

In connection with the proposed redemption, Company makes the following representations:

- (a) Company is not required by its charter, bylaws or otherwise to redeem any of its stock, and the shareholders of Company have no right to require Company to make a tender offer or otherwise redeem its stock. The Board of Directors of Company has a fiduciary duty to Company and its shareholders to consider the appropriateness of any share repurchase. The Board of Directors of Company has not, in any manner, relinquished its discretion in carrying out its fiduciary duties.
- (b) The Redemption is an isolated transaction and is not related to any other past or future transactions.
- (c) The Redemption is motivated solely by Company's business considerations and is not motivated by any intent of Company to confer a Federal income tax benefit on any shareholder.
- (d) The Redemption is not part of a plan to periodically increase the proportionate share of any shareholder in the assets or earnings and profits of Company.
- (e) At the present time, Company has no plan to make any further redemptions subsequent to the Redemption. However, it is possible that Company will make additional redemptions in future years based on circumstances prevailing at that time.

Based solely on the information submitted and the representations made, we rule on the application of section 305 of the Code to the proposed redemption as follows:

The Redemption (i) will constitute a single isolated transaction with respect to Shareholder, (ii) is not part of a periodic plan of redemption and (iii) will not cause the nonredeeming shareholders to receive any deemed distributions under section 305 of the Code. See section 1.305-3(e), Examples (10) and (11), of the Income Tax Regulations. See also Rev. Rul. 77-19, 1977-1 C.B. 84.

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. In particular, we express no opinion as to the Federal income tax treatment to Shareholder of the Redemption under sections 301 or 302 of the Code.

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.

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 the ruling, it is subject to verification on examination.

Sincerely,

Mark J. Weiss

Mark J. Weiss
Acting Assistant to the Branch Chief, B06
Office of Associate Chief Counsel (Corporate)