

Internal Revenue Service

Department of the Treasury
Washington, DC 20224

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Date:
March 10, 2010

Legend

Fund =

Interest =

Month =

Year =

w =

x =

y =

z =

Dear :

This letter responds to the letter from your authorized representative, dated December 22, 2009, requesting a ruling that the Interest, as described below, constitutes equity for Federal income tax purposes. Additional information was received in a letter dated March 1, 2010. The information provided in these letters is summarized below.

Fund is a closed-end management company that qualifies as a regulated investment company within the meaning of section 851 of the Internal Revenue Code. Assets of

Fund consist predominantly of securities generating interest exempt from regular Federal income tax and other investments that are incidental to Fund's business of investing in such securities.

There are two classes of Fund shares of beneficial interest outstanding: (i) common shares and (ii) a class of preferred shares comprised of (a) a single series of auction rate preferred shares ("ARPS") and (b) a single series of units of Interest that was issued in Month of Year and that is subject to mandatory redemption z years after issuance ("z-year Interest"). Fund describes in its documents and in its submission the Interest as a type of preferred stock and a unit of Interest as a share of such type of stock. For the sake of convenience, we will follow that description in the facts and representations portion of this letter.

The z-year Interest was issued by Fund for the purpose of raising capital to redeem a portion of Fund's outstanding ARPS.

Fund is contemplating issuing additional series of Interest with provisions substantially identical to the z-year Interest, except for their predetermined dividend rate and their x-year or y-year mandatory redemption terms ("x-year Interest" or "y-year Interest"). The provisions of the x-year Interest and y-year Interest will be substantially identical (except for shorter redemption terms) to the z-year Interest. It is Fund's current intention to use the proceeds of any issuance of additional z-year Interest and/or any new series of x-year Interest or y-year Interest to redeem Fund's ARPS.

Fund has requested a ruling that x-year Interest and y-year Interest will be treated as equity for Federal income tax purposes.

In connection with this submission, Fund makes the following representations:

- (a) Fund is authorized under Article IV of Fund's Declaration of Trust, as amended ("Declaration"), to issue an unlimited number of preferred shares, par value \$.01 per share.
- (b) Pursuant to the authority expressly vested in the Board of Trustees of Fund by Article IV of the Declaration, the Board of Trustees has, by resolution, authorized the issuance of w preferred shares of Interest, \$.01 par value per share, and such shares of Interest to be issued in one or more series.
- (c) The shares of Interest of each series shall rank on a parity with shares of each other series of Interest and with shares of any other series of preferred shares of Fund as to the payment of dividends and the distribution of assets upon dissolutions, liquidation or winding up of the affairs of Fund.

- (d) The shares of Interest of each series shall have preference with respect to the payment of dividends and as to the distribution of assets upon dissolution, liquidation or winding up of the affairs of Fund over the common shares of Fund, as described in the appropriate documents.
- (e) No holder of shares of Interest shall have, solely by reason of being such a holder, any preemptive or other right to acquire, purchase or subscribe for any shares of Interest or common shares or other securities of Fund which it may hereafter issue or sell.
- (f) The holders of any shares of Interest of any series shall be entitled to receive, when, as and if declared by, or under the authority granted by, the Board of Trustees, out of funds legally available therefore and in preference to dividends and distributions on common shares of Fund, cumulative cash dividends and distributions on each share of such series.
- (g) In the event of any liquidation, dissolution or winding up of the affairs of Fund, whether voluntary or involuntary, the holders of Interest shall be entitled to receive out of the assets of Fund available for distribution to shareholders, after satisfying claims of creditors but before any distribution or payment shall be made in respect of the common shares, a liquidation distribution as described in the appropriate documents.
- (h) Fund shall redeem all shares of a series of Interest on the redemption date for such series, at a price per share described in the appropriate documents, but only out of funds legally available therefore under state corporate law.
- (i) Fund represents that the holders of shares of Interest possess voting rights that are at least as extensive as the voting rights possessed by holders of Fund's common shares.

Based on the information submitted and the representations provided, we rule that x-year Interest and y-year Interest will be treated as equity for Federal income tax purposes.

The ruling contained in this letter is 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.

In accordance with the Power of Attorney on file with this office, a copy of this letter is being sent to your authorized representative.

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.

Sincerely,

Alfred C. Bishop, Jr.
Branch Chief, Branch 6
(Corporate)