

Dear _____ :

This letter responds to a letter dated December 14, 2012 requesting a ruling under section 1504(a) of the Internal Revenue Code. The material information submitted is summarized below.

FACTS

Parent, a State A corporation, is the common parent of an affiliated group of corporations engaged in Business A that files a consolidated Federal income tax return (the "Parent Group"). Target, a State A corporation, was previously the common parent of an unrelated consolidated group also engaged in Business A.

On Date 1, Parent and Target entered into an agreement for Parent to acquire all of the outstanding Target stock. Parent acquired all the outstanding stock of Target on Date 2 through a merger of Merger Sub, a newly-formed, wholly-owned subsidiary of Parent, with and into Target (the "Acquisition").

Both the Parent Group and Target (and its subsidiaries) are regulated by Federal Agency, which must grant approval before any merger or acquisition between two Business A companies can be finalized. Accordingly, pending approval of the Acquisition by Federal Agency, Parent transferred all of the Target stock to an irrevocable voting trust (the "Voting Trust") sanctioned by Federal Agency pursuant to the terms of a voting trust agreement (the "VTA"), in exchange for all the certificates of the voting trust ("Trust Certificates").

Federal Agency granted approval of the Acquisition on Date 3 and the Voting Trust was dissolved as of Date 4.

The substantive provisions of the VTA include the following:

1. Parent irrevocably appointed Trustee as trustee. Trustee was required to be independent of Parent or any of its affiliates as per terms of the VTA. Trustee could at any time have resigned upon giving required notice, whereupon Parent could have appointed a successor trustee satisfying the independence requirements of the VTA.
2. Trustee was entitled to exercise any and all voting rights regarding Target stock unless otherwise directed by an order of Federal Agency or a court of competent jurisdiction.
3. Trustee could not vote the stock of Target so as to create a dependence or intercorporate relationship between Parent and its affiliates, on the one hand, and Target, on the other hand. Trustee could not, without prior approval of Federal Agency, vote the Target stock to elect any officer or director of Parent or its affiliates (other than Target) as a director of Target.

4. Trustee was required to vote Target stock in favor of any proposal or action effecting the acquisition of control of Target by Parent.
5. Trustee could not vote to sell, lease, assign, transfer or encumber Target stock or major assets of Target, nor was the Trustee to cause Target to merge with or into any other entity, without prior written authorization of Parent.
6. Parent could have at any time, but only with prior written approval of Federal Agency, instructed Trustee in writing to vote Target stock in any manner, in which case Trustee was required to vote such stock as instructed.
7. Trustee was required, immediately following the receipt of each cash dividend on Target stock, to pay the same over to or as directed by Parent. Trustee was required to receive and hold dividends and distributions other than cash on the same terms and conditions as it held Target stock and was required to issue Trust Certificates representing any new or additional shares of Target stock to Parent.
8. Parent had the right at any time to direct the sale or other disposition of the whole or any part of the Target stock by Trustee, in which case Trustee was entitled to a certificate from Parent that the purchaser is not a shareholder, officer, or director of Parent, or a company controlled by or affiliated with Parent, or a shareholder, officer, or director of such a company. Upon the order of Parent, Trustee was required to promptly pay the proceeds of such sale to Parent. The Voting Trust was to terminate to the extent of Target stock sold. Furthermore, Trust Certificates were transferable on the books of Trustee by the registered holder in accordance with rules from time to time established by Trustee.
9. If Federal Agency approved the Acquisition or any controlling law was amended such that Federal Agency approval was no longer required, Trustee was required to transfer, to Parent (or such other person who may have held the Trust Certificates), all Target stock as per the VTA and the Voting Trust was to cease to exist. If Federal Agency denied approval of the Acquisition, Trustee was required to use its best efforts to sell the Target stock to one or more eligible purchasers during the two-year period after the denial and to distribute the sale proceeds to Parent.
10. Unless sooner terminated pursuant to any other provision of the VTA, the VTA and the Voting Trust were to terminate two years after the execution of the VTA (which date is later than Date 4, the date the Voting Trust terminated), except that the VTA and the Voting Trust could have been extended by the parties thereto.

REPRESENTATIONS

1. Parent and Target are includible corporations within the meaning of section 1504(b).

2. Parent was the only holder of such certificates in the Voting Trust, and no other person ever held any ownership interest in the Trust.
3. At all times since the merger of Merger Sub into Target: (i) Target has had only one class of equity outstanding; and (ii) there have been no warrants, options, obligations convertible into stock, or other similar interests in Target outstanding or otherwise in existence.
4. Parent fully complied with the terms of the VTA.
5. Absent Federal Agency requirements, Parent would have directly owned all of the legal and beneficial interests in the Target stock after the Acquisition.

RULING

Parent is considered the direct owner of all the outstanding Target stock for purposes of section 1504(a) upon the Acquisition, and the creation of the Voting Trust and subsequent transfer of Target's stock to it did not prevent Target (and each of its affiliated subsidiaries) from being members of the Parent Group, or joining a consolidated US federal income tax return with Parent, as of the Acquisition.

CAVEATS

No opinion is expressed or implied as to the tax effect of any transaction or item discussed or referenced in this ruling letter under any other provision of the Internal Revenue Code and regulations, or the tax effect of any condition existing at the time of, or effect resulting from, the facts and circumstances herein described that are not specifically covered by the ruling set forth above.

PROCEDURAL STATEMENTS

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 representatives.

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.

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.

Sincerely,

Mark J. Weiss
Reviewing Attorney, Branch 6
Office of Associate Chief Counsel (Corporate)