

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-114377-02

Date:

July 12, 2002

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This letter responds to your March 6, 2002 request that we supplement our letter ruling dated December 27, 2000 (PLR-115711-00) (the "Prior Letter Ruling"). Capitalized terms not defined in this ruling retain the meanings assigned them in the Prior Letter Ruling. The information submitted with regard to this supplemental ruling request is summarized below.

Supplemental Facts

The Prior Letter Ruling addresses certain federal income tax consequences of the proposed distribution of Controlled stock and related transactions (the "Proposed Transaction"). Due to unanticipated and significant developments since the date of the Prior Letter Ruling, including developments in Industry AB, the Proposed Transaction has not been consummated. Furthermore, in light of these market developments and the need to satisfy obligations imposed by Government Agency, Distributing intends, as part of the Proposed Transaction, to enter into a purchase agreement with Parent whereby Distributing will purchase x from Parent ("Agreement 1"). Additionally, Parent and Sub 1 will enter into a purchase agreement whereby Parent will purchase x from Sub 1 for the purpose of fulfilling a portion of its Agreement 1 obligation ("Agreement 2"). Agreement 1 and Agreement 2 are collectively referred to as the "Agreements."

Representation

In connection with this supplemental ruling request, Distributing makes the following representation:

At the time of the Prior Letter Ruling, Distributing had no intention to enter into the Agreements.

Ruling

Based solely on the information and representation submitted with the supplemental ruling request, we rule as follows:

The Agreements will have no adverse effect on the rulings contained in the Prior Letter Ruling and will not prevent those rulings from having full force and effect.

Caveats

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.

No opinion is expressed about the tax treatment of the Proposed Transaction under any other provision of the Code or regulations or the tax treatment of any condition existing at the time of, or effect resulting from, the Proposed Transaction that is not specifically covered by the above ruling.

Procedural Statements

This supplemental ruling is directed only to the taxpayer requesting it. Section 6110(k)(3) 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.

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

Sincerely,

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