

Internal Revenue Service

Department of the Treasury

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Washington, DC 20224

Person to Contact:

Telephone Number:

Refer Reply To:

CC:CORP:4 PLR-126187-02

Date:

May 20, 2002

Dear

This responds to your May 7, 2002 request that we supplement our letter ruling dated April 10, 2001 (PLR-130376-00) (the "Prior Letter Ruling"). Capitalized terms not defined in this ruling have the meanings originally assigned them in the Prior Letter Ruling.

The Prior Letter Ruling addresses certain federal income tax consequences of the distribution of stock of a controlled corporation (the "Distribution") and related transactions. The Distribution was undertaken in part to improve Controlled's ability to use its stock to acquire assets or cash or for other corporate purposes. The Prior Letter Ruling contains a statement provided by Distributing that within one year following the Distribution, Controlled intends to issue, subject to market conditions and business conditions, at least \$ _____ to \$ _____ of equity for cash or other assets, and, within _____ years following the Distribution, and counting for this purpose any issuances of equity within the first year following the Distribution, Controlled intends to issue at least \$ _____ to \$ _____ of equity for cash or other assets.

Due to circumstances not anticipated at the time of the Distribution, Distributing has amended the above statement to read as follows: Controlled represents that within _____ years following the Distribution, Controlled intends to issue, subject to market and business conditions, at least _____ to \$ _____ of equity for cash or other assets, and, within _____ years following the Distribution, and counting for this purpose any issuances of equity within the first _____ years following the Distribution, Controlled intends to issue at least \$ _____ to \$ _____ of equity for cash or other assets.

Based on the information and representations submitted with the original and supplemental requests, we reaffirm the rulings and caveats set forth in the Prior Letter Ruling.

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

Each taxpayer involved in the transaction should attach a copy of this supplemental letter to the taxpayer's federal income tax return, as appropriate, for the

taxable year in which the transaction is consummated. Pursuant to a power of attorney on file in this office, a copy of this letter is being sent to your authorized representative.

Sincerely,

Lewis K Brickates
Acting Branch Chief, Branch 4
Office of Associate Chief Counsel
(Corporate)

cc: