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Legend

S1 =

S2 =

S3 =

S4 =

S5 =

LLC 1 =

LLC2 =

LLC3 =

F1 =

F2 =

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F59 =

Acquiror =

Bank =

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Company Y =

Company Z =

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Business B =

Country A =

Country B =

Country C =

Country D =

Country E =

Country F =

JV Co 1 =

JV Co 2 =

JV Co 3 =

Newco 1 =

Newco 2 =

Newco 3 =

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Newco 5 =

Newco 6 =

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Dear :

This letter responds to a September 8, 2006 letter requesting rulings as to the federal income tax consequences of a series of proposed transactions. The information submitted in that request and in later correspondence is summarized below.

The rulings contained in this letter are based on facts and representations submitted by the taxpayer and accompanied by a penalty of perjury statement executed by an appropriate party. Although this office has not verified any of the material submitted in support of the requested ruling, it is subject to verification on examination.

FACTS

Parent is a publicly traded corporation with a single class of common stock. Parent, operating directly and through its direct and indirect subsidiaries, operates several businesses including Business A.

Parent is the common parent of an affiliated group of corporations that file a consolidated federal income tax return and has numerous corporate and non-corporate, direct and indirect subsidiaries ("Parent Affiliates").

Parent directly wholly owns S1, S2, S3, and S4, all domestic corporations, and LLC1, a disregarded entity. Parent indirectly wholly owns F1, a controlled foreign corporation within the meaning of Section 957 (a "CFC"), S5, a domestic corporation, F2, a disregarded entity, F3, a foreign corporation, F4, a foreign disregarded entity, and F5, a foreign corporation.

Parent also owns a% of LLC 2, a partnership. S2 owns b% of LLC2, and S3 owns the remaining c% of LLC2. Each of Parent, S1, S2, S3, S4, and LLC2 is engaged in and holds assets associated with Business A.

F1 wholly owns F6, F6 wholly owns F7, and F7 wholly owns F8. F7 also owns d% of F9. F8 owns the remaining e% of F9. Each of F6, F7, F8, and F9 is a foreign disregarded entity.

F9 owns f% of each of JV Co 1 and F10, the general partner (under Country A law) of JV Co 1. JV Co 1 and F10 are engaged in Business A, though the value of the assets of F10 is less than 1% of the value of the assets of JV Co 1. The remaining g% of each of F10 and JV Co 1, is owned by Company X, which is not affiliated with or related to Parent. Each of F10, JV Co 1, and Company X is a foreign corporation.

JV Co 1 wholly owns F11, a foreign disregarded entity. F11 wholly owns F12, a foreign disregarded entity, F13, a foreign corporation, F14, a foreign branch, and F15, a foreign disregarded entity. F11 owns approximately h% of F16, a foreign corporation. The remaining i% of F16 is owned by F21, described below. F15 wholly owns F17, a foreign disregarded entity. F11 and its direct and indirect subsidiaries described above are engaged in and hold assets associated with Business A.

F9 also owns j% of F18, a foreign corporation, and F19, a foreign corporation and the general partner (under Country A law) of F18. Company X owns k% of each of F18 and F19. LLC 1 owns l% of F18 and F19. F18 wholly owns F20, a foreign corporation, which in turn wholly owns F21, a foreign disregarded entity. F21, as described above, owns i% of F16. F21 is engaged in and holds assets associated with Business A.

F7 owns m% of F22, a foreign disregarded entity. The remaining n% of F22 is held by F23, a foreign disregarded entity of F1. F22 wholly owns F24 and F25, each a foreign disregarded entity.

F9 also wholly owns F26 and F27, each a foreign disregarded entity. In addition, F9 owns k% of F28, a foreign partnership, o% of F29, a foreign corporation, p% of F30, a foreign disregarded entity, and q% of F31, a foreign disregarded entity. The

remaining interests in F28 are owned by a person not affiliated with or related to Parent. The remaining interests in F29 are owned by Parent Affiliates. The remaining interests in F30 and F31 are owned by other disregarded entities wholly owned by F1. None of F26 through F31 is engaged in Business A.

S5 wholly owns LLC3, a domestic disregarded entity, and F32, a foreign disregarded entity. LLC3 owns the preferred stock of F32. F32 wholly owns F33, a foreign disregarded entity and owns r% of F34, a foreign corporation. F33 owns the other s% of F34. F34 wholly owns F35, a foreign disregarded entity, and owns t% of F36, a foreign corporation. F35 owns the other u% of F36. F36 owns v% of the interests in F37, a foreign corporation. F35 owns the other w% of F37.

F34 also wholly owns F38 and r% of F39, each a foreign disregarded entity. The remaining s% of the stock of F39 is owned by F38. F39 is engaged in and holds assets associated with Business A.

F37 owns x% of each of JV Co 2, a foreign corporation, and JV Co 3, a foreign corporation. Company Y, a foreign corporation not affiliated with or related to Parent owns the remaining y% of JV Co 2. Company Z, a foreign corporation and wholly-owned subsidiary of Company Y, owns the remaining y% of JV Co 3.

JV Co 2 owns all of the common stock of F40, a foreign corporation. JV Co 3 wholly owns F41, F42, F43, and F44, each a foreign corporation. JV Co 3 also owns x% of F45, a foreign corporation. The remaining y% of F45 is owned by an unrelated party. F43 owns F46, a foreign corporation. JV Co 2, JV Co 3 and each of F40 through F46 is engaged in and holds assets related to Business A.

F2 wholly owns F47, a foreign corporation. F2 also owns x% of the interests in each of F48, F49, F50, and F51, each a foreign corporation. The other y% of each of the foregoing is owned by Company Z. Each of F47, F48, F49, F50 and F51 is engaged in and holds assets associated with Business A.

F3 wholly owns F52, a foreign corporation that is engaged in and holds assets associated with Business A.

F4 wholly owns F53 and owns z% of F54, each a foreign disregarded entity. The remaining aa% of F54 is owned by F53. F54 owns z% of F55, bb% of F56, each a foreign disregarded entity, and cc% of F57, a foreign corporation. The remaining aa% of F55 is owned by F4, the remaining dd% of F56 is owned by F55, and the remaining ee% of F57 is owned by F56. F57 is engaged in and holds assets associated with Business A.

F5 owns ff% of F58, a foreign disregarded entity. The remaining gg% of F58 is owned by F59 a foreign disregarded entity of F5. F58 is engaged in and holds assets associated with Business A.

Miscellaneous assets associated with Business A are also held by affiliates of Parent in Country A, Country B, Country C, Country D, and Country E.

Acquiror is a domestic limited partnership in Business B that neither is, nor will become in the Proposed Transaction (as defined below), related to Parent for purposes of Section 267, or, to the best of the knowledge of Parent, to any of Company X, Company Y, or Company Z.

Parent wishes to transfer, and to cause Parent Affiliates to transfer, the assets and operations associated with Business A to entities owned or controlled by Acquiror. Although an actual asset sale would be impractical, Parent and Acquiror wish most of such assets and operations, including those of JV Co 1, JV Co 2 and JV Co 3, to be transferred in transactions that are treated as taxable asset sales for federal income tax purposes.

Proposed Transaction

To achieve these business objectives, Parent has proposed and partially completed the following steps (the "Proposed Transaction"):

(1) Parent contributed its a% interest in LLC2 to S3. Parent caused S2 to merge with and into S3.

(2) F9 will purchase for cash Company X's g% interest in each of JV Co 1 and F10 and Company X's k% interest in F18 and F19 (the "Company X Purchase"). The Company X Purchase shall be contingent on the consummation of the Sale (defined below), and the amount paid by F9 in the Company X Purchase will likely be determined, in part, by reference to the amount that Parent and Parent Affiliates receive from the Acquiror and affiliates in the Sale.

(3) F9 will sell to F7 (or another Parent Affiliate) all of the interests in F26, F27, F28, F29, F30, and F31, its hh% interest in each of F18 and F19, and certain other assets, including a business it has operated directly.

(4) After the Company X Purchase and the dispositions by F9 described above, F7 will contribute all of the interests in F9 to a newly-formed Country A corporation ("Newco 1") in exchange for the equity of Newco 1 ("Contribution 1"). F7 or another Parent Affiliate that is a disregarded entity having the same owner for federal tax purposes as F7 will assume the liabilities of F9 in connection with Contribution 1 pursuant to an assumption agreement (the "Assumption Agreement").

(5) Within 75 days after Contribution 1, an election of disregarded entity status will be made under Treas. Reg. § 301.7701-3 (a "Disregarded Entity Election") with respect to JV Co 1, effective after Contribution 1.

(6) After the Company X Purchase, either before or after Contribution 1 and the Disregarded Entity Election with respect to JV Co 1, JV Co 1 will declare a cash distribution to F9 (the "JV Co 1 Distribution").

(7) A Disregarded Entity Election will be made with respect to F13 before the Sale (the "F13 Election") and an election under Treas. Reg. § 301.7701-3 will be filed to treat F16 as a partnership (the "F16 Election").

(8) F37 will purchase for cash Company Y's y% interest in JV Co 2. F37 will also purchase for cash Company Z's y% interest in JV Co 3. F2 will become the 100% indirect owner of F48, F49, F50 and F51 through the following steps. First, F2 will form Newco 4, a Country E disregarded entity, and Company Z will form Newco 5, a Country E corporation. F2 will then contribute its interest in F48, F49, F50 and F51 to Newco 4, and Company Z will contribute its interest in F48 and F49 to Newco 5. Following those contributions, Newco 4 will purchase from Company Z its y% interest in each of F50 and F51, and all of Newco 5. A Disregarded Entity Election will be made with respect to each of Newco 5, F48, F49, F50 and F51. The acquisitions of interests by Parent Affiliates from Company Y and affiliates of Company Y described above (collectively, the "Company Y Purchase") shall be contingent on the consummation of the Sale, and the amount of consideration paid in the Company Y Purchase is expected to be linked to the amount of proceeds received in the Sale.

(9) After the Company Y Purchase, but before Contribution 2 (defined below), JV Co 2 will declare a cash distribution to F37 (the "JV Co 2 Distribution" and, together with the JV Co 1 Distribution, the "Distributions").

(10) F37 will contribute the interests in JV Co 2 to a newly-formed Country D corporation ("Newco 2") in exchange for all of the stock of Newco 2 ("Contribution 2").

(11) F37 will also contribute the interests in JV Co 3 to a newly-formed Country E corporation ("Newco 3") in exchange for all of the stock of Newco 3 ("Contribution 3").

(12) JV Co 2 will undergo a change in form of organization under the laws of Country D (the "Conversion") to make possible a Disregarded Entity Election.

(13) Within 75 days after the Conversion, a Disregarded Entity Election will be made with respect to JV Co 2, effective as of the date of the Conversion, which will in any case not be earlier than the day after Contribution 2.

(14) A Disregarded Entity Election, effective the day after Contribution 3, will be made with respect to JV Co 3.

(15) Disregarded Entity Elections effective the day that is two days after the Disregarded Entity Election with respect to JV Co 3 will be made with respect to F41, F42, F43, F44, and F46 (such entities, together with F16 and F13, the "Electing Entities," and such Disregarded Entity Elections, together with the F16 Election and the F13 Election, the "Liquidating Elections"). The Disregarded Entity Elections described above are expected to specify that the elections with respect to lower-tier entities will be effective prior to those with respect to higher-tier entities.

(16) At the same time, an election under Treas. Reg. § 301.7701-3 will be filed to treat F45 as a partnership (the "F45 Election"). Parent is requesting no ruling with respect to the tax consequences of the F45 Election.

(17) Prior to the Sale, F52 will dispose of certain tangible assets not related to Business A in a transfer to a direct or indirect shareholder and Parent Affiliate.

(18) Prior to the Sale, F2 will form Newco 6, a Country E disregarded entity, and contribute to it all of the shares of F47.

(19) All of the interests in F9, JV Co 2 and JV Co 3 will be transferred by Newco 1, Newco 2, and Newco 3, respectively, to entities formed by Acquiror for the Proposed Transaction (each, a "Purchaser"), in exchange for cash. A Purchaser or Purchasers will acquire for cash (i) from F20, all of the interests in F21, (ii) from F2, all of the interests in Newco 4 and Newco 6, (iii) from F7 and F23 their interests in F22, (iv) from F54 and F56, their interests in F57, (v) from F3, all of the interests in F52, (vi) from Parent, all of the interests in S1, and (vii) from F39, F58, Parent and the Parent Affiliates holding miscellaneous assets related to Business A in the Country B, Country C, Country D, Country E, and Country F, their respective assets that are associated with Business A (all such transfers to Purchasers for cash, together with the Mergers (defined below), the "Sale").

(20) An affiliate of Acquiror ("Issuer") will acquire the operations of S3, S4 and LLC2 through the mergers of S3 and S4 with and into a wholly-owned corporate subsidiary of Issuer (such subsidiary "Merger Sub" and such mergers, the "Mergers"). In the Mergers, Parent will become entitled to receive cash, plus voting common stock, nonvoting preferred stock, warrants and debt of Issuer. Parent believes that the portion of the consideration paid in the Mergers consisting of stock will constitute less than ii% of the total consideration paid in the Mergers.

(21) After the Sale, Parent will own approximately ii% of the stock of the Issuer, with warrants to acquire approximately jj% more.

(22) On the date of the Sale, Bank will receive from the Issuer at Parent's direction, in consideration for the provision of its investment banking services and pursuant to a binding agreement between Parent and Bank that shall have been entered into prior to any of the transfers comprising the Sale, the preferred stock to which Parent shall have become entitled by virtue of the Mergers. Such stock shall represent 100% of such Issuer's sole class of preferred stock ("Issuer Preferred"). Issuer Preferred will be nonvoting stock redeemable after five years, with a cumulative dividend and no creditor's rights. The aggregate face amount of the Issuer Preferred will be $kk, which is expected to be approximately equal its fair market value. Bank will transfer no property to Issuer in connection with the Proposed Transaction, except that Bank may lend funds to Issuer in connection with the Sale.

Representations

Parent makes the following representations regarding each reorganization pursuant to § 368(a)(1)(F) ("Intended F Reorganization"). For purposes of the preceding sentence and the following representations, "Contribution" refers to each of Contribution 1, Contribution 2 and Contribution 3, "JV Co" refers to each of JV Co 1, JV Co 2 and JV Co 3, "Newco" refers to each of Newco 1, Newco 2 and Newco 3, and "Intended F Reorganization" refers to a Contribution and the Disregarded Entity Election made with respect to the contributed JV Co (and in the case of JV Co 2, also the Conversion).

(1) The fair market value of the Newco stock and other consideration received by each JV Co shareholder that transfers stock in a JV Co to a Newco will be approximately equal to the fair market value of the JV Co stock surrendered in the Contribution.

(2) Immediately following the consummation of each Contribution and Disregarded Entity Election, the former shareholder(s) of the contributed JV Co will own all of the outstanding corresponding Newco stock and will own such stock solely by reason of their ownership of JV Co stock immediately prior to the transaction (disregarding, for purposes of this representation, (i) stock of any Newco owned by reason of the contribution of nominal assets (minimum capital requirements under local law) contributed in connection with the formation of any Newco ("Capital"), and (ii) in the case of Newco 1, the stock of Newco 1 owned by reason of the deemed contribution of F10 (through the contribution of F9).

(3) Immediately following each Contribution and Disregarded Entity Election, each Newco will possess the same assets and liabilities as those possessed by the corresponding JV Co immediately prior to such Contribution and Disregarded Entity Election. Other than the Distributions, no assets are planned to be distributed before the Contributions and Disregarded Entity Elections. In connection with the representation set forth in this paragraph, Parent notes (i) that each Newco will also

own Capital, (ii) Newco 1 will also own the stock of F10 owned by F9, and (iii) although it is believed that as a matter of law F9 has no liabilities, any such liabilities that nevertheless do exist are the subject of the Assumption Agreement.

(4) At the time of the transaction, no JV Co will have outstanding any warrants, options, convertible securities, or any other type of right pursuant to which any person could acquire stock in any such JV Co.

(5) At the time of the transaction, no Newco will have any plan or intention to reacquire any of its stock issued in the transaction.

(6) The liabilities of each JV Co deemed assumed by a Newco plus the liabilities, if any, to which the transferred assets are subject were incurred by the JV Co in the ordinary course of its business and are associated with the assets transferred.

(7) Neither F9 nor any JV Co is under the jurisdiction of a court in a title 11 or similar case within the meaning of Section 368(a)(3)(A).

(8) Each JV Co, each Newco, and each shareholder of each JV Co will pay its own expenses, if any, incurred in connection with the Contributions, the Conversion and the Disregarded Entity Elections.

(9) None of the parties to the transaction are investment companies as defined in Section 368(a)(2)(F)(iii) and (iv).

(10) No JV Co is a passive foreign investment company as defined in Section 1297.

(11) Each JV Co will be a CFC immediately before the Contributions and the Disregarded Entity Elections and each Newco will be a CFC immediately after the Contributions and the Disregarded Entity Elections.

(12) Each person that is a Section 1248 shareholder of a JV Co before the Contributions and the Disregarded Entity Elections will be a Section 1248 shareholder of the applicable Newco, the acquiring foreign corporation, after the Contributions and the Disregarded Entity Elections.

(13) The notice requirements of the Treas. Reg. § 1.367(b)-1(c)(1) will be met with respect to the transaction resulting from the Contributions, the Conversion and the Disregarded Entity Elections.

(14) Each JV Party will comply with Treas. Reg. § 1.367(b)-4(d) rules for subsequent exchanges when and where applicable.

The following representations are made by Parent in connection with the Liquidating Elections. For purposes of such representations, the “Liquidation Parent” of

an Electing Entity is the corporation that, for federal tax purposes, wholly owns (or, in the case of F16, owns h% of) such Electing Entity at the time of the election as set forth herein.

(15) On the effective date of each Liquidating Election, the applicable Liquidation Parent will own at least 80% of the single outstanding class of stock of the applicable Electing Entity.

(16) No shares of any Electing Entity will have been redeemed during the three-year period ending with the effective date of each Liquidating Election.

(17) All distributions from each Electing Entity pursuant to a Liquidating Election will be made within a single taxable year of such Electing Entity.

(18) For U.S. federal tax purposes, no Electing Entity will retain any assets following its deemed liquidation pursuant to each Liquidating Election.

(19) No Electing Entity will have acquired assets in any nontaxable transaction at any time except for acquisitions occurring more than three years prior to its Liquidating Election.

(20) Other than pursuant to the Liquidating Elections, no assets of any Electing Entity have been or will be disposed of by any Electing Entity or by any Liquidation Parent, except for dispositions in the ordinary course of business, dispositions occurring more than three years prior to its Liquidating Election and the Sale.

(21) No deemed liquidation of any Electing Entity will be preceded or followed by the transfer of all or a part of the business assets to another corporation (i) that is the alter ego of such Electing Entity and (ii) which, directly or indirectly, is owned more than 20% in value by persons holding directly or indirectly more than 20% of the value of such Electing Entity's stock. For purposes of this representation, ownership will be determined by applying the constructive ownership rules of Section 318(a), as modified by Section 304(c)(3).

(22) Prior to the effective date of each Liquidating Election, no assets of the applicable Electing Entity will have been distributed in kind, transferred, or sold to the applicable Liquidation Parent, except for (i) transactions occurring in the normal course of business and (ii) transactions occurring more than three years prior to its Liquidating Election.

(23) Each Electing Entity will report all earned income represented by assets that will be distributed to its shareholder, such as receivables being reported on a cash basis, unfinished construction contracts, commissions due, etc.

(24) The fair market value of each Electing Entity's assets will exceed its liabilities on the effective date of its Liquidating Election.

(25) There is no intercorporate debt existing between any Electing Entity and its Liquidation Parent and none has been canceled, forgiven, or discounted, except for transactions that occurred more than three years prior to the date of the applicable Liquidating Election or transactions not related to the Proposed Transaction.

(26) No Liquidation Parent is an organization that is exempt from federal income tax under Section 501 or any other provision of the Code.

(27) All other transactions undertaken contemporaneously with, in anticipation of, in conjunction with, or in any way related to, each Liquidating Election have been fully disclosed.

(28) Each entity that will be a Section 1248 shareholder (within the meaning of Treas. Reg. § 1.367(b)-2(b)) of a Electing Entity and/or its Liquidation Parent before any Liquidating Election will be a Section 1248 shareholder (within the meaning of Treas. Reg. § 1.367(b)-2(b)) of such Liquidation Parent after such Liquidating Election.

(29) The notice requirements of Treas. Reg. § 1.367(b)-1(c)(1) will be met with respect to the Proposed Transaction.

RULINGS

Based solely on the information and representations submitted, we rule as follows with respect to the Proposed Transaction:

(1) For U.S. federal income tax purposes, The Contribution, Conversion (with respect to JV Co 2) and Disregarded Entity Election with respect to each JV Co, taken together, will be treated as a transfer by each JV Co of its assets and liabilities to each Newco in exchange for Newco stock (the "Reorganizations").

(2) The Reorganizations will each qualify as a reorganization described in section 368(a)(1)(F). Each JV Co and each Newco will be "a party to a reorganization" within the meaning of Section 368(b).

(3) None of (i) the sale of the assets by the Newcos to Purchaser in the Sale, which will take the form of a sale of the interests in the JV Cos, (ii) any of the JV Purchases, (iii) any of the Liquidating Elections or (iv) the F45 Election will affect the qualification of any Contribution, Conversion (with respect to JV Co 2) and Disregarded Entity Election as a reorganization described in Section 368(a)(1)(F). Treas. Reg. § 1.368-1(b); Rev. Rul. 58-422, 1958-2 C.B. 145; Rev. Rul. 96-29, 1996-1 C.B. 50.

(4) No gain or loss will be recognized to a JV Co upon the transfer of each JVCo's respective assets to its applicable Newco in exchange for Newco stock and

each Newco's assumption of each applicable JV Co's liabilities in the Reorganizations. Section 361(a) and section 357(a).

(5) No gain or loss will be recognized by any Newco on the deemed receipt of the assets of the applicable JV Co, in each instance, in exchange for Newco shares as described above. Section 1032(a).

(6) The basis of the assets of each JV Co in the hands of the applicable Newco will be the same as the basis of such assets in the hands of such JV Co immediately prior to the exchange, as described above. Section 362(b).

(7) The holding period of JV Co assets held by the applicable Newco will include the period during which such assets were held by such JV Co. Section 1223(2).

(8) No gain or loss will be recognized by a shareholder of a JV Co on its receipt of Newco shares in exchange for JV Co shares, as described above. Section 354(a).

(9) The basis of JV Co shareholders in their Newco shares will be the same as their basis in their JV Co shares surrendered in exchange therefor. Section 358(a).

(10) The holding period of the Newco shares received by JV Co shareholders will include the period during which the JV Co shares were held, provided that the shares are held as capital assets on the date of the Reorganizations. Section 1223(1).

(11) The Distributions will be treated as distributions from JV Co 1 and JV Co 2 to F1 and F37 and will be governed by Section 301. Treas. Reg. § 1.301-1(l). F1 and F37 will treat the Distributions as (i) dividends with respect to each outstanding share of JV Co 1 and JVCo 2, respectively, to the extent of the respective earnings and profits of JV Co 1 and JV Co 2 (sections 301(c)(1) and 316(a)), (ii) any portion of the Distributions that is not a dividend shall be applied to reduce the basis of each share of stock of JV Co 1 or JV Co 2, as appropriate, and (iii) any portion of the Distributions that is not a dividend, to the extent it exceeds the adjusted basis of such stock, shall be treated as gain from the sale or exchange of property (section 301(c)(3)).

(12) No amount will be included in income under Section 367(b) as a result of the Contributions, the Conversion and the Disregarded Entity Elections. Treas. Reg. § 1.367(b)-4(b).

(13) For the purposes of applying Section 367(b) or Section 1248 to subsequent exchanges of the stock of any Newco (as defined in the representations), the determination of the earnings and profits attributable to an exchanging shareholder's stock in such Newco shall be computed in accordance with Treas. Reg. § 1.367(b)-4(d).

(14) Provided that each Liquidating Entity makes a Liquidating Election, no gain or loss will be recognized by any Liquidation Parent as a result of the receipt of assets of a Liquidating Entity deemed distributed in complete liquidation. Sections 332(a), Treas. Reg. § 1.332-2(d), and Treas. Reg. § 301.7701-3.

(15) No gain or loss will be recognized by any Electing Entity upon the deemed distribution of its assets and the deemed assumption by Liquidating Parent of its liabilities in complete liquidation. Sections 336(d)(3) and 337(a).

(16) Each Liquidation Parent's basis in each asset deemed received in a Liquidating Election from a Electing Entity will be the same as the basis of that asset in the hands of such Electing Entity immediately before such Liquidating Election. Section 334(b)(1).

(17) Each Liquidation Parent's holding period in each asset deemed received in a Liquidating Election from a Electing Entity will include the period during which the asset was held by such Electing Entity. Section 1223(2).

(18) Each Liquidation Parent will succeed to and take into account as of the close of the effective date of each Liquidating Election the items of the applicable Electing Entity or Entities described in Section 381(c), subject to the conditions and limitations specified in sections 381, 382, 383, and 384 and the Treasury regulations thereunder. Section 381(a) and Treas. Reg. § 1.381(a)-1.

(19) Each Liquidation Parent will succeed to and take into account the earnings and profits of the applicable Electing Entity or Entities as of the close of the effective date of each Liquidating Election. Section 381(c)(2)(A); Treas. Reg. § 1.381(c)(2)-1. Any deficit in the earnings and profits of a Liquidation Parent or Electing Entity will be used only to offset earnings and profits accumulated after the date of each Liquidating Election. Section 381(c)(2)(B).

(20) The amounts deemed distributed to F20 as a result of the F16 Election will be treated as in full payment in exchange for the F16 stock held by F20. Section 331(a).

(21) Gain or loss will be recognized by F16 on the deemed distribution of its property (other than cash) to F20 in complete liquidation of F16 as if the property were sold to F20 at fair market value, subject to the limitations on recognition of loss of §336(d). Section 336(a).

(22) No amount of gain will be recognized and no amount will be included in income under Section 367(b) as a result of any Liquidating Election. Treas. Reg. § 1.367(b)-4(b).

(23) Each of S3 and S4 will recognize gain or loss with respect to each asset transferred in the Mergers in an amount equal to the difference between the fair market value of such asset and the adjusted basis of such asset. Section 1001; Rev. Rul. 69-6, 1969-1 C.B. 104; Rev. Rul. 79-70, 1979-1 C.B. 144; Rev. Rul. 84-44, 1984-1 C.B. 105.

(24) Upon the sale by (i) each Newco of the interests in a JV Co to Acquirer (or an affiliate), such Newco will recognize gain or loss, as if it sold each asset held by such JV Co (including, in the case of JV Co 2, the stock of F40) rather than the interests in such JV Co, and (ii) F3 of the stock of F52, F3 will recognize gain or loss with respect to such F52 stock, in an amount equal to the difference between (a) the amount realized allocable to such asset and (b) the adjusted basis of such asset. Section 1001.

CAVEATS

No opinion is expressed about the federal tax treatment of the Proposed Transaction under other provision of the Code or Regulations or the tax treatment of any condition existing at the time of, or effects resulting from, the Proposed Transactions that are not specifically covered by the above rulings. Specifically, no opinion is expressed with respect to the tax consequences of the F45 Election. Except as otherwise expressly provided herein, no opinion is expressed regarding the application of sections 367 or 1248 to the proposed transactions.

Sincerely,

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