Internal Revenue Service

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Department of the Treasury
Washington, DC 20224

Third Party Communication: None
Date of Communication: Not Applicable

Person To Contact:
, ID No.
Telephone Number:

Refer Reply To:
CC:CORP:2
PLR-112258-07

Date:
July 31, 2007

Legend:

Taxpayer =

LLC 1 =

Former Parent =

LLC 2 =

Sub 1 =

Sub 2 =

Sub 3 =

Sub 4 =

Corporation 1 =

Corporation 2 =

Business X =

Exchange =

Date 1 =

a =

b =

c =

d =

Dear :

This responds to a letter dated March 7, 2007, submitted on behalf of Taxpayer, requesting a ruling under section 1502 and the Treasury Regulations thereunder. Additional information was submitted in a letter dated June 15, 2007. The material information is summarized below.

Prior to Date 1, LLC 1, a limited liability company treated as a partnership for federal income tax purposes, held as its principal asset all of the stock of Former Parent. LLC 1 also owned approximated a% of the stock of Corporation 1, all of the stock of Corporation 2, approximately $b in cash and marketable securities, and approximately $c in other non-stock assets. The stock of Former Parent constituted more than 50% of the fair market value of the assets of LLC 1.

Prior to Date 1, Former Parent was the common parent of an affiliated group of companies (the Former Parent Group) that file a consolidated federal income tax return on a 52/53 week tax year basis. Former Parent directly owns all of the stock of Sub 1, Sub 2, Sub 3, and Sub 4. Sub 1 owns all of the stock of several domestic and international subsidiaries.

Prior to Date 1, LLC 1 functioned as a holding partnership, and since that date Taxpayer has functioned as a holding company. The members of the Former Parent Group are engaged in Business X.

Prior to Date 1, the board of managers and a majority in interest of LLC 1's members approved the series of transactions described below in order to allow the listing of Taxpayer on Exchange.

On Date 1, the following series of transactions (collectively, the Date 1 Transaction) took place:

(1) LLC 1 formed Taxpayer, a corporation;

(2) Taxpayer formed LLC 2, a limited liability company wholly owned by Taxpayer;

(3) LLC 2 merged with and into LLC 1 with LLC 1 surviving. As a result of this transaction, LLC 1 became a wholly-owned limited liability company of Taxpayer, and all the holders of membership units in LLC 1 became shareholders of Taxpayer, with one share of Taxpayer exchanged for every d membership units of LLC 1.

Following the Date 1 Transaction, LLC 1 has been disregarded as an entity separate from its owner Taxpayer for federal income tax purposes. Accordingly Taxpayer is treated as owning all of the stock of Former Parent and the other assets owned by LLC 1 prior to the Date 1 Transaction.

In connection with the Date 1 Transaction, Taxpayer has made the following representations:

(a) Prior to the Date 1 Transaction, LLC 1 was properly treated as a partnership for US federal income tax purposes.

(b) LLC 1 has remained and will remain in existence as a separate legal entity for corporate law purposes. All of the membership interests in LLC 1 are (and will continue to be) owned by Taxpayer.

(c) No election has been made, and there is no plan or intention to make an election, under Treas. Reg. § 301.7701-3 that has caused or would cause LLC 1 to be classified as other than an entity disregarded as separate from its owner, Taxpayer, for U.S. federal income tax purposes.

(d) Former Parent has remained and will remain in existence as a separate corporation all of the stock of which is owned by LLC 1 but treated as owned directly by Taxpayer for U. S. federal income tax purposes.

(e) In the Date 1 Transaction, the partners of LLC 1 received 100% of the fair market value of the outstanding stock of Taxpayer.

(f) At the time of the Date 1 Transaction, the stock of Former Parent constituted more than 50% of the fair market value of the assets of LLC 1.

(g) Other than shares issued to the holders of membership units of LLC 1 in the Date 1 Transaction in exchange for their interests in LLC 1, Taxpayer did not issue shares of its stock or redeem shares of its stock in connection with the Date 1 Transaction.

Based on the information supplied and representations made by Taxpayer, we rule as follows:

1. The acquisition of Former Parent by Taxpayer pursuant to the Date 1 Transaction constitutes a reverse acquisition within the meaning of Treas. Reg. § 1.1502-75(d)(3) of the Income Tax Regulations. As a result, the Former Parent Group remains in existence with Taxpayer as the new common parent. Treas. Reg. § 1.1502-75(d)(3)(i).

2. The consolidated return for the first taxable year ending after the date of acquisition to be filed by Taxpayer will use as its taxable year the taxable year of Former Parent. Treas. Reg. § 1.1502-75(d)(3)(v)(*a*).

3. Taxable years of the members of the Former Parent Group ending on or before Date 1 shall not be treated as separate return limitation years (unless they were so treated immediately before the Date 1 Transaction). Treas. Reg. 1.1502-1(f)(3).

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. While this office has not verified any of the material submitted in support of the request for rulings, it is subject to verification on examination.

Except as expressly provided herein, no opinion is expressed or implied concerning the tax consequences of any aspect of any transaction or item discussed or referenced in this letter.

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

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

Pursuant to the power of attorney on file in this office, a copy of this letter is being sent to your authorized representatives.

Sincerely,

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Gerald B. Fleming
Senior Technician Reviewer
Branch 2 (Corporate)