 6.

(10aa) At all times before and immediately after Contribution C and Distribution 6, neither FSub 3 nor FSub 7 was a passive foreign investment company within the meaning of section 1297(a).

(10bb) FSub 3's transfer of assets to FSub 7 in actual or constructive exchange for FSub 7 stock in Contribution C is not an exchange described in §§ 1.367(b)-4(b)(1)(i), 1.367(b)-4(b)(2)(i) or 1.367(b)-4(b)(3).

(10cc) The notice requirements of § 1.367(b)-1(c) will be satisfied for Contribution C and Distribution 6.

(10dd) Sub 14 was a section 1248 shareholder within the meaning of § 1.367(b)-2(b), with respect to FSub 3 immediately before Distribution 6, and with respect to each of FSub 3 and FSub 7 immediately after Distribution 6.

(10ee) FSub 7 did not hold any United States real property interests, as defined in section 897(c)(1), immediately before or after Distribution 6.

Distribution 7

The following representations have been made regarding Distribution 7:

(11a) Any indebtedness owed by FSub 7 to Sub 14 after Distribution 7 did not constitute stock or securities.

(11b) The fair market value of the FSub 7 stock received by Sub 13 was approximately equal to the fair market value of the Sub 14 stock surrendered by Sub 13 in Distribution 7.

(11c) No part of the consideration distributed by Sub 14 in Distribution 7 was received by a shareholder as a creditor, employee, or in any capacity other than that of a shareholder of Sub 14.

(11d) The distribution of FSub 7 stock to Sub 3 and Sub 13 in Distribution 7 was with respect to the respective ownership of Sub 14 stock by each of Sub 3 and Sub 13.

(11e) Sub 14 and FSub 7 each treated all members of their respective SAG (as defined in section 355(b)(3)(B)) as one corporation in determining whether it met the requirements of section 355(b)(2)(A) regarding the active conduct of a trade or business.

(11f) The five years of financial information submitted on behalf of the Sub 14 SAG with respect to Business D is representative of the operations of the Sub 14 SAG as of Date 21, and with regard to such business, there have been no substantial operational changes since the date of the last financial statements submitted.

(11g) The five years of financial information submitted on behalf of the FSub 7 SAG with respect to Segment 1 is representative of the operations of FSub 7 SAG as of Date 21, and with regard to such business, there have been no substantial operational changes since the date of the last financial statements submitted.

(11h) Neither Business D conducted by the Sub 14 SAG nor control of an entity conducting this business was acquired during the five-year period ending on the date of Distribution 7 in a transaction in which gain or loss was recognized (or treated as recognized) in whole or in part.

(11i) Neither Segment 1 conducted by the FSub 7 SAG (following Contribution C) nor control of an entity conducting this business was acquired during the five-year period ending on the date of Distribution 7 in a transaction in which gain or loss was recognized (or treated as recognized) in whole or in part, excluding in each case acquisitions that constitute expansions, as contemplated by § 1.355-3(b)(3)(ii), of Segment 1.

(11j) Following Distribution 7, the Sub 14 SAG has continued, and will continue, the active conduct of Business D independently and with its own separate employees.

(11k) Following Distribution 7, the FSub 7 SAG has continued, and will continue, the active conduct of Segment 1, independently and with its own separate employees.

(11l) Distribution 7 was carried out to facilitate the External Distribution and was motivated, in whole or substantial part, by one or more of the Corporate Business Purposes.

(11m) Distribution 7 was not used principally as a device for the distribution of the earnings and profits of Sub 14 or FSub 7 or both.

(11n) For purposes of section 355(d), immediately after Distribution 7, no person (determined after applying section 355(d)(7)) held stock possessing 50% or more of the total combined voting power of all classes of Sub 14 stock entitled to vote, or 50% or more of the total value of shares of all classes of Sub 14 stock, that was acquired by purchase (as defined in section 355(d)(5) and (8)) during the five-year period (determined after applying section 355(d)(6)) ending on the date of Distribution 7.

(11o) For purposes of section 355(d), immediately after Distribution 7, no person (determined after applying section 355(d)(7)) held stock possessing 50% or more of the total combined voting power of all classes of FSub 7 stock entitled to vote, or 50% or more of the total value of shares of all classes of FSub 7 stock, that was either (i) acquired by purchase (as defined in section 355(d)(5) and (8)) during the five-year period (determined after applying section 355(d)(6)) ending on the date of Distribution 7 or (ii) attributable to distributions on Sub 14 stock that was acquired by purchase (as defined in section 355(d)(5) and (8)) during the five-year period (determined after applying section 355(d)(6)) ending on the date of Distribution 7.

(11p) No intercorporate debt existed between Sub 14 (or any entity controlled directly or indirectly by Sub 14) and FSub 7 (or any entity controlled directly or indirectly by FSub 7) at the time of, or after, Distribution 7, other than obligations arising in the ordinary course of business.

(11q) Immediately before Distribution 7, items of income, gain, loss, deduction and credit were taken into account as required by the applicable intercompany transaction regulations (see §§ 1.1502-13 and 1.1502-14 as in effect before the publication of T.D. 8597, 1995-2 C.B. 147, and as currently in effect; § 1.1502-13 as published by T.D. 8597).

(11r) Payments made in connection with all continuing transactions, if any, between Sub 14 and its subsidiaries and FSub 7 and its subsidiaries will be for fair market value based on terms and conditions arrived at by the parties bargaining at arm's length.

(11s) Distribution 7 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% or greater interest (within the meaning of section 355(d)(4)) in Sub 14 or FSub 7 (including any predecessor or successor of Sub 14 or FSub 7).

(11t) Immediately following Distribution 7 (taking into account section 355(g)(4)), either (i) no person held a 50% or greater interest (within the meaning of section 355(g)(3)) in any disqualified investment corporation (within the meaning of section 355(g)(2)) who did not so hold such interest immediately before Distribution 7 or (ii) neither Sub 14 nor FSub 7 was a disqualified investment corporation (within the meaning of section 355(g)(2)).

(11u) Each of the parties to Distribution 7 paid its own expenses, if any, incurred in connection with Distribution 7.

(11v) The notice requirements of § 1.367(b)-1(c)(1) will be met with respect to Distribution 7.

(11w) FSub 7 was a controlled foreign corporation, within the meaning of section 957(a), immediately before and after Distribution 7.

(11x) Sub 3 and Sub 13 were section 1248 shareholders, within the meaning of § 1.367(b)-2(b), with respect to FSub 7 immediately after Distribution 7 (§ 1.1248(f)-2(b)).

(11y) Distribution 7 was an existing stock distribution (as defined in § 1.1248(f)-1(b)(2)) to which Sub 13, Sub 14, and Sub 3 will elect to apply the provisions of § 1.1248(f)-2(b) in accordance with § 1.1248(f)-2(b)(1). Sub 13, Sub 14, and Sub 3 will file the statement required under § 1.1248(f)-2(b)(1)(i) and will enter into the written agreement required under § 1.1248(f)-2(b)(1)(ii) with respect to Distribution 7.

(11z) Immediately after Distribution 7, Sub 13 and Sub 3 will each, for purposes of section 1248 and in accordance with § 1.1248(f)-2(b)(2), adjust its holding period in each share of stock of FSub 7 received in Distribution 7 such that Sub 3's and Sub 13's holding period in each share is equal to Sub 13's holding period in the share at the time of Distribution 7. Sub 13 and Sub 3 will each, in accordance with § 1.1248(f)-2(b)(3), reduce its section 358 basis (as defined in § 1.1248(f)-1(c)(7)) in each share of stock of FSub 7 received in Distribution 7 to the extent that Sub 14's section 1248 amount (as defined in § 1.1248(f)-1(c)(9)) with respect to the share exceeds its post-distribution amount (as defined in § 1.1248(f)-1(c)(6)) with respect to the share.

(11aa) FSub 7 was not a passive foreign investment company within the meaning of section 1297(a) immediately before or after Distribution 7.

(11bb) FSub 7 did not hold any United States real property interests, as defined in section 897(c)(1), immediately before or after Distribution 7.

Distribution 8

The following representations have been made regarding Distribution 8:

(12a) Any indebtedness owed by Sub 11 to Sub 9 after Distribution 8 did not constitute stock or securities.

(12b) No part of the consideration distributed by Sub 9 in Distribution 8 was received by a shareholder as a creditor, employee, or in any capacity other than that of a shareholder of Sub 9.

(12c) The distribution of Sub 11 stock to Sub 5 in Distribution 8 was with respect to its ownership of Sub 9 stock.

(12d) Sub 9 treated all members of its respective separate affiliated group (SAG) (as defined in section 355(b)(3)(B)) as one corporation in determining whether it met the requirements of section 355(b)(2)(A) regarding the active conduct of a trade or business.

(12e) The five years of financial information submitted on behalf of the Sub 9 SAG with respect to Segment 1 is representative of the operations of the Sub 9 SAG as of Date 21, and with regard to such business, there have been no substantial operational changes since the date of the last financial statements submitted.

(12f) The five years of financial information submitted on behalf of Sub 11 with respect to Segment 2 is representative of the operations of Sub 11 as of Date 21, and with regard to such business, there have been no substantial operational changes since the date of the last financial statements submitted.

(12g) Neither Segment 1 conducted by the Sub 9 SAG nor control of an entity conducting this business was acquired during the five-year period ending on the date of Distribution 8 in a transaction in which gain or loss was recognized (or treated as recognized) in whole or in part.

(12h) Neither Segment 2 conducted by Sub 11 nor control of an entity conducting this business was acquired during the five-year period ending on the date of Distribution 8 in a transaction in which gain or loss was recognized (or treated as recognized) in whole or in part.

(12i) Following Distribution 8, the Sub 9 SAG and Sub 11 each has continued, and each will continue, the active conduct of Segment 1 and Segment 2, respectively, independently and with its own separate employees.

(12j) Distribution 8 was carried out to facilitate the External Distribution and was motivated, in whole or substantial part, by one or more of the Corporate Business Purposes.

(12k) Distribution 8 was not used principally as a device for the distribution of the earnings and profits of Sub 9 or Sub 11 or both.

(12l) For purposes of section 355(d), immediately after Distribution 8, no person (determined after applying section 355(d)(7)) held stock possessing 50% or more of the total combined voting power of all classes of Sub 9 stock entitled to vote, or 50% or more of the total value of shares of all classes of Sub 9 stock, that was acquired by purchase (as defined in section 355(d)(5) and (8)) during the five-year period (determined after applying section 355(d)(6)) ending on the date of Distribution 8.

(12m) For purposes of section 355(d), immediately after Distribution 8, no person (determined after applying section 355(d)(7)) held stock possessing 50% or more of the total combined voting power of all classes of Sub 11 stock entitled to vote, or 50% or more of the total value of shares of all classes of Sub 11 stock, that was either (i) acquired by purchase (as defined in section 355(d)(5) and (8)) during the five-year period (determined after applying section 355(d)(6)) ending on the date of Distribution 8 or (ii) attributable to distributions on Sub 9 stock that was acquired by purchase (as defined in section 355(d)(5) and (8)) during the five-year period (determined after applying section 355(d)(6)) ending on the date of Distribution 8.

(12n) No intercorporate debt existed between Sub 9 (or any entity controlled directly or indirectly by Sub 9) and Sub 11 at the time of, or after, Distribution 8, other than obligations arising in the ordinary course of business.

(12o) Immediately before Distribution 8, items of income, gain, loss, deduction and credit were taken into account as required by the applicable intercompany transaction regulations (see §§ 1.1502-13 and 1.1502-14 as in effect before the publication of T.D. 8597, 1995-2 C.B. 147, and as currently in effect; § 1.1502-13 as published by T.D. 8597). At the time of Distribution 8, Sub 9 did not have an excess loss account in the Sub 11 stock.

(12p) Payments made in connection with all continuing transactions, if any, between Sub 9 and Sub 11 will be for fair market value based on terms and conditions arrived at by the parties bargaining at arm's length.

(12q) Distribution 8 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% or greater interest (within the meaning of section 355(d)(4)) in Sub 9 or Sub 11 (including any predecessor or successor of Sub 9 or Sub 11).

(12r) Immediately following Distribution 8 (taking into account section 355(g)(4)), either (i) no person held a 50% or greater interest (within the meaning of section 355(g)(3)) in any disqualified investment corporation (within the meaning of section 355(g)(2)) who did not so hold such interest immediately before Distribution 8 or

(ii) neither Sub 9 nor Sub 11 was a disqualified investment corporation (within the meaning of section 355(g)(2)).

(12s) Each of the parties to Distribution 8 paid its own expenses, if any, incurred in connection with Distribution 8.

Distribution 9

The following representations have been made regarding Distribution 9:

(13a) Any indebtedness owed by Sub 12 to Sub 9 after Distribution 9 did not constitute stock or securities.

(13b) No part of the consideration distributed by Sub 9 in Distribution 9 was received by a shareholder as a creditor, employee, or in any capacity other than that of a shareholder of Sub 9.

(13c) The distribution of Sub 12 stock to Sub 5 in Distribution 9 was with respect to its ownership of Sub 9 stock.

(13d) Sub 9 treated all members of its respective separate affiliated group (SAG) (as defined in section 355(b)(3)(B)) as one corporation in determining whether it met the requirements of section 355(b)(2)(A) regarding the active conduct of a trade or business.

(13e) The five years of financial information submitted on behalf of the Sub 9 SAG with respect to Segment 1 is representative of the operations of the Sub 9 SAG as of Date 21, and with regard to such business, there have been no substantial operational changes since the date of the last financial statements submitted.

(13f) The five years of financial information submitted on behalf of Sub 12 with respect to Segment 2 is representative of the operations of Sub 12 as of Date 21, and with regard to such business, there have been no substantial operational changes since the date of the last financial statements submitted.

(13g) Neither Segment 1 conducted by the Sub 9 SAG nor control of an entity conducting this business was acquired during the five-year period ending on the date of Distribution 9 in a transaction in which gain or loss was recognized (or treated as recognized) in whole or in part.

(13h) Neither Segment 2 conducted by Sub 12 nor control of an entity conducting this business was acquired during the five-year period ending on the date of Distribution 9 in a transaction in which gain or loss was recognized (or treated as recognized) in whole or in part.

(13i) Following Distribution 9, the Sub 9 SAG and Sub 12 each has continued, and each will continue, the active conduct of Segment 1 and Segment 2, respectively, independently and with its own separate employees.

(13j) Distribution 9 was carried out to facilitate the External Distribution and was motivated, in whole or substantial part, by one or more of the Corporate Business Purposes.

(13k) Distribution 9 was not used principally as a device for the distribution of the earnings and profits of Sub 9 or Sub 12 or both.

(13l) For purposes of section 355(d), immediately after Distribution 9, no person (determined after applying section 355(d)(7)) held stock possessing 50% or more of the total combined voting power of all classes of Sub 9 stock entitled to vote, or 50% or more of the total value of shares of all classes of Sub 9 stock, that was acquired by purchase (as defined in section 355(d)(5) and (8)) during the five-year period (determined after applying section 355(d)(6)) ending on the date of Distribution 9.

(13m) For purposes of section 355(d), immediately after Distribution 9, no person (determined after applying section 355(d)(7)) held stock possessing 50% or more of the total combined voting power of all classes of Sub 12 stock entitled to vote, or 50% or more of the total value of shares of all classes of Sub 12 stock, that was either (i) acquired by purchase (as defined in section 355(d)(5) and (8)) during the five-year period (determined after applying section 355(d)(6)) ending on the date of Distribution 9 or (ii) attributable to distributions on Sub 9 stock that was acquired by purchase (as defined in section 355(d)(5) and (8)) during the five-year period (determined after applying section 355(d)(6)) ending on the date of Distribution 9.

(13n) No intercorporate debt existed between Sub 9 (or any entity controlled directly or indirectly by Sub 9) and Sub 12 at the time of, or after, Distribution 9, other than obligations arising in the ordinary course of business.

(13o) Immediately before Distribution 9, items of income, gain, loss, deduction and credit were taken into account as required by the applicable intercompany transaction regulations (see §§ 1.1502-13 and 1.1502-14 as in effect before the publication of T.D. 8597, 1995-2 C.B. 147, and as currently in effect; § 1.1502-13 as published by T.D. 8597). At the time of Distribution 9, Sub 9 did not have an excess loss account in the Sub 12 stock.

(13p) Payments made in connection with all continuing transactions, if any, between Sub 9 and Sub 12 will be for fair market value based on terms and conditions arrived at by the parties bargaining at arm's length.

(13q) Distribution 9 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% or greater interest (within the meaning of section 355(d)(4)) in Sub 9 or Sub 12 (including any predecessor or successor of Sub 9 or Sub 12).

(13r) Immediately following Distribution 9 (taking into account section 355(g)(4)), either (i) no person held a 50% or greater interest (within the meaning of section 355(g)(3)) in any disqualified investment corporation (within the meaning of section 355(g)(2)) who did not so hold such interest immediately before Distribution 9 or (ii) neither Sub 9 nor Sub 12 was a disqualified investment corporation (within the meaning of section 355(g)(2)).

(13s) Each of the parties to Distribution 9 paid its own expenses, if any, incurred in connection with Distribution 9.

Distribution 10

The following representations have been made regarding Distribution 10:

(14a) Any indebtedness owed by Sub 7 to Sub 5 after Distribution 10 did not constitute stock or securities.

(14b) No part of the consideration distributed by Sub 5 in Distribution 10 was received by a shareholder as a creditor, employee, or in any capacity other than that of a shareholder of Sub 5.

(14c) The distribution of Sub 7 stock to Sub 4 in Distribution 10 was with respect to its ownership of Sub 5 stock.

(14d) Sub 5 treated all members of its SAG (as defined in section 355(b)(3)(B)) as one corporation in determining whether it met the requirements of section 355(b)(2)(A) regarding the active conduct of a trade or business.

(14e) The five years of financial information submitted on behalf of the Sub 5 SAG with respect to Business D is representative of the operations of the Sub 5 SAG as of Date 21, and with regard to such business, there have been no substantial operational changes since the date of the last financial statements submitted.

(14f) The five years of financial information submitted on behalf of Sub 7 with respect to Segment 1 is representative of the operations of Sub 7 as of Date 21, and with regard to such business, there have been no substantial operational changes since the date of the last financial statements submitted.

(14g) Neither Business D conducted by the Sub 5 SAG nor control of an entity conducting this business was acquired during the five-year period ending on the date of Distribution 10 in a transaction in which gain or loss was recognized (or treated as recognized) in whole or in part.

(14h) Neither Segment 1 conducted by Sub 7 nor control of an entity conducting this business was acquired during the five-year period ending on the date of Distribution 10 in a transaction in which gain or loss was recognized (or treated as recognized) in whole or in part.

(14i) Following Distribution 10, the Sub 5 SAG has continued, and will continue, the active conduct of Business D, independently and with its own separate employees.

(14j) Following Distribution 10, Sub 7 has continued, and will continue, the active conduct of Segment 1, independently and with its own separate employees.

(14k) Distribution 10 was carried out to facilitate the External Distribution and was motivated, in whole or substantial part, by one or more of the Corporate Business Purposes.

(14l) Distribution 10 was not used principally as a device for the distribution of the earnings and profits of Sub 5 or Sub 7 or both.

(14m) For purposes of section 355(d), immediately after Distribution 10, no person (determined after applying section 355(d)(7)) held stock possessing 50% or more of the total combined voting power of all classes of Sub 5 stock entitled to vote, or 50% or more of the total value of shares of all classes of Sub 5 stock, that was acquired by purchase (as defined in section 355(d)(5) and (8)) during the five-year period (determined after applying section 355(d)(6)) ending on the date of Distribution 10.

(14n) For purposes of section 355(d), immediately after Distribution 10, no person (determined after applying section 355(d)(7)) held stock possessing 50% or more of the total combined voting power of all classes of Sub 7 stock entitled to vote, or 50% or more of the total value of shares of all classes of Sub 7 stock, that was either (i) acquired by purchase (as defined in section 355(d)(5) and (8)) during the five-year period (determined after applying section 355(d)(6)) ending on the date of Distribution 10 or (ii) attributable to distributions on Sub 5 stock that was acquired by purchase (as defined in section 355(d)(5) and (8)) during the five-year period (determined after applying section 355(d)(6)) ending on the date of Distribution 10.

(14o) No intercorporate debt existed between Sub 5 (or any entity controlled directly or indirectly by Sub 5) and Sub 7 at the time of, or after, Distribution 10, other than obligations arising in the ordinary course of business.

(14p) Immediately before Distribution 10, items of income, gain, loss, deduction and credit were taken into account as required by the applicable intercompany transaction regulations (see §§ 1.1502-13 and 1.1502-14 as in effect before the publication of T.D. 8597, 1995-2 C.B. 147, and as currently in effect; § 1.1502-13 as published by T.D. 8597). At the time of Distribution 10, Sub 5 did not have an excess loss account in the Sub 7 stock.

(14q) Payments made in connection with all continuing transactions, if any, between Sub 5 and its subsidiaries and Sub 7 will be for fair market value based on terms and conditions arrived at by the parties bargaining at arm's length.

(14r) Distribution 10 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% or greater interest (within the meaning of section 355(d)(4)) in Sub 5 or Sub 7 (including any predecessor or successor of Sub 5 or Sub 7).

(14s) Immediately following Distribution 10 (taking into account section 355(g)(4)), either (i) no person held a 50% or greater interest (within the meaning of section 355(g)(3)) in any disqualified investment corporation (within the meaning of section 355(g)(2)) who did not so hold such interest immediately before Distribution 10 or (ii) neither Sub 5 nor Sub 7 was a disqualified investment corporation (within the meaning of section 355(g)(2)).

(14t) Each of the parties to Distribution 10 paid its own expenses, if any, incurred in connection with Distribution 10.

Distribution 11

The following representations have been made regarding Distribution 11:

(15a) Any indebtedness owed by Sub 8 to Sub 5 after Distribution 11 did not constitute stock or securities.

(15b) No part of the consideration distributed by Sub 5 in Distribution 11 was received by a shareholder as a creditor, employee, or in any capacity other than that of a shareholder of Sub 5.

(15c) The distribution of Sub 8 stock to Sub 4 in Distribution 11 was with respect to its ownership of Sub 5 stock.

(15d) Sub 5 treated all members of its SAG (as defined in section 355(b)(3)(B)) as one corporation in determining whether it met the requirements of section 355(b)(2)(A) regarding the active conduct of a trade or business.

(15e) The five years of financial information submitted on behalf of the Sub 5 SAG with respect to Business D is representative of the operations of the Sub 5 SAG as of Date 21, and with regard to such business, there have been no substantial operational changes since the date of the last financial statements submitted.

(15f) The five years of financial information submitted on behalf of Sub 8 with respect to Segment 1 is representative of the operations of Sub 8 as of Date 21, and

with regard to such business, there have been no substantial operational changes since the date of the last financial statements submitted.

(15g) Neither Business D conducted by the Sub 5 SAG nor control of an entity conducting this business was acquired during the five-year period ending on the date of Distribution 11 in a transaction in which gain or loss was recognized (or treated as recognized) in whole or in part.

(15h) Neither Segment 1 conducted by Sub 8 nor control of an entity conducting this business was acquired during the five-year period ending on the date of Distribution 11 in a transaction in which gain or loss was recognized (or treated as recognized) in whole or in part.

(15i) Following Distribution 11, the Sub 5 SAG has continued, and will continue, the active conduct of Business D, independently and with its own separate employees.

(15j) Following Distribution 11, Sub 8 has continued, and will continue, the active conduct of Segment 1, independently and with its own separate employees.

(15k) Distribution 11 was carried out to facilitate the External Distribution and was motivated, in whole or substantial part, by one or more of the Corporate Business Purposes.

(15l) Distribution 11 was not used principally as a device for the distribution of the earnings and profits of Sub 5 or Sub 8 or both.

(15m) For purposes of section 355(d), immediately after Distribution 11, no person (determined after applying section 355(d)(7)) held stock possessing 50% or more of the total combined voting power of all classes of Sub 5 stock entitled to vote, or 50% or more of the total value of shares of all classes of Sub 5 stock, that was acquired by purchase (as defined in section 355(d)(5) and (8)) during the five-year period (determined after applying section 355(d)(6)) ending on the date of Distribution 11.

(15n) For purposes of section 355(d), immediately after Distribution 11, no person (determined after applying section 355(d)(7)) held stock possessing 50% or more of the total combined voting power of all classes of Sub 8 stock entitled to vote, or 50% or more of the total value of shares of all classes of Sub 8 stock, that was either (i) acquired by purchase (as defined in section 355(d)(5) and (8)) during the five-year period (determined after applying section 355(d)(6)) ending on the date of Distribution 11 or (ii) attributable to distributions on Sub 5 stock that was acquired by purchase (as defined in section 355(d)(5) and (8)) during the five-year period (determined after applying section 355(d)(6)) ending on the date of Distribution 11.

(15o) No intercorporate debt existed between Sub 5 (or any entity controlled directly or indirectly by Sub 5) and Sub 8 at the time of, or after, Distribution 11, other than obligations arising in the ordinary course of business.

(15p) Immediately before Distribution 11, items of income, gain, loss, deduction and credit were taken into account as required by the applicable intercompany transaction regulations (see §§ 1.1502-13 and 1.1502-14 as in effect before the publication of T.D. 8597, 1995-2 C.B. 147, and as currently in effect; § 1.1502-13 as published by T.D. 8597). At the time of Distribution 11, Sub 5 did not have an excess loss account in the Sub 8 stock.

(15q) Payments made in connection with all continuing transactions, if any, between Sub 5 and its subsidiaries and Sub 8 will be for fair market value based on terms and conditions arrived at by the parties bargaining at arm's length.

(15r) Distribution 11 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% or greater interest (within the meaning of section 355(d)(4)) in Sub 5 or Sub 8 (including any predecessor or successor of Sub 5 or Sub 8).

(15s) Immediately following Distribution 11 (taking into account section 355(g)(4)), either (i) no person held a 50% or greater interest (within the meaning of section 355(g)(3)) in any disqualified investment corporation (within the meaning of section 355(g)(2)) who did not so hold such interest immediately before Distribution 11 or (ii) neither Sub 5 nor Sub 8 was a disqualified investment corporation (within the meaning of section 355(g)(2)).

(15t) Each of the parties to Distribution 11 paid its own expenses, if any, incurred in connection with Distribution 11.

Distribution 12

The following representations have been made regarding Distribution 12:

(16a) Any indebtedness owed by Sub 9 to Sub 5 after Distribution 12 did not constitute stock or securities.

(16b) No part of the consideration distributed by Sub 5 in Distribution 12 was received by a shareholder as a creditor, employee, or in any capacity other than that of a shareholder of Sub 5.

(16c) The distribution of Sub 9 stock to Sub 4 in Distribution 12 was with respect to its ownership of Sub 5 stock.

(16d) Sub 5 and Sub 9 treated all members of their respective SAG (as defined in section 355(b)(3)(B)) as one corporation in determining whether it met the requirements of section 355(b)(2)(A) regarding the active conduct of a trade or business.

(16e) The five years of financial information submitted on behalf of the Sub 5 SAG with respect to Business D is representative of the operations of the Sub 5 SAG as of Date 21, and with regard to such business, there have been no substantial operational changes since the date of the last financial statements submitted.

(16f) The five years of financial information submitted on behalf of the Sub 9 SAG with respect to Segment 1 is representative of the operations of the Sub 9 SAG as of Date 21, and with regard to such business, there have been no substantial operational changes since the date of the last financial statements submitted.

(16g) Neither Business D conducted by the Sub 5 SAG nor control of an entity conducting this business was acquired during the five-year period ending on the date of Distribution 12 in a transaction in which gain or loss was recognized (or treated as recognized) in whole or in part.

(16h) Neither Segment 1 conducted by the Sub 9 SAG nor control of an entity conducting this business was acquired during the five-year period ending on the date of Distribution 12 in a transaction in which gain or loss was recognized (or treated as recognized) in whole or in part.

(16i) Following Distribution 12, the Sub 5 SAG has continued, and will continue, the active conduct of Business D, independently and with its own separate employees.

(16j) Following Distribution 12, the Sub 9 SAG has continued, and will continue, the active conduct of Segment 1, independently and with its own separate employees.

(16k) Distribution 12 was carried out to facilitate the External Distribution and was motivated, in whole or substantial part, by one or more of the Corporate Business Purposes.

(16l) Distribution 12 was not used principally as a device for the distribution of the earnings and profits of Sub 5 or Sub 9 or both.

(16m) For purposes of section 355(d), immediately after Distribution 12, no person (determined after applying section 355(d)(7)) held stock possessing 50% or more of the total combined voting power of all classes of Sub 5 stock entitled to vote, or 50% or more of the total value of shares of all classes of Sub 5 stock, that was acquired by purchase (as defined in section 355(d)(5) and (8)) during the five-year period (determined after applying section 355(d)(6)) ending on the date of Distribution 12.

(16n) For purposes of section 355(d), immediately after Distribution 12, no person (determined after applying section 355(d)(7)) held stock possessing 50% or more of the total combined voting power of all classes of Sub 9 stock entitled to vote, or 50% or more of the total value of shares of all classes of Sub 9 stock, that was either (i) acquired by purchase (as defined in section 355(d)(5) and (8)) during the five-year period (determined after applying section 355(d)(6)) ending on the date of Distribution 12 or (ii) attributable to distributions on Sub 5 stock that was acquired by purchase (as defined in section 355(d)(5) and (8)) during the five-year period (determined after applying section 355(d)(6)) ending on the date of Distribution 12.

(16o) No intercorporate debt existed between Sub 5 (or any entity controlled directly or indirectly by Sub 5) and Sub 9 (or any entity controlled directly or indirectly by Sub 9) at the time of, or after, Distribution 12, other than obligations arising in the ordinary course of business.

(16p) Immediately before Distribution 12, items of income, gain, loss, deduction and credit were taken into account as required by the applicable intercompany transaction regulations (see §§ 1.1502-13 and 1.1502-14 as in effect before the publication of T.D. 8597, 1995-2 C.B. 147, and as currently in effect; § 1.1502-13 as published by T.D. 8597). At the time of Distribution 12, Sub 5 did not have an excess loss account in the Sub 9 stock.

(16q) Payments made in connection with all continuing transactions, if any, between Sub 5 and its subsidiaries and Sub 9 will be for fair market value based on terms and conditions arrived at by the parties bargaining at arm's length.

(16r) Distribution 12 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% or greater interest (within the meaning of section 355(d)(4)) in Sub 5 or Sub 9 (including any predecessor or successor of Sub 5 or Sub 9).

(16s) Immediately following Distribution 12 (taking into account section 355(g)(4)), either (i) no person held a 50% or greater interest (within the meaning of section 355(g)(3)) in any disqualified investment corporation (within the meaning of section 355(g)(2)) who did not so hold such interest immediately before Distribution 12 or (ii) neither Sub 5 nor Sub 9 was a disqualified investment corporation (within the meaning of section 355(g)(2)).

(16t) Each of the parties to Distribution 12 paid its own expenses, if any, incurred in connection with Distribution 12.

Distribution 13

The following representations have been made regarding Distribution 13:

(17a) Any indebtedness owed by Sub 7 to Sub 4 after Distribution 13 did not constitute stock or securities.

(17b) No part of the consideration distributed by Sub 4 in Distribution 13 was received by a shareholder as a creditor, employee, or in any capacity other than that of a shareholder of Sub 4.

(17c) The distribution of Sub 7 stock to Sub 3 in Distribution 13 was with respect to its ownership of Sub 4 stock.

(17d) Sub 4 treated all members of its SAG (as defined in section 355(b)(3)(B)) as one corporation in determining whether it met the requirements of section 355(b)(2)(A) regarding the active conduct of a trade or business.

(17e) The five years of financial information submitted on behalf of the Sub 4 SAG with respect to Business C is representative of the operations of the Sub 4 SAG as of Date 21, and with regard to such business, there have been no substantial operational changes since the date of the last financial statements submitted.

(17f) The five years of financial information submitted on behalf of Sub 7 with respect to Segment 1 is representative of the operations of Sub 7 as of Date 21, and with regard to such business, there have been no substantial operational changes since the date of the last financial statements submitted.

(17g) Neither Business C conducted by the Sub 4 SAG nor control of an entity conducting this business was acquired during the five-year period ending on the date of Distribution 13 in a transaction in which gain or loss was recognized (or treated as recognized) in whole or in part.

(17h) Neither Segment 1 conducted by Sub 7 nor control of an entity conducting this business was acquired during the five-year period ending on the date of Distribution 13 in a transaction in which gain or loss was recognized (or treated as recognized) in whole or in part.

(17i) Following Distribution 13, the Sub 4 SAG has continued, and will continue, the active conduct of Business C independently and with its own separate employees.

(17j) Following Distribution 13, Sub 7 has continued, and will continue, the active conduct of Segment 1, independently and with its own separate employees.

(17k) Distribution 13 was carried out to facilitate the External Distribution and was motivated, in whole or substantial part, by one or more of the Corporate Business Purposes.

(17l) Distribution 13 was not used principally as a device for the distribution of the earnings and profits of Sub 4 or Sub 7 or both.

(17m) For purposes of section 355(d), immediately after Distribution 13, no person (determined after applying section 355(d)(7)) held stock possessing 50% or more of the total combined voting power of all classes of Sub 4 stock entitled to vote, or 50% or more of the total value of shares of all classes of Sub 4 stock, that was acquired by purchase (as defined in section 355(d)(5) and (8)) during the five-year period (determined after applying section 355(d)(6)) ending on the date of Distribution 13.

For purposes of section 355(d), immediately after Distribution 13, no person (determined after applying section 355(d)(7)) held stock possessing 50% or more of the total combined voting power of all classes of Sub 7 stock entitled to vote, or 50% or more of the total value of shares of all classes of Sub 7 stock, that was either (i) acquired by purchase (as defined in section 355(d)(5) and (8)) during the five-year period (determined after applying section 355(d)(6)) ending on the date of Distribution 13 or (ii) attributable to distributions on Sub 4 stock that was acquired by purchase (as defined in section 355(d)(5) and (8)) during the five-year period (determined after applying section 355(d)(6)) ending on the date of Distribution 13.

(17n) No intercorporate debt existed between Sub 4 (or any entity controlled directly or indirectly by Sub 4) and Sub 7 at the time of, or after, Distribution 13, other than obligations arising in the ordinary course of business.

(17o) Immediately before Distribution 13, items of income, gain, loss, deduction and credit were taken into account as required by the applicable intercompany transaction regulations (see §§ 1.1502-13 and 1.1502-14 as in effect before the publication of T.D. 8597, 1995-2 C.B. 147, and as currently in effect; § 1.1502-13 as published by T.D. 8597). At the time of Distribution 13, Sub 4 did not have an excess loss account in the Sub 7 stock.

(17p) Payments made in connection with all continuing transactions, if any, between Sub 4 and its subsidiaries and Sub 7 will be for fair market value based on terms and conditions arrived at by the parties bargaining at arm's length.

(17q) Distribution 13 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% or greater interest (within the meaning of section 355(d)(4)) in Sub 4 or Sub 7 (including any predecessor or successor of Sub 4 or Sub 7).

(17r) Immediately following Distribution 13 (taking into account section 355(g)(4)), either (i) no person held a 50% or greater interest (within the meaning of section 355(g)(3)) in any disqualified investment corporation (within the meaning of section 355(g)(2)) who did not so hold such interest immediately before Distribution 13 or (ii) neither Sub 4 nor Sub 7 was a disqualified investment corporation (within the meaning of section 355(g)(2)).

(17s) Each of the parties to Distribution 13 paid its own expenses, if any, incurred in connection with Distribution 13.

Distribution 14

The following representations have been made regarding Distribution 14:

(18a) Any indebtedness owed by Sub 8 to Sub 4 after Distribution 14 did not constitute stock or securities.

(18b) No part of the consideration distributed by Sub 4 in Distribution 14 was received by a shareholder as a creditor, employee, or in any capacity other than that of a shareholder of Sub 4.

(18c) The distribution of Sub 8 stock to Sub 3 in Distribution 14 was with respect to its ownership of Sub 4 stock.

(18d) Sub 4 treated all members of its SAG (as defined in section 355(b)(3)(B)) as one corporation in determining whether it met the requirements of section 355(b)(2)(A) regarding the active conduct of a trade or business.

(18e) The five years of financial information submitted on behalf of the Sub 4 SAG with respect to Business C is representative of the operations of the Sub 4 SAG as of Date 21, and with regard to such business, there have been no substantial operational changes since the date of the last financial statements submitted.

(18f) The five years of financial information submitted on behalf of Sub 8 with respect to Segment 1 is representative of the operations of Sub 8 as of Date 21, and with regard to such business, there have been no substantial operational changes since the date of the last financial statements submitted.

(18g) Neither Business C conducted by the Sub 4 SAG nor control of an entity conducting this business was acquired during the five-year period ending on the date of Distribution 14 in a transaction in which gain or loss was recognized (or treated as recognized) in whole or in part.

(18h) Neither Segment 1 conducted by Sub 8 nor control of an entity conducting this business was acquired during the five-year period ending on the date of Distribution 14 in a transaction in which gain or loss was recognized (or treated as recognized) in whole or in part.

(18i) Following Distribution 14, the Sub 4 SAG has, and will continue, the active conduct of Business C independently and with its own separate employees.

(18j) Following Distribution 14, Sub 8 has continued, and will continue, the active conduct of its Segment 1, independently and with its own separate employees.

(18k) Distribution 14 was carried out to facilitate the External Distribution and was motivated, in whole or substantial part, by one or more of the Corporate Business Purposes.

(18l) Distribution 14 was not used principally as a device for the distribution of the earnings and profits of Sub 4 or Sub 8 or both.

(18m) For purposes of section 355(d), immediately after Distribution 14, no person (determined after applying section 355(d)(7)) held stock possessing 50% or more of the total combined voting power of all classes of Sub 4 stock entitled to vote, or 50% or more of the total value of shares of all classes of Sub 4 stock, that was acquired by purchase (as defined in section 355(d)(5) and (8)) during the five-year period (determined after applying section 355(d)(6)) ending on the date of Distribution 14.

(18n) For purposes of section 355(d), immediately after Distribution 14, no person (determined after applying section 355(d)(7)) held stock possessing 50% or more of the total combined voting power of all classes of Sub 8 stock entitled to vote, or 50% or more of the total value of shares of all classes of Sub 8 stock, that was either (i) acquired by purchase (as defined in section 355(d)(5) and (8)) during the five-year period (determined after applying section 355(d)(6)) ending on the date of Distribution 14 or (ii) attributable to distributions on Sub 4 stock that was acquired by purchase (as defined in section 355(d)(5) and (8)) during the five-year period (determined after applying section 355(d)(6)) ending on the date of Distribution 14.

(18o) No intercorporate debt existed between Sub 4 (or any entity controlled directly or indirectly by Sub 4) and Sub 8 at the time of, or after, Distribution 14, other than obligations arising in the ordinary course of business.

(18p) Immediately before Distribution 14, items of income, gain, loss, deduction and credit were taken into account as required by the applicable intercompany transaction regulations (see §§ 1.1502-13 and 1.1502-14 as in effect before the publication of T.D. 8597, 1995-2 C.B. 147, and as currently in effect; § 1.1502-13 as published by T.D. 8597). At the time of Distribution 14, Sub 4 did not have an excess loss account in the Sub 8 stock.

(18q) Payments made in connection with all continuing transactions, if any, between Sub 4 and its subsidiaries and Sub 8 will be for fair market value based on terms and conditions arrived at by the parties bargaining at arm's length.

(18r) Distribution 14 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% or greater interest (within the meaning of section 355(d)(4)) in Sub 4 or Sub 8 (including any predecessor or successor of Sub 4 or Sub 8).

(18s) Immediately following Distribution 14 (taking into account section 355(g)(4)), either (i) no person held a 50% or greater interest (within the meaning of section 355(g)(3)) in any disqualified investment corporation (within the meaning of section 355(g)(2)) who did not so hold such interest immediately before Distribution 14 or (ii) neither Sub 4 nor Sub 8 was a disqualified investment corporation (within the meaning of section 355(g)(2)).

(18t) Each of the parties to Distribution 14 paid its own expenses, if any, incurred in connection with Distribution 14.

Distribution 15

The following representations have been made regarding Distribution 15:

(19a) Any indebtedness owed by Sub 9 to Sub 4 after Distribution 15 did not constitute stock or securities.

(19b) No part of the consideration distributed by Sub 4 in Distribution 15 was received by a shareholder as a creditor, employee, or in any capacity other than that of a shareholder of Sub 4.

(19c) The distribution of Sub 9 stock to Sub 3 in Distribution 15 was with respect to its ownership of Sub 4 stock.

(19d) Sub 4 and Sub 9 treated all members of their respective SAG (as defined in section 355(b)(3)(B)) as one corporation in determining whether it met the requirements of section 355(b)(2)(A) regarding the active conduct of a trade or business.

(19e) The five years of financial information submitted on behalf of the Sub 4 SAG with respect to Business C is representative of the operations of the Sub 4 SAG as of Date 21, and with regard to such business, there have been no substantial operational changes since the date of the last financial statements submitted.

(19f) The five years of financial information submitted on behalf of the Sub 9 SAG with respect to Segment 1 is representative of the operations of the Sub 9 SAG as of Date 21, and with regard to such business, there have been no substantial operational changes since the date of the last financial statements submitted.

(19g) Neither Business C conducted by the Sub 4 SAG nor control of an entity conducting this business was acquired during the five-year period ending on the date of Distribution 15 in a transaction in which gain or loss was recognized (or treated as recognized) in whole or in part.

(19h) Neither Segment 1 conducted by the Sub 9 SAG nor control of an entity conducting this business was acquired during the five-year period ending on the date of

Distribution 15 in a transaction in which gain or loss was recognized (or treated as recognized) in whole or in part.

(19i) Following Distribution 15, the Sub 4 SAG has continued, and will continue, the active conduct of Business C independently and with its own separate employees.

(19j) Following Distribution 15, the Sub 9 SAG has continued, and will continue, the active conduct of Segment 1, independently and with its own separate employees.

(19k) Distribution 15 was carried out to facilitate the External Distribution and was motivated, in whole or substantial part, by one or more of the Corporate Business Purposes.

(19l) Distribution 15 was not used principally as a device for the distribution of the earnings and profits of Sub 4 or Sub 9 or both.

(19m) For purposes of section 355(d), immediately after Distribution 15, no person (determined after applying section 355(d)(7)) held stock possessing 50% or more of the total combined voting power of all classes of Sub 4 stock entitled to vote, or 50% or more of the total value of shares of all classes of Sub 4 stock, that was acquired by purchase (as defined in section 355(d)(5) and (8)) during the five-year period (determined after applying section 355(d)(6)) ending on the date of Distribution 15.

(19n) For purposes of section 355(d), immediately after Distribution 15, no person (determined after applying section 355(d)(7)) held stock possessing 50% or more of the total combined voting power of all classes of Sub 9 stock entitled to vote, or 50% or more of the total value of shares of all classes of Sub 9 stock, that was either (i) acquired by purchase (as defined in section 355(d)(5) and (8)) during the five-year period (determined after applying section 355(d)(6)) ending on the date of Distribution 15 or (ii) attributable to distributions on Sub 4 stock that was acquired by purchase (as defined in section 355(d)(5) and (8)) during the five-year period (determined after applying section 355(d)(6)) ending on the date of Distribution 15.

(19o) No intercorporate debt existed between Sub 4 (or any entity controlled directly or indirectly by Sub 4) and Sub 9 (or any entity controlled directly or indirectly by Sub 9) at the time of, or after, Distribution 15, other than obligations arising in the ordinary course of business.

(19p) Immediately before Distribution 15, items of income, gain, loss, deduction and credit were taken into account as required by the applicable intercompany transaction regulations (see §§ 1.1502-13 and 1.1502-14 as in effect before the publication of T.D. 8597, 1995-2 C.B. 147, and as currently in effect; § 1.1502-13 as published by T.D. 8597). At the time of Distribution 15, Sub 4 did not have an excess loss account in the Sub 9 stock.

(19q) Payments made in connection with all continuing transactions, if any, between Sub 4 and its subsidiaries and Sub 9 and its subsidiaries will be for fair market value based on terms and conditions arrived at by the parties bargaining at arm's length.

(19r) Distribution 15 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% or greater interest (within the meaning of section 355(d)(4)) in Sub 4 or Sub 9 (including any predecessor or successor of Sub 4 or Sub 9).

(19s) Immediately following Distribution 15 (taking into account section 355(g)(4)), either (i) no person held a 50% or greater interest (within the meaning of section 355(g)(3)) in any disqualified investment corporation (within the meaning of section 355(g)(2)) who did not so hold such interest immediately before Distribution 15 or (ii) neither Sub 4 nor Sub 9 was a disqualified investment corporation (within the meaning of section 355(g)(2)).

(19t) Each of the parties to Distribution 15 paid its own expenses, if any, incurred in connection with Distribution 15.

Sub 7 Restructuring

The following representations have been made regarding Sub 7 Restructuring:

(20a) Immediately prior to Contribution D, Sub 17 had no assets or liabilities.

(20b) The fair market value of the Sub 17 stock received by Sub 3 was approximately equal to the fair market value of the Sub 7 stock surrendered in exchange therefor.

(20c) Immediately following consummation of the Sub 7 Restructuring, Sub 3 owned all of the outstanding Sub 17 stock and owned such stock solely by reason of its ownership of Sub 7 stock immediately prior to the Sub 7 Restructuring.

(20d) Immediately following consummation of the Sub 7 Restructuring and prior to the External Contribution, Sub 17 possessed the same assets and liabilities as those possessed by Sub 7 immediately prior to the Sub 7 Restructuring (other than any cash used to pay expenses incurred in connection with the Sub 7 Restructuring and assets distributed to Sub 17).

(20e) Sub 17 has not issued nor has any plan or intention to issue additional shares of its stock following the Sub 7 Restructuring, except in connection with the Proposed Transactions.

(20f) Assets distributed to shareholders who receive cash or other property, assets used to pay expenses, and all redemptions and distributions (except for regular, normal dividends) made by Sub 7, if any, immediately preceding the Sub 7 Restructuring, in the aggregate, constituted less than 1% of the net assets of Sub 7. There were no dissenting shareholders.

(20g) At the time of the Sub 7 Restructuring, Sub 7 did not have outstanding any warrants, options, convertible securities or any other type of right pursuant to which any person could acquire stock in Sub 7.

(20h) Except in connection with the Proposed Transactions, Sub 17 has not reacquired nor has a plan or intention to reacquire any of the Sub 17 stock issued in the Sub 7 Restructuring.

(20i) The liabilities of Sub 7 assumed or treated as assumed (within the meaning of section 357(d)) by Sub 17 plus the liabilities, if any, to which the transferred assets were subject were incurred by Sub 7 in the ordinary course of its business and were associated with the assets transferred.

(20j) Sub 3 paid its respective expenses, if any, incurred in connection with the Sub 7 Restructuring.

(20k) Sub 7 was not under the jurisdiction of a court in a Title 11 or similar case within the meaning of section 368(a)(3)(A).

(20l) There was no plan or intention and continues to be no plan or intention to undertake any action (e.g., an election to be treated as an association taxable as a corporation for U.S. federal income tax purposes under § 301.7701-3, etc.), and no other circumstances will exist, following the Sub 7 Conversion, that will prevent Sub 7 from being disregarded as an entity separate from Sub 17 for U.S. federal income tax purposes under §§ 301.7701-2 and 301.7701-3.

Contribution E and Distribution 16

The following representations have been made regarding Contribution E and Distribution 16:

(21a) No part of the consideration distributed by Sub 3 in Distribution 16 was received by a shareholder as a creditor, employee, or in any capacity other than that of a shareholder of Sub 3.

(21b) The distribution of Sub 17 stock to Parent in Distribution 16 was with respect to its ownership of Sub 3 stock.

(21c) Any money, property, or stock contributed by Sub 3 to Sub 17 in Contribution E was exchanged solely for stock or securities in Sub 17 and the assumption of certain Sub 3 liabilities.

(21d) Sub 3 and Sub 17 will each treat all members of their respective SAG (as defined in section 355(b)(3)(B)) as one corporation in determining whether its meeting the requirement of section 355(b)(2)(A) regarding the active conduct of a trade or business.

(21e) The five years of financial information submitted on behalf of the Sub 3 SAG with respect to Business C is representative of the operation of the Sub 3 SAG as of Date 21, and with regard to such business, there have been no substantial operational changes since the date of the last financial statements submitted.

(21f) The five years of financial information submitted on behalf of the business contributed to the Sub 17 SAG with respect to Segment 1 is representative of the operation of the Sub 17 SAG as of Date 21, and with regard to such business, there have been no substantial operational changes since the date of the last financial statements submitted.

(21g) Neither Business C conducted by the Sub 3 SAG nor control of an entity conducting this business was acquired during the five-year period ending on the date of Distribution 16 in a transaction in which gain or loss was recognized (or treated as recognized) in whole or in part.

(21h) Neither Segment 1 conducted by the Sub 17 SAG (following Contribution E) nor control of an entity conducting this business was acquired during the five-year period ending on the date of Distribution 16 in a transaction in which gain or loss was recognized (or treated as recognized) in whole or in part, excluding in each case acquisitions that constitute expansions, as contemplated by § 1.355-3(b)(3)(ii), of Segment 1.

(21i) Following Distribution 16, the Sub 3 SAG has continued, and will continue, the active conduct of Business C, independently and with its own separate employees.

(21j) Following Distribution 16, the Sub 17 SAG has continued, and will continue, the active conduct of its Segment 1, independently and with its own separate employees.

(21k) Distribution 16 was carried out to facilitate the External Distribution and was motivated, in whole or substantial part, by one or more of the Corporate Business Purposes.

(21l) Distribution 16 was not used principally as a device for the distribution of the earnings and profits of Sub 3 or Sub 17 or both.

(21m) The total adjusted basis and the fair market value of the assets transferred to Sub 17 in Contribution E exceeded the sum of (i) the total liabilities assumed (within the meaning of section 357(d)) (if any) by Sub 17, (ii) the amount of any liabilities (if any) owed to Sub 17 by Sub 3 that are discharged or extinguished in connection with the exchange, and (iii) the total amount of any money and the fair market value of any other property (within the meaning of section 361(b)) (if any) received by Sub 3 in connection with the exchange. The fair market value of the assets of Sub 17 will exceed the amount of its liabilities immediately after Contribution E.

(21n) The liabilities (if any) assumed (within the meaning of section 357(d)) by Sub 17 in Contribution E were incurred in the ordinary course of business and were associated with the assets transferred to Sub 17 in Contribution E.

(21o) No property was transferred by Sub 3 to Sub 17 for which an investment credit allowed under section 46 has been or will be claimed.

(21p) The aggregate fair market value of the assets transferred to Sub 17 in Contribution E equaled or exceeded the aggregate adjusted basis of these assets.

(21q) For purposes of section 355(d), immediately after Distribution 16, no person (determined after applying section 355(d)(7)) held stock possessing 50% or more of the total combined voting power of all classes of Sub 3 stock entitled to vote, or 50% or more of the total value of shares of all classes of Sub 3 stock, that was acquired by purchase (as defined in section 355(d)(5) and (8)) during the five-year period (determined after applying section 355(d)(6)) ending on the date of Distribution 16.

(21r) For purposes of section 355(d), immediately after Distribution 16, no person (determined after applying section 355(d)(7)) held stock possessing 50% or more of the total combined voting power of all classes of Sub 17 stock entitled to vote, or 50% or more of the total value of shares of all classes of Sub 17 stock, that was either (i) acquired by purchase (as defined in section 355(d)(5) and (8)) during the five-year period (determined after applying section 355(d)(6)) ending on the date of Distribution 16 or (ii) attributable to distributions on Sub 17 stock that was acquired by purchase (as defined in section 355(d)(5) and (8)) during the five-year period (determined after applying section 355(d)(6)) ending on the date of Distribution 16.

(21s) No intercorporate debt existed between Sub 3 and Sub 17 at the time of, or after, Distribution 16.

(21t) No two parties to the transaction are investment companies as defined in section 368(a)(2)(F)(iii) and (iv).

(21u) Immediately before Distribution 16, items of income, gain, loss, deduction and credit were taken into account as required by the applicable intercompany transaction regulations (see §§ 1.1502-13 and 1.1502-14 as in effect before the

publication of T.D. 8597, 1995-2 C.B. 147, and as currently in effect; § 1.1502-13 as published by T.D. 8597). At the time of Distribution 16, Sub 3 did not have an excess loss account in the Sub 17 stock.

(21v) Payments made in connection with all continuing transactions, if any, between Sub 3 and its subsidiaries and Sub 17 and its subsidiaries will be for fair market value based on terms and conditions arrived at by the parties bargaining at arm's length.

(21w) Distribution 16 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% or greater interest (within the meaning of section 355(d)(4)) in Sub 3 or Sub 17 (including any predecessor or successor of Sub 3 or Sub 17).

(21x) Immediately following Distribution 16 (taking into account section 355(g)(4)), either (i) no person held a 50% or greater interest (within the meaning of section 355(g)(3)) in any disqualified investment corporation (within the meaning of section 355(g)(2)) who did not so hold such interest immediately before Distribution 16 or (ii) neither Sub 3 nor Sub 17 was a disqualified investment corporation (within the meaning of section 355(g)(2)).

(21y) Each of the parties to Distribution 16 paid its own expenses, if any, incurred in connection with Distribution 16.

(21z) To the extent that the stock of any foreign corporation was transferred from Sub 3 to Sub 17 in Contribution E, the earnings and profits of the foreign corporation transferred, to the extent attributable to such stock under §§ 1.1248-2 or 1.1248-3 (whichever is applicable) which were accumulated in taxable years of such foreign corporation beginning after December 31, 1962, during the period Sub 3 held such stock (or was considered as holding such stock by application of section 1223) while such corporation was a controlled foreign corporation, within the meaning of section 957(a), is attributable to such stock held by Sub 17 (§ 1.1248-1(a)).

External Contribution and External Distribution

The following representations have been made regarding the External Contribution and the External Distribution:

(22a) No part of the consideration distributed by Parent in the External Distribution was received by a Parent Stockholder as a creditor, employee, or in any capacity other than that of a shareholder of Parent. Immediately following the External Distribution, Sub 1 had no Restricted Stock other than Restricted Stock that was transferred to certain Parent Restricted Stockholders in connection with the External Distribution and in no event, will the Restricted Stock of Sub 1 represent more than 20

percent of either the total combined voting power of all classes of Sub 1 stock entitled to vote or the total number of shares of all non-voting classes of Sub 1 stock following the External Distribution.

(22b) The distribution of Sub 1 stock to Parent Stockholders in the External Distribution was with respect to their ownership of Parent stock.

(22c) Any money, property, or stock contributed by Parent to Sub 1 in the External Contribution was exchanged solely for stock or securities in Sub 1, the assumption of certain Parent liabilities, the Special Distribution and the Net Excess, if any.

(22d) Parent and Sub 1 will each treat all members of their respective SAG (as defined in section 355(b)(3)(B)) as one corporation in determining whether its meeting the requirement of section 355(b)(2)(A) regarding the active conduct of a trade or business.

(22e) The five years of financial information submitted on behalf of the Parent SAG with respect to Business C is representative of the operation of the Parent SAG as of Date 21, and with regard to such business, there have been no substantial operational changes since the date of the last financial statements submitted.

(22f) The five years of financial information submitted on behalf of the Sub 1 SAG with respect to Segment 1 is representative of the operation of the Sub 1 SAG as of Date 21, and with regard to such business, there have been no substantial operational changes since the date of the last financial statements submitted.

(22g) Neither Business C conducted by the Parent SAG nor control of an entity conducting this business was acquired during the five-year period ending on the date of the External Distribution in a transaction in which gain or loss was recognized (or treated as recognized) in whole or in part.

(22h) Neither Segment 1 conducted by the Sub 1 SAG (following the External Contribution) nor control of an entity conducting this business was acquired during the five-year period ending on the date of the External Distribution in a transaction in which gain or loss was recognized (or treated as recognized) in whole or in part, excluding in each case acquisitions that constitute expansions, as contemplated by § 1.355-3(b)(3)(ii), of Segment 1.

(22i) Following the External Distribution, the Parent SAG has continued, and will continue, the active conduct of Business C independently and with its own separate employees.

(22j) Following the External Distribution, the Sub 1 SAG has continued, and will continue, the active conduct of Segment 1, independently and with its own separate employees.

(22k) The External Distribution was carried and motivated, in whole or substantial part, by one or more of the Corporate Business Purposes.

(22l) The External Distribution was not used principally as a device for the distribution of the earnings and profits of Parent or Sub 1 or both.

(22m) The total adjusted basis and the fair market value of the assets transferred to Sub 1 in the External Contribution (including the Net Contribution, if any) exceeded the sum of (i) the total liabilities assumed (within the meaning of section 357(d)) (if any) by Sub 1, (ii) the amount of any liabilities (if any) owed to Sub 1 by Parent that are discharged or extinguished in connection with the exchange, and (iii) the total amount of any money and the fair market value of any other property (within the meaning of section 361(b)) (if any) received by Parent in connection with the exchange (including the Special Distribution and the Net Excess, if any). The fair market value of the assets of Sub 1 will exceed the amount of its liabilities immediately after the External Contribution.

(22n) The liabilities (if any) assumed (within the meaning of section 357(d)) by Sub 1 in the External Contribution were incurred in the ordinary course of business and were associated with the assets transferred to Sub 1 in the External Contribution.

(22o) No property was transferred by Parent to Sub 1 for which an investment credit allowed under section 46 has been or will be claimed.

(22p) The aggregate fair market value of the assets transferred to Sub 1 in the External Contribution equaled or exceeded the aggregate adjusted basis of these assets.

(22q) For purposes of section 355(d), immediately after the External Distribution, no person (determined after applying section 355(d)(7)) held stock possessing 50% or more of the total combined voting power of all classes of Parent stock entitled to vote, or 50% or more of the total value of shares of all classes of Parent stock, that was acquired by purchase (as defined in section 355(d)(5) and (8)) during the five-year period (determined after applying section 355(d)(6)) ending on the date of the External Distribution.

(22r) For purposes of section 355(d), immediately after the External Distribution, no person (determined after applying section 355(d)(7)) held stock possessing 50% or more of the total combined voting power of all classes of Sub 1 stock entitled to vote, or 50% or more of the total value of shares of all classes of Sub 1 stock, that was either (i) acquired by purchase (as defined in section 355(d)(5) and (8)) during the five-year

period (determined after applying section 355(d)(6)) ending on the date of the External Distribution or (ii) attributable to distributions on Sub 1 stock that was acquired by purchase (as defined in section 355(d)(5) and (8)) during the five-year period (determined after applying section 355(d)(6)) ending on the date of the External Distribution.

(22s) No intercorporate debt existed between Parent and Sub 1 at the time of, or after, the External Distribution.

(22t) No two parties to the transaction are investment companies as defined in section 368(a)(2)(F)(iii) and (iv).

(22u) Immediately before the External Distribution, items of income, gain, loss, deduction and credit were taken into account as required by the applicable intercompany transaction regulations (see §§ 1.1502-13 and 1.1502-14 as in effect before the publication of T.D. 8597, 1995-2 C.B. 147, and as currently in effect; § 1.1502-13 as published by T.D. 8597). At the time of the External Distribution, Parent did not have an excess loss account in the Sub 1 stock.

(22v) Payments made in connection with all continuing transactions, if any, between Parent and its subsidiaries and Sub 1 and its subsidiaries will be for fair market value based on terms and conditions arrived at by the parties bargaining at arm's length.

(22w) The External Distribution 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% or greater interest (within the meaning of section 355(d)(4)) in Parent or Sub 1 (including any predecessor or successor of Parent or Sub 1).

(22x) Immediately following the External Distribution (taking into account section 355(g)(4)), either (i) no person held a 50% or greater interest (within the meaning of section 355(g)(3)) in any disqualified investment corporation (within the meaning of section 355(g)(2)) who did not so hold such interest immediately before the External Distribution or (ii) neither Parent nor Sub 1 was a disqualified investment corporation (within the meaning of section 355(g)(2)).

(22y) Except as provided in the Separation Agreements, each of the parties to the External Distribution paid its own expenses, if any, incurred in connection with the External Distribution.

(22z) The receipt by Parent Stockholders of cash in lieu of fractional shares of Sub 1 stock has been arranged solely for the purpose of avoiding the expense and inconvenience to Parent and Sub 1 of issuing and maintaining fractional shares and does not represent separately bargained-for consideration. The total cash

consideration received by the Parent Stockholders in lieu of fractional shares of Sub 1 did not exceed 1% of the total consideration that was distributed in the External Distribution. No Parent Stockholder received cash in lieu of fractional shares in an amount equal to or greater than the value of one full share of Sub 1 stock.

(22aa) Pursuant to the plan of reorganization, Parent will use the Special Distribution proceeds (if any) to repay Parent Debt (e.g., pursuant to the External Debt Repurchase) and/or to repurchase shares of Parent Common Stock and/or to make a distribution to Parent's Stockholders. Such proceeds will be held in a segregated account until they are used as described above.

(22bb) The sum of the Parent Debt repaid with the proceeds of the Special Distribution will not exceed the weighted quarterly average of the Parent Debt for the 12-month period ending on the close of business on Date 22, the last full business day before the date on which Parent's board of directors initially discussed the External Distribution.

(22cc) Any Parent Debt repaid will not have been issued in anticipation of the External Distribution.

(22dd) To the extent that the stock of any foreign corporation was transferred from Parent to Sub 1 in the External Contribution, the earnings and profits of the foreign corporation transferred, to the extent attributable to such stock under §§ 1.1248-2 or 1.1248-3 (whichever is applicable) which were accumulated in taxable years of such foreign corporation beginning after December 31, 1962, during the period Parent held such stock (or was considered as holding such stock by application of section 1223) while such corporation was a controlled foreign corporation, within the meaning of section 957(a), is attributable to such stock held by Sub 1 (§ 1.1248-1(a)).

RULINGS

Based solely on the information submitted and the representations set forth above, and provided that the requirements of the regulations under section 367(b) are satisfied (including the notice provisions of § 1.367(b)-1(c)(1)), we rule as follows regarding the Proposed Transactions:

Distribution 1

Provided that (i) Sub 6's distribution of FSub 2 stock to Sub 5 in Distribution 1 was solely with respect to their ownership of Sub 6 stock and (ii) any other transfer of stock, money, or property between Sub 6, FSub 2 or Sub 5 and any person related to Sub 6, FSub 2, or Sub 5 is respected as a separate transaction, we rule as follows on Distribution 1:

(1) No gain or loss was recognized by (and no amount was included in the income of) Sub 5 upon Distribution 1 (section 355(a)).

(2) Sub 6 recognized no gain or loss upon Distribution 1 (section 355(c)).

(3) The basis of the Sub 6 and FSub 2 stock in the hands of Sub 5 immediately after Distribution 1 was the same as Sub 5's basis in the Sub 6 stock held immediately before Distribution 1, allocated in the manner described in § 1.358-2(a)(2), in accordance with sections 358(a) through (c).

(4) The holding period of the FSub 2 stock received by Sub 5 in Distribution 1 includes the holding period of the Sub 6 stock with respect to which the distribution was made, provided such Sub 6 stock was held as a capital asset by Sub 5 on the date of Distribution 1 (section 1223(1)).

(5) The earnings and profits of Sub 6 and FSub 2 were adjusted in accordance with section 312(h) and § 1.312-10(b), as applicable.

(6) Distribution 1 was a distribution to which §§ 1.1248(f)-1 and -2 applied.

FSub 2 Election

(7) The FSub 2 Election was treated for U.S. federal income tax purposes as a distribution in complete liquidation of FSub 2 under section 332(a).

(8) Sub 5 recognized no gain or loss on its deemed receipt of the assets and assumption of the liabilities of FSub 2 in the FSub 2 Election (section 332(a)).

(9) FSub 2 recognized no gain or loss on the deemed distribution of its assets to, and assumption of liabilities by, Sub 5 in the FSub 2 Election (section 337(a)).

(10) Sub 5's basis in each asset of FSub 2 deemed received in the FSub 2 Election equaled the basis of that asset in the hands of FSub 2 immediately before the FSub 2 Election (section 334(b)(1)).

(11) The holding period of each asset of FSub 2 deemed received by Sub 5 in the FSub 2 Election includes the period for which the asset was held by FSub 2 (section 1223(2)).

(12) Sub 5 succeeded to and will take into account the items of FSub 2 described in section 381(c), subject to the conditions and limitations specified in sections 367, 381, 382, 383, 384 and 1502, and the Treasury regulations thereunder, as applicable (section 381(a)(1) and § 1.381(a)-1).

(13) The FSub 2 Election was an acquisition to which § 1.367(b)-3 applied.

Contribution A and Distribution 2

Provided that (i) Sub 6's distribution of Sub 15 membership interests to Sub 5 in Distribution 2 was solely with respect to their ownership of Sub 6 stock, (ii) any money, property, or stock contributed by Sub 6 to Sub 15 in Contribution A was exchanged solely for membership interests or securities in Sub 15, and (iii) any other transfer of stock, money, or property between Sub 6, Sub 15 or Sub 5 and any person related to Sub 6, Sub 15, or Sub 5 is respected as a separate transaction, we rule as follows on Contribution A and Distribution 2:

(14) Contribution A together with Distribution 2 qualified as a "reorganization" within the meaning of section 368(a)(1)(D). Each of Sub 6 and Sub 15 was "a party to a reorganization" within the meaning of section 368(b) (§ 1.368-2(f)).

(15) No gain or loss was recognized by Sub 6 on Contribution A (sections 361(a) and 357(a)).

(16) No gain or loss was recognized by Sub 15 on Contribution A (section 1032(a)).

(17) The basis Sub 15 had in each asset received from Sub 6 in Contribution A was equal to the basis of that asset in the hands of Sub 6 immediately before Contribution A (section 362(b)).

(18) The holding period Sub 15 had in each asset received from Sub 6 in Contribution A includes the period during which Sub 6 held that asset (section 1223(2)).

(19) No gain or loss was recognized by Sub 6 on its distribution of Sub 15 membership interests in Distribution 2 (section 361(c)(1) and § 1.367(e)-1(c)).

(20) No gain or loss was recognized by (and no amount was included in the income of) Sub 5 upon receipt of Sub 15 membership interests in Distribution 2 (section 355(a)).

(21) The basis of the Sub 6 common stock and Sub 15 common stock in the hands of Sub 5 immediately after Distribution 2 was equal to the basis of the Sub 6 stock held by Sub 5 immediately before Distribution 2 (as adjusted under § 1.358-1) allocated between the stock of Sub 6 and Sub 15 in proportion to the fair market value of each in accordance with § 1.358-2 (sections 358(a), (b), and (c)).

(22) The holding period of the Sub 15 common stock received by Sub 5 in Distribution 2 includes the holding period of the Sub 6 stock with respect to which Distribution 2 is made, provided the Sub 6 stock was held by Sub 5 as a capital asset on the date of Distribution 2 (section 1223(1)).

(23) Earnings and profits, if any, were allocated between Sub 6 and Sub 15 in accordance with section 312(h) and § 1.312-10(a).

Distribution 3

Provided that (i) Sub 5's distribution of Sub 15 membership interests to Sub 4 in Distribution 3 was solely with respect to their ownership of Sub 5 stock and (ii) any other transfer of stock, money, or property between Sub 5, Sub 15 or Sub 4 and any person related to Sub 5, Sub 15, or Sub 4 is respected as a separate transaction, we rule as follows on Distribution 3:

(24) No gain or loss was recognized by (and no amount was included in the income of) Sub 4 upon Distribution 3 (section 355(a)).

(25) Sub 5 recognized no gain or loss upon Distribution 3 (section 355(c)).

(26) The basis of the Sub 5 stock and Sub 15 membership interests in the hands of Sub 4 immediately after Distribution 3 was the same as Sub 4's basis in the Sub 5 stock held immediately before Distribution 3, allocated in the manner described in § 1.358-2(a)(2), in accordance with sections 358(a) through (c).

(27) The holding period of the Sub 15 membership interests received by Sub 4 in Distribution 3 includes the holding period of the Sub 5 stock with respect to which the distribution was made, provided such Sub 5 stock was held as a capital asset by Sub 4 on the date of Distribution 3 (section 1223(1)).

(28) The earnings and profits of Sub 5 and Sub 15 were adjusted in accordance with section 312(h) and § 1.312-10(b).

Distribution 4

Provided that (i) Sub 4's distribution of Sub 15 membership interests to Sub 3 in Distribution 4 was solely with respect to their ownership of Sub 4 stock and (ii) any other transfer of stock, money, or property between Sub 4, Sub 15 or Sub 3 and any person related to Sub 4, Sub 15, or Sub 3 is respected as a separate transaction, we rule as follows on Distribution 4:

(29) No gain or loss was recognized by (and no amount was included in the income of) Sub 3 upon Distribution 4 (section 355(a)).

(30) Sub 4 recognized no gain or loss upon Distribution 4 (section 355(c)).

(31) The basis of the Sub 4 stock and Sub 15 membership interests in the hands of Sub 3 immediately after Distribution 4 was the same as Sub 3's basis in the Sub 4 stock held immediately before Distribution 4, allocated in the manner described in § 1.358-2(a)(2), in accordance with sections 358(a) through (c).

(32) The holding period of the Sub 15 membership interests received by Sub 3 in Distribution 4 includes the holding period of the Sub 4 stock with respect to which the distribution was made, provided such Sub 4 stock was held as a capital asset by Sub 3 on the date of Distribution 4 (section 1223(1)).

(33) The earnings and profits of Sub 4 and Sub 15 were adjusted in accordance with section 312(h) and § 1.312-10(b).

Distribution 5

Provided that (i) Sub 3's distribution of Sub 15 membership interests to Parent in Distribution 5 was solely with respect to their ownership of Sub 3 stock and (ii) any other transfer of stock, money, or property between Sub 3, Sub 15 or Parent and any person related to Sub 3, Sub 15, or Parent is respected as a separate transaction, we rule as follows on Distribution 5:

(34) No gain or loss was recognized by (and no amount was included in the income of) Parent upon Distribution 5 (section 355(a)).

(35) Sub 3 recognized no gain or loss upon Distribution 5 (section 355(c)).

(36) The basis of the Sub 3 stock and Sub 15 membership interests in the hands of Parent immediately after Distribution 5 was the same as Parent's basis in the Sub 3 stock held immediately before Distribution 5, allocated in the manner described in § 1.358-2(a)(2), in accordance with sections 358(a) through (c).

(37) The holding period of the Sub 15 membership interests received by Parent in Distribution 5 includes the holding period of the Sub 3 stock with respect to which the distribution was made, provided such Sub 3 stock was held as a capital asset by Parent on the date of Distribution 5 (section 1223(1)).

(38) The earnings and profits of Sub 3 and Sub 15 were adjusted in accordance with section 312(h) and § 1.312-10(b).

Sub 15 Restructuring

(39) For U.S. federal income tax purposes, Contribution B and the Sub 15 Election were integrated and treated as the transfer by Sub 15 of all of its assets, subject to liabilities, to Sub 1 in exchange for stock of Sub 1, followed by the distribution by Sub 15 of the Sub 1 stock to its shareholders in liquidation, and constituted a reorganization within the meaning of section 368(a)(1)(F).

(40) Sub 1 and Sub 15 were each "a party to the reorganization" within the meaning of section 368(b).

(41) Sub 15 did not recognize any gain or loss upon the transfer of all of its assets to Sub 1 in exchange for Sub 1 stock and the assumption of liabilities (sections 361(a) and 357(a)).

(42) Sub 1 did not recognize any gain or loss upon receipt of the Sub 15 assets in exchange for Sub 1 stock and the assumption of Sub 15's liabilities (section 1032(a)).

(43) Sub 1's basis in the assets acquired from Sub 15 in the Sub 15 Restructuring was the same as Sub 15's basis in such assets immediately before the Sub 15 Restructuring (section 362(b)).

(44) Sub 1's holding period for the assets acquired from Sub 15 in the Sub 15 Restructuring includes the period during which such assets were held by Sub 15 (section 1223(2)).

(45) No gain or loss was recognized by Sub 15 on the distribution of the shares of Sub 1 stock to Parent (section 361(c)(1)).

(46) No gain or loss was recognized by Parent upon the receipt of the stock of Sub 1 in exchange for the stock of Sub 15 in the Sub 15 Restructuring (section 354(a)(1)).

(47) The basis of the Sub 1 stock received by Parent will be equal to the basis of the Sub 15 membership interests surrendered by Parent in exchange therefor (section 358(a)(1)).

(48) The holding period for the Sub 1 stock in the hands of Parent includes the period during which Parent held the Sub 15 membership interests exchanged therefor, provided that the Sub 15 membership interests were held as a capital asset in the hands of Parent on the date of the exchange (section 1223(1)).

(49) Sub 1 succeeded to and took into account the tax attributes of Sub 15 enumerated in section 381(c), subject to the conditions and limitations specified in sections 367, 381, 382, 383, 384 and 1502, and the Treasury regulations thereunder, as applicable (section 381(a)(1) and § 1.381(a)-1).

FSub 3 Restructuring

Provided that the Cash Consideration was solely with respect to the FSub 1 stock Sub 2 sold to FSub 3:

(50) For U.S. federal income tax purposes, the FSub 3 Restructuring is treated as if FSub 1 transferred substantially all of its assets to FSub 3 in exchange for the Cash Consideration, a nominal share of FSub 3 stock, and the assumption by FSub 3 of FSub 1's liabilities, followed by the distribution of the Cash Consideration and the deemed distribution of the nominal share to Sub 2 in a distribution subject to sections

354 and 356, and qualifies as a “reorganization” within the meaning of section 368(a)(1)(D) (the “FSub 3 Reorganization”). The nominal share is deemed to have been further transferred through the chains of ownership to reflect the actual ownership of FSub 3 and FSub 1 (§ 1.368-2(l)(2)(i)).

(51) Each of FSub 3 and FSub 1 was “a party to a reorganization” within the meaning of section 368(b) (§ 1.368-2(f)).

(52) No gain or loss was recognized by FSub 1 upon the transfer of its assets to FSub 3 in exchange for the Cash Consideration, a nominal share of FSub 3 stock, and the assumption by FSub 3 of FSub 1’s liabilities (sections 361(a), (b)(1); 357(a)).

(53) No gain or loss was recognized by FSub 1 upon the distribution of the Cash Consideration and the deemed distribution of the nominal share of FSub 3 stock to Sub 2 (section 361(c)).

(54) Sub 2 recognized no loss upon the exchange and deemed exchange of FSub 1 stock for the Cash Consideration and the nominal share of FSub 3 stock (sections 354(a)(1); 356(c)).

(55) The basis of the FSub 3 nominal share deemed received by Sub 2 was the same as Sub 2’s basis in the FSub 1 stock deemed surrendered in exchange therefore, decreased by the amount of the Cash Consideration (section 358(a)(1)).

(56) The holding period of the FSub 3 nominal share deemed received by Sub 2 in the FSub 3 Reorganization includes the holding period during which Sub 2 held the FSub 1 stock deemed surrendered in exchange therefor, provided that such FSub 1 stock was held by Sub 2 as a capital asset on the date of the FSub 3 Reorganization (section 1223(1)).

(57) No gain or loss was recognized by FSub 3 upon the receipt of FSub 1’s assets in exchange for the Cash Consideration, liability assumption, and the nominal share of FSub 3 stock (section 1032(a)).

(58) The basis of each asset received by FSub 3 in the FSub 3 Reorganization equaled the basis of that asset in the hands of FSub 1 immediately before the FSub 3 Reorganization (section 362(b)).

(59) The holding period of each asset received by FSub 3 in the FSub 3 Reorganization includes the holding period that FSub 1 had in that asset immediately before the FSub 3 Reorganization (section 1223(2)).

(60) FSub 3 succeeded to and took into account those attributes of FSub 1 described in section 381(c), subject to the conditions and limitations specified in

sections 367, 381, 382, 383, 384, 1248, and 1502, and the Treasury regulations thereunder, as applicable (section 381(a)(1) and § 1.381(a)-1).

(61) The FSub 3 Restructuring is a transaction to which § 1.367(b)-4 applies.

Contribution C and Distribution 6

Provided that (i) FSub 3's distribution of FSub 7 stock to Sub 14 in Distribution 6 was solely with respect to their ownership of FSub 3 stock, (ii) any money, property, or stock contributed by FSub 3 to FSub 7 in Contribution C was exchanged solely for stock or securities in FSub 7, and (iii) any other transfer of stock, money, or property between FSub 3, FSub 7 or Sub 14 and any person related to FSub 3, FSub 7, or Sub 14 is respected as a separate transaction, we rule as follows on Contribution C and Distribution 6:

(62) Contribution C together with Distribution 6 qualified as a "reorganization" within the meaning of section 368(a)(1)(D). Each of FSub 3 and FSub 7 was "a party to a reorganization" within the meaning of section 368(b) (§ 1.368-2(f)).

(63) No gain or loss was recognized by FSub 3 on Contribution C (sections 361(a) and 357(a)).

(64) No gain or loss was recognized by FSub 7 on Contribution C (section 1032(a)).

(65) The basis FSub 7 had in each asset received from FSub 3 in Contribution C was equal to the basis of that asset in the hands of FSub 3 immediately before Contribution C (section 362(b)).

(66) The holding period FSub 7 had in each asset received from FSub 3 in Contribution C includes the period during which FSub 3 held that asset (section 1223(2)).

(67) No gain or loss was recognized by FSub 3 on its distribution of FSub 7 stock in Distribution 6 (section 361(c)(1) and § 1.367(e)-1(c)).

(68) No gain or loss was recognized by (and no amount was included in the income of) Sub 14 upon receipt of FSub 7 stock in Distribution 6 (section 355(a)).

(69) The basis of the FSub 3 common stock and FSub 7 common stock in the hands of Sub 14 immediately after Distribution 6 was equal to the basis of the FSub 3 stock held by Sub 14 immediately before Distribution 6 (as adjusted under § 1.358-1) allocated between the stock of FSub 3 and FSub 7 in proportion to the fair market value of each in accordance with § 1.358-2 (sections 358(a), (b), and (c)).

(70) The holding period of the FSub 7 common stock received by Sub 14 in Distribution 6 includes the holding period of the FSub 3 stock with respect to which Distribution 6 is made, provided the FSub 3 stock was held by Sub 14 as a capital asset on the date of Distribution 6 (section 1223(1)).

(71) Earnings and profits, if any, were allocated between FSub 3 and FSub 7 in accordance with section 312(h) and § 1.312-10(a).

(72) FSub 3's transfer (or deemed transfer) of its assets in Contribution C is an exchange to which §§ 1.367(b)-1(c) and 1.367(b)-4(a) apply.

(73) No amount was included in income as a deemed dividend equal to the section 1248 amount under section 367(b) as a result of Contribution C (§§ 1.367(b)-1(b) and 1.367(b)-4(b)).

(74) Distribution 6 was a distribution to which §§ 1.367(b)-1(c), 1.367(b)-5(a), 1.367(b)-5(c), and 1.367(b)-5(f) apply.

Distribution 7

Provided that (i) Sub 14's distribution of FSub 7 stock to Sub 13 and Sub 3 in Distribution 7 was solely with respect to their ownership of Sub 14 stock and (ii) any other transfer of stock, money, or property between Sub 14, FSub 7, Sub 13 or Sub 3 and any person related to Sub 14, FSub 7, Sub 13 or Sub 3 is respected as a separate transaction, we rule as follows on Distribution 7:

(75) No gain or loss was recognized by (and no amount was included in the income of) Sub 13 and Sub 3 upon Distribution 7 (section 355(a)).

(76) No gain or loss was recognized by Sub 14 upon Distribution 7 (section 355(c)).

(77) Sub 13's basis in the FSub 7 stock immediately after Distribution 7 was the same as Sub 13's basis in the Sub 14 stock surrendered in Distribution 7 (section 358(a)(1)).

(78) The basis of the Sub 14 and FSub 7 stock in the hands of Sub 3 immediately after Distribution 7 was the same as Sub 3's basis in the Sub 14 stock held immediately before Distribution 7, allocated in the manner described in § 1.358-2(a)(2), in accordance with sections 358(a) through (c).

(79) The holding period of the FSub 7 stock received by Sub 13 in Distribution 7 includes the holding period of the Sub 14 stock surrendered in exchange therefor, provided such Sub 14 stock was held as a capital asset by Sub 13 on the date of Distribution 7 (section 1223(1)).

(80) The holding period of the FSub 7 stock received by Sub 3 in Distribution 7 includes the holding period of the Sub 14 stock with respect to which the distribution was made, provided such Sub 14 stock was held as a capital asset by Sub 3 on the date of Distribution 7 (section 1223(1)).

(81) The earnings and profits of Sub 14 and FSub 7 were adjusted in accordance with section 312(h) and § 1.312-10(b), as applicable.

(82) Distribution 7 was a distribution to which §§ 1.1248(f)-1 and -2 apply.

Distribution 8

Provided that (i) Sub 9's distribution of Sub 11 stock to Sub 5 in Distribution 8 was solely with respect to their ownership of Sub 9 stock and (ii) any other transfer of stock, money, or property between Sub 9, Sub 11 or Sub 5 and any person related to Sub 9, Sub 11, or Sub 5 is respected as a separate transaction, we rule as follows on Distribution 8:

(83) No gain or loss was recognized by (and no amount was included in the income of) Sub 5 upon Distribution 8 (section 355(a)).

(84) No gain or loss was recognized by Sub 9 upon Distribution 8 (section 355(c)).

(85) The basis of the Sub 9 and Sub 11 stock in the hands of Sub 5 immediately after Distribution 8 was the same as Sub 5's basis in the Sub 9 stock held immediately before Distribution 8, allocated in the manner described in § 1.358-2(a)(2), in accordance with sections 358(a) through (c).

(86) The holding period of the Sub 11 stock received by Sub 5 in Distribution 8 includes the holding period of the Sub 9 stock with respect to which the distribution was made, provided such Sub 9 stock was held as a capital asset by Sub 5 on the date of Distribution 8 (section 1223(1)).

(87) The earnings and profits of Sub 9 and Sub 11 were adjusted in accordance with section 312(h) and § 1.312-10(b).

Distribution 9

Provided that (i) Sub 9's distribution of Sub 12 stock to Sub 5 in Distribution 9 was solely with respect to their ownership of Sub 9 stock and (ii) any other transfer of stock, money, or property between Sub 9, Sub 12 or Sub 5 and any person related to Sub 9, Sub 12, or Sub 5 is respected as a separate transaction, we rule as follows on Distribution 9:

(88) No gain or loss was recognized by (and no amount was included in the income of) Sub 5 upon Distribution 9 (section 355(a)).

(89) No gain or loss was recognized by Sub 9 upon Distribution 9 (section 355(c)).

(90) The basis of the Sub 9 and Sub 12 stock in the hands of Sub 5 immediately after Distribution 9 was the same as Sub 5's basis in the Sub 9 stock held immediately before Distribution 9, allocated in the manner described in § 1.358-2(a)(2), in accordance with sections 358(a) through (c).

(91) The holding period of the Sub 12 stock received by Sub 5 in Distribution 9 includes the holding period of the Sub 9 stock with respect to which the distribution was made, provided such Sub 9 stock was held as a capital asset by Sub 5 on the date of Distribution 9 (section 1223(1)).

(92) The earnings and profits of Sub 9 and Sub 12 were adjusted in accordance with section 312(h) and § 1.312-10(b).

Distribution 10

Provided that (i) Sub 5's distribution of Sub 7 stock to Sub 4 in Distribution 10 was solely with respect to their ownership of Sub 5 stock and (ii) any other transfer of stock, money, or property between Sub 5, Sub 7 or Sub 4 and any person related to Sub 5, Sub 7, or Sub 4 is respected as a separate transaction, we rule as follows on Distribution 10:

(93) No gain or loss was recognized by (and no amount was included in the income of) Sub 4 upon Distribution 10 (section 355(a)).

(94) No gain or loss was recognized by Sub 5 upon Distribution 10 (section 355(c)).

(95) The basis of the Sub 5 and Sub 7 stock in the hands of Sub 4 immediately after Distribution 10 was the same as Sub 4's basis in the Sub 5 stock held immediately before Distribution 10, allocated in the manner described in § 1.358-2(a)(2), in accordance with sections 358(a) through (c).

(96) The holding period of the Sub 7 stock received by Sub 4 in Distribution 10 includes the holding period of the Sub 5 stock with respect to which the distribution was made, provided such Sub 5 stock was held as a capital asset by Sub 4 on the date of Distribution 10 (section 1223(1)).

(97) The earnings and profits of Sub 5 and Sub 7 were adjusted in accordance with section 312(h) and § 1.312-10(b).

Distribution 11

Provided that (i) Sub 5's distribution of Sub 8 stock to Sub 4 in Distribution 11 was solely with respect to their ownership of Sub 5 stock and (ii) any other transfer of stock, money, or property between Sub 5, Sub 8 or Sub 4 and any person related to Sub 5, Sub 8, or Sub 4 is respected as a separate transaction, we rule as follows on Distribution 11:

(98) No gain or loss was recognized by (and no amount was included in the income of) Sub 4 upon Distribution 11 (section 355(a)).

(99) No gain or loss was recognized by Sub 5 upon Distribution 11 (section 355(c)).

(100) The basis of the Sub 5 and Sub 8 stock in the hands of Sub 4 immediately after Distribution 11 was the same as Sub 4's basis in the Sub 5 stock held immediately before Distribution 11, allocated in the manner described in § 1.358-2(a)(2), in accordance with sections 358(a) through (c).

(101) The holding period of the Sub 8 stock received by Sub 4 in Distribution 11 includes the holding period of the Sub 5 stock with respect to which the distribution was made, provided such Sub 5 stock was held as a capital asset by Sub 4 on the date of Distribution 11 (section 1223(1)).

(102) The earnings and profits of Sub 5 and Sub 8 were adjusted in accordance with section 312(h) and § 1.312-10(b), as applicable.

Distribution 12

Provided that (i) Sub 5's distribution of Sub 9 stock to Sub 4 in Distribution 12 was solely with respect to their ownership of Sub 5 stock and (ii) any other transfer of stock, money, or property between Sub 5, Sub 9 or Sub 4 and any person related to Sub 5, Sub 9, or Sub 4 is respected as a separate transaction, we rule as follows on Distribution 12:

(103) No gain or loss was recognized by (and no amount was included in the income of) Sub 4 upon Distribution 12 (section 355(a)).

(104) No gain or loss was recognized by Sub 5 upon Distribution 12 (section 355(c)).

(105) The basis of the Sub 5 and Sub 9 stock in the hands of Sub 4 immediately after Distribution 12 was the same as Sub 4's basis in the Sub 5 stock held immediately before Distribution 12, allocated in the manner described in § 1.358-2(a)(2), in accordance with sections 358(a) through (c).

(106) The holding period of the Sub 9 stock received by Sub 4 in Distribution 12 includes the holding period of the Sub 5 stock with respect to which the distribution was made, provided such Sub 5 stock was held as a capital asset by Sub 4 on the date of Distribution 12 (section 1223(1)).

(107) The earnings and profits of Sub 5 and Sub 9 were adjusted in accordance with section 312(h) and § 1.312-10(b), as applicable.

Distribution 13

Provided that (i) Sub 4's distribution of Sub 7 stock to Sub 3 in Distribution 13 was solely with respect to their ownership of Sub 4 stock and (ii) any other transfer of stock, money, or property between Sub 4, Sub 7 or Sub 3 and any person related to Sub 4, Sub 7, or Sub 3 is respected as a separate transaction, we rule as follows on Distribution 13:

(108) No gain or loss was recognized by (and no amount was included in the income of) Sub 3 upon Distribution 13 (section 355(a)).

(109) No gain or loss was recognized by Sub 4 upon Distribution 13 (section 355(c)).

(110) The basis of the Sub 4 and Sub 7 stock in the hands of Sub 3 immediately after Distribution 13 was the same as Sub 3's basis in the Sub 4 stock held immediately before Distribution 13, allocated in the manner described in § 1.358-2(a)(2), in accordance with sections 358(a) through (c).

(111) The holding period of the Sub 7 stock received by Sub 3 in Distribution 13 includes the holding period of the Sub 4 stock with respect to which the distribution was made, provided such Sub 4 stock was held as a capital asset by Sub 3 on the date of Distribution 13 (section 1223(1)).

(112) The earnings and profits of Sub 4 and Sub 7 were adjusted in accordance with section 312(h) and § 1.312-10(b).

Distribution 14

Provided that (i) Sub 4's distribution of Sub 8 stock to Sub 3 in Distribution 14 was solely with respect to their ownership of Sub 4 stock and (ii) any other transfer of stock, money, or property between Sub 4, Sub 8 or Sub 3 and any person related to Sub 4, Sub 8, or Sub 3 is respected as a separate transaction, we rule as follows on Distribution 14:

(113) No gain or loss was recognized by (and no amount was included in the income of) Sub 3 upon Distribution 14 (section 355(a)).

(114) No gain or loss was recognized by Sub 4 upon Distribution 14 (section 355(c)).

(115) The basis of the Sub 4 and Sub 8 stock in the hands of Sub 3 immediately after Distribution 14 was the same as Sub 3's basis in the Sub 4 stock held immediately before Distribution 14, allocated in the manner described in § 1.358-2(a)(2), in accordance with sections 358(a) through (c).

(116) The holding period of the Sub 8 stock received by Sub 3 in Distribution 14 includes the holding period of the Sub 4 stock with respect to which the distribution was made, provided such Sub 4 stock was held as a capital asset by Sub 3 on the date of Distribution 14 (section 1223(1)).

(117) The earnings and profits of Sub 4 and Sub 8 were adjusted in accordance with section 312(h) and § 1.312-10(b).

Distribution 15

Provided that (i) Sub 4's distribution of Sub 9 stock to Sub 3 in Distribution 15 was solely with respect to their ownership of Sub 4 stock and (ii) any other transfer of stock, money, or property between Sub 4, Sub 9 or Sub 3 and any person related to Sub 4, Sub 9, or Sub 3 is respected as a separate transaction, we rule as follows on Distribution 15:

(118) No gain or loss was recognized by (and no amount was included in the income of) Sub 3 upon Distribution 15 (section 355(a)).

(119) No gain or loss was recognized by Sub 4 upon Distribution 15 (section 355(c)).

(120) The basis of the Sub 4 and Sub 9 stock in the hands of Sub 3 immediately after Distribution 15 was the same as Sub 3's basis in the Sub 4 stock held immediately before Distribution 15, allocated in the manner described in § 1.358-2(a)(2), in accordance with sections 358(a) through (c).

(121) The holding period of the Sub 9 stock received by Sub 3 in Distribution 15 includes the holding period of the Sub 4 stock with respect to which the distribution was made, provided such Sub 4 stock was held as a capital asset by Sub 3 on the date of Distribution 15 (section 1223(1)).

(122) The earnings and profits of Sub 4 and Sub 9 were adjusted in accordance with section 312(h) and § 1.312-10(b).

Sub 7 Restructuring

(123) For U.S. federal income tax purposes, Contribution D and the Sub 7 Conversion will be integrated and treated as the transfer by Sub 7 of all of its assets, subject to liabilities, to Sub 17 in exchange for stock of Sub 17, followed by the distribution by Sub 7 of the Sub 17 stock to its shareholders in liquidation, and will constitute a reorganization within the meaning of section 368(a)(1)(F).

(124) Sub 7 and Sub 17 were each “a party to the reorganization” within the meaning of section 368(b).

(125) Sub 7 did not recognize any gain or loss upon the transfer of all of its assets to Sub 17 in exchange for Sub 17 stock and the assumption of liabilities (sections 361(a) and 357(a)).

(126) Sub 17 did not recognize any gain or loss upon receipt of the Sub 7 assets in exchange for Sub 17 stock and the assumption of Sub 7’s liabilities (section 1032(a)).

(127) Sub 17’s basis in the assets acquired from Sub 7 in the Sub 7 Restructuring was the same as Sub 7’s basis in such assets immediately before the Sub 7 Restructuring (section 362(b)).

(128) Sub 17’s holding period for the assets acquired from Sub 7 in the Sub 7 Restructuring includes the period during which such assets were held by Sub 7 (section 1223(2)).

(129) No gain or loss was recognized by Sub 7 on the distribution of the shares of Sub 17 stock to Sub 3 (section 361(c)(1)).

(130) No gain or loss was recognized by Sub 3 upon the receipt of the stock of Sub 17 in exchange for the stock of Sub 7 in the Sub 7 Restructuring (section 354(a)(1)).

(131) The basis of the Sub 17 stock received by Sub 3 will be equal to the basis of the Sub 7 stock surrendered by Sub 3 in exchange therefor (section 358(a)(1)).

(132) The holding period for the Sub 17 stock in the hands of Sub 3 includes the period during which Sub 3 held the Sub 7 stock exchanged therefor, provided that the Sub 7 stock was held as a capital asset in the hands of Sub 3 on the date of the exchange (section 1223(1)).

(133) Sub 17 succeeded to and took into account the tax attributes of Sub 7 enumerated in section 381(c), subject to the conditions and limitations specified in sections 367, 381, 382, 383, 384 and 1502, and the Treasury regulations thereunder, as applicable (section 381(a)(1) and § 1.381(a)-1).

Provided that (i) Sub 3's distribution of Sub 17 stock to Parent in Distribution 16 was solely with respect to their ownership of Sub 3 stock, (ii) any money, property, or stock contributed by Sub 3 to Sub 17 in Contribution E was exchanged solely for stock or securities in Sub 17, and (iii) any other transfer of stock, money, or property between Sub 3, Sub 17 or Parent and any person related to Sub 3, Sub 17, or Parent is respected as a separate transaction, we rule as follows on Contribution E and Distribution 16:

(134) Contribution E together with Distribution 16 qualified as a "reorganization" within the meaning of section 368(a)(1)(D). Each of Sub 3 and Sub 17 was "a party to a reorganization" within the meaning of section 368(b) (§ 1.368-2(f)).

(135) No gain or loss was recognized by Sub 3 on Contribution E (sections 361(a) and 357(a)).

(136) No gain or loss was recognized by Sub 17 on Contribution E (section 1032(a)).

(137) The basis Sub 17 had in each asset received from Sub 3 in Contribution E was equal to the basis of that asset in the hands of Sub 3 immediately before Contribution E (section 362(b)).

(138) The holding period Sub 17 had in each asset received from Sub 3 in Contribution E includes the period during which Sub 3 held that asset (section 1223(2)).

(139) No gain or loss was recognized by Sub 3 on its distribution of Sub 17 stock in Distribution 16 (section 361(c)(1) and § 1.367(e)-1(c)).

(140) No gain or loss was recognized by (and no amount was included in the income of) Parent upon receipt of Sub 17 stock in Distribution 16 (section 355(a)).

(141) The basis of the Sub 3 common stock and Sub 17 common stock in the hands of Parent immediately after Distribution 16 was equal to the basis of the Sub 3 stock held by Parent immediately before Distribution 16 (as adjusted under § 1.358-1) allocated between the stock of Sub 3 and Sub 17 in proportion to the fair market value of each in accordance with § 1.358-2 (sections 358(a), (b), and (c)).

(142) The holding period of the Sub 17 common stock received by Parent in Distribution 16 includes the holding period of the Sub 3 stock with respect to which Distribution 16 is made, provided the Sub 3 stock was held by Parent as a capital asset on the date of Distribution 16 (section 1223(1)).

(143) Earnings and profits, if any, were allocated between Sub 3 and Sub 17 in accordance with section 312(h) and § 1.312-10(a).

(144) To the extent that the stock of any foreign corporation was transferred from Sub 3 to Sub 17 in Contribution E, the earnings and profits of the foreign corporation transferred, to the extent attributable to such stock under §§ 1.1248-2 or 1.1248-3 (whichever is applicable) which were accumulated in taxable years of such foreign corporation beginning after December 31, 1962, during the period Sub 3 held such stock (or was considered as holding such stock by application of section 1223) while such corporation was a controlled foreign corporation, within the meaning of section 957(a), will be attributable to such stock held by Sub 17 (§ 1.1248-1(a)).

External Contribution and External Distribution

Provided that (i) Parent's distribution of Sub 1 stock to Parent Stockholders in the External Distribution was solely with respect to their ownership of Parent stock, (ii) the money, property, or stock contributed by Parent to Sub 1 in the External Contribution is exchanged for stock in Sub 1, the Special Distribution and the Net Excess, if any, and (iii) any other transfer of stock, money, or property between Parent, Sub 1 or Parent Stockholders and any person related to Parent, Sub 1, or Parent Stockholders is respected as a separate transaction, we rule as follows on the External Contribution and the External Distribution:

(145) The External Contribution together with the External Distribution qualified as a "reorganization" within the meaning of section 368(a)(1)(D). Each of Parent and Sub 1 was "a party to a reorganization" within the meaning of section 368(b) (§ 1.368-2(f)).

(146) Provided that the Special Distribution and the Net Excess, if any, are used in the manner described above, no gain or loss was recognized by Parent on its receipt of Sub 1 stock and the Special Distribution and the Net Excess, if any, on the External Contribution (sections 357(a) and 361(a), (b)).

(147) No gain or loss was recognized by Sub 1 on the External Contribution (section 1032(a)).

(148) The basis Sub 1 had in each asset received from Parent in the External Contribution was equal to the basis of that asset in the hands of Parent immediately before the External Contribution (section 362(b)).

(149) The holding period Sub 1 had in each asset received from Parent in the External Contribution includes the period during which Parent held that asset (section 1223(2)).

(150) No gain or loss was recognized by Parent on its distribution of Sub 1 stock to the Parent Stockholders in the External Distribution (section 361(c)(1) and § 1.367(e)-1(c)).

(151) No gain or loss was recognized by (and no amount was included in the income of) Parent Stockholders upon receipt of Sub 1 stock in the External Distribution (section 355(a)).

(152) The basis of the Parent common stock and Sub 1 common stock in the hands of Parent Stockholders immediately after the External Distribution was equal to the basis of the Parent stock held by Parent Stockholders immediately before the External Distribution (as adjusted under § 1.358-1) allocated between the stock of Parent and Sub 1 in proportion to the fair market value of each in accordance with § 1.358-2 (sections 358(a), (b), and (c)).

(153) The holding period of the Sub 1 common stock received by Parent Stockholders in the External Distribution includes the holding period of the Parent stock with respect to which the External Distribution is made, provided the Parent stock was held by Parent Stockholders as a capital asset on the date of the External Distribution (section 1223(1)).

(154) Earnings and profits, if any, were allocated between Parent and Sub 1 in accordance with section 312(h) and §§ 1.312-10(a) and 1.1502-33(e)(3).

(155) Parent Stockholders who receive cash in lieu of fractional shares of Sub 1 common stock will recognize gain or loss measured by the difference between the basis of the fractional share received and the amount of cash received (section 1001). If the fractional share qualifies as a capital asset in the hands of the Parent Stockholder, then gain or loss will be a capital gain or loss subject to the provisions of Subchapter P of Chapter 1 of the Code.

(156) To the extent that the stock of any foreign corporation was transferred from Parent to Sub 1 in the External Contribution, the earnings and profits of the foreign corporation transferred, to the extent attributable to such stock under §§ 1.1248-2 or 1.1248-3 (whichever is applicable) which were accumulated in taxable years of such foreign corporation beginning after December 31, 1962, during the period Parent held such stock (or was considered as holding such stock by application of section 1223) while such corporation was a controlled foreign corporation, within the meaning of section 957(a), is attributable to such stock held by Sub 1 (§ 1.1248-1(a)).

(157) Any payments between Parent and its subsidiaries and Sub 1 and its subsidiaries that were or are made following the External Distribution pursuant to the Contingent Liability Arrangements regarding obligations that (i) have arisen or will arise for a taxable period ending on or before the External Distribution or for a taxable period beginning before but ending after the External Distribution and (ii) that were not fixed and ascertainable until after the External Distribution, will be treated as occurring immediately before the External Distribution. (Cf. *Arrowsmith v. Commissioner*, 344 U.S. 6 (1952); Rev. Rul. 83-73, 1983-1 C.B. 84).

- (158) Sub 1 is not a successor to Parent for purposes of section 1504(a)(3).

CAVEATS

Except as expressly provided herein, no opinion is expressed or implied concerning the tax treatment or consequences of any aspect of any transaction or item discussed or referenced in this letter. We express no opinion about the tax treatment of the Proposed Transactions under other provisions of the Code and regulations (including the international provisions) or the tax treatment of any conditions existing at the time of, or effect resulting from, the Proposed Transactions that is not specifically covered by the above rulings. In particular, we express no opinion regarding:

- (i) Whether any of the Distributions satisfy the business purpose requirement of § 1.355-2(b);
- (ii) Whether any of the Distributions were being used principally as a device for the distribution of the earnings and profits of a distributing corporation or a controlled corporation or both, as applicable (see section 355(a)(1)(B) and § 1.355-2(d));
- (iii) Whether any of the Distributions were or are part of a plan (or series of related transactions) under section 355(e)(2)(A)(ii) and § 1.355-7;
- (iv) The federal income tax treatment of the elimination of intercompany debts through repayment, distribution, assumption, or set-off, except as otherwise expressly provided;
- (v) The federal tax classification under §§ 301.7701, *et seq.*, of any of the entities involved in the Proposed Transactions, or the validity of any entity classification election made with respect to any of the entities;
- (vi) The tax consequences of the Proposed Transactions to the Restricted Stockholders or as a result of the Restricted Stockholders ownership of Restricted Stock of Parent or Sub 1;
- (vii) The application of sections 367 or 1248, or subpart F of the Code to the Proposed Transactions, other than as expressly provided above.
- (viii) The federal income tax treatment or consequences of the Other Transactions or any step of the Proposed Transactions not addressed in the Rulings portion of this letter.

PROCEDURAL MATTERS

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

A copy of this ruling 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 returns 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,

Kevin M. Jacobs

Kevin M. Jacobs
Senior Technician Reviewer, Branch 4
Office of Associate Chief Counsel
(Corporate)