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Dear :

This letter responds to your authorized representatives' August 3, 2018 letter requesting a ruling on certain Federal income tax consequences of a series of proposed transactions (collectively, the "Proposed Transactions"). Additional information was submitted in a letter dated September 20, 2018. The information provided in these submissions is summarized below.

The rulings contained in this letter is based on facts and representations submitted by the taxpayer and accompanied by a penalty of perjury statement executed by an appropriate party. This office has not verified any of the materials submitted in support of the request for ruling. Verification of the information, representations, and other data may be required on examination.

This letter is issued pursuant to Section 6.03 of Rev. Proc. 2018-1, 2018-1 I.R.B. 1, regarding one significant issue under Section 332, 351, 355, 368 or 1036 of the Internal Revenue Code of 1986, as amended (the "Code"). The ruling contained in this letter only addresses one significant issue involved in the transaction. This Office expresses no opinion as to the overall tax consequences of the transactions described in this letter or as to any issue not specifically addressed by the ruling below.

Summary of the Facts

Distributing is a publicly traded State A corporation and the common parent of a worldwide group of affiliated entities (the "Distributing Worldwide Group"), including an affiliated group of corporations that join in the filing of a consolidated U.S. Federal income tax return. The Distributing Worldwide Group is engaged in multiple businesses worldwide, including the businesses in Segment A (the "Separated Businesses").

Controlled is a State B corporation that was formed on Date 1 for the sole purpose of facilitating the Proposed Transactions.

Acquiring is a publicly traded State B corporation and the common parent of a worldwide group of affiliated entities (the "Acquiring Worldwide Group"), including an affiliated group of corporations that join in the filing of a consolidated U.S. federal income tax return. The Acquiring Worldwide Group is engaged in multiple businesses worldwide, including businesses complementary to the Separated Businesses.

For non-tax business reasons, Distributing, Controlled, and Acquiring are entering into the Proposed Transactions to (i) separate the Separated Businesses from the other businesses conducted by the Distributing Worldwide Group and (ii) combine the Separated Businesses with the businesses conducted by the Acquiring Worldwide

Group.

Proposed Transactions

(i) Following a series of internal restructuring transactions, members of the Distributing Worldwide Group will sell to members of the Acquiring Worldwide Group certain assets associated with the Separated Businesses (the “Direct Sale Assets”) in exchange for cash and the assumption by the purchasing members of the Acquiring Worldwide Group of certain liabilities associated with the Separated Businesses (the “Direct Sale Liabilities”). This transaction is the “Direct Sale.”

(ii) Pursuant to a plan of reorganization, Distributing will contribute certain of the assets and liabilities related to the Separated Businesses, other than Direct Sale Assets, Direct Sale Liabilities and certain excluded assets and liabilities, to Controlled (the “Controlled Transfer”). Members of the Distributing Worldwide Group will sell other assets related to the Separated Businesses directly to Controlled or its subsidiaries.

(iii) Pursuant to a plan of reorganization, Distributing will distribute at least a percent (more than 80 percent) of the outstanding shares of Controlled common stock to Distributing’s shareholders in a pro rata spin-off, a non-pro rata exchange offer (in which Distributing shareholders may surrender their Distributing stock in exchange for Controlled stock) or a combination of the foregoing (the “Distribution”). In furtherance of the Retention Business Purposes described below, Distributing will retain any shares of Controlled common stock (the “Retained Controlled Shares”) not distributed in the Distribution (the “Retention”).

The Controlled Transfer and the Distribution, taken together, are intended to qualify as a “reorganization” within the meaning of Section 368(a)(1)(D) of the Code. The Distribution is also intended to qualify as a distribution described in Section 355(a) of the Code to which Section 355(e) of the Code applies and a “qualified stock disposition” within the meaning of Treasury Regulation § 1.336-1(b)(6) by reason of the application of Treasury Regulation § 1.336-1(b)(5)(ii). Distributing will make, and will cause Controlled and each of its affiliated, domestic corporate subsidiaries to make, an election under Section 336(e) of the Code with respect to the Distribution.

(iv) Merger Sub, a wholly owned subsidiary of Acquiring, will merge with and into Controlled, with Controlled surviving (the “Merger”). Shares of Controlled common stock will be converted into shares of Acquiring common stock in the Merger, including the Retained Controlled Shares held by Distributing (as converted, the “Retained Acquiring Shares”).

Immediately after the Merger and subject to Distributing’s obligation to sell Retained Acquiring Shares as described below, Distributing and its shareholders will hold, collectively, approximately b percent of the vote and value of the common stock of

Acquiring, and Acquiring shareholders will hold approximately c percent of the vote and value of the common stock of Acquiring.

(v) Contractual arrangements between Distributing and Acquiring will require Distributing to sell (i) within x years of the Distribution, a number of Retained Acquiring Shares intended to result in the application of Section 355(e) to the Distribution and (ii) within y years of the Distribution, all Retained Acquiring Shares. Pending such sales, Distributing will be required to vote the Retained Acquiring Shares in the same proportion as the votes cast of all shares of Acquiring common stock not owned or controlled by Distributing. Contractual arrangements between Distributing and Acquiring will require Acquiring to appoint z individuals designated by Distributing to the Acquiring board of directors at the effective time of the Distribution. After the Distribution, Distributing will have no rights to appoint directors of Controlled or Acquiring.

Retention Business Purposes

Distributing's retention of the Retained Controlled Shares is integral to its near-term strategy of raising cash to reduce its liabilities and strengthen its overall balance sheet. In particular, sales of the Retained Acquiring Shares will generate cash proceeds, which are expected to be used to (i) service or retire existing Distributing obligations, (ii) fund working capital and regulatory capital requirements and/or (iii) reduce Distributing's future borrowing needs (the "Retention Business Purposes").

Representations

Distributing makes the following representations in connection with the Retention:

(a) Distributing's plan to retain the Retained Controlled Shares is motivated by the Retention Business Purposes. Consistent with Distributing's publicly stated goals, the use of proceeds from the disposition of the Retained Acquiring Shares is integral to Distributing's near-term strategy to reduce its leverage and strengthen its overall balance sheet

(b) None of Distributing's directors or officers will serve as a director or officer of Controlled as long as Distributing retains the Retained Acquiring Shares.

(c) The Retained Acquiring Shares will be disposed of as soon as a disposition is warranted consistent with the Retention Business Purposes, but in any event not later than y years after the Distribution.

(d) Distributing will vote the Retained Acquiring Shares in proportion to the votes cast by Acquiring's other shareholders.

(e) In no event will the Retention prevent Distributing from distributing an amount of Controlled stock that represents "control" under section 368(c).

Ruling

Based solely on the information submitted, we rule that the retention by Distributing of the Retained Controlled Shares will not be in pursuance of a plan having as one of its principal purposes the avoidance of federal income tax within the meaning of section 355(a)(1)(D)(ii) of the Code and Treasury Regulation § 1.355-2(e).

Caveats

We express no opinion otherwise about the tax treatment of the Proposed Transactions under any authority of the tax law, including any provision of the Code and regulations, or the tax treatment of any conditions existing at the time of, or effects resulting from, the Proposed Transactions that are not specifically covered by the above ruling.

Procedural Statements

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

A copy of this letter must be attached to any income tax return to which it is relevant. Alternatively, a taxpayer filing its return electronically may satisfy this requirement by attaching a statement to the return that provides the date and control number of the letter ruling.

In accordance with the power of attorney on file with this office, copies of this letter have been sent to two of your authorized representatives.

Sincerely,

Mark S. Jennings
Senior Technician Reviewer, Branch 1
Office of Associate Chief Counsel
(Corporate)

cc: