

Internal Revenue Service

Department of the Treasury

Washington, DC 20224

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April 28, 1999

This responds to your April 12, 1999 request that we supplement our letter ruling dated March 30, 1999 (PLR-121425-98) (the "Prior Letter Ruling"). Capitalized terms retain the meanings assigned them in the Prior Letter Ruling.

The Prior Letter Ruling addresses certain federal income tax consequences of the distributions of the stock of Controlled A and Controlled B and related transactions.

Since issuance of the Prior Letter Ruling, Distributing 2 has determined, for business reasons, that it would be preferable to not consummate the recapitalization described in step (iv) in the Prior Letter Ruling.

Based on the information and representations submitted with the original and supplemental ruling requests, we reaffirm the rulings and caveats (other than caveat (e)) set forth in the Prior Letter Ruling. Caveat (e) is hereby deleted from the Prior Letter Ruling.

This supplement is directed only to the taxpayer who requested it. Section 6110(k)(3) provides that it may not be used or cited as precedent.

A copy of the Prior Letter Ruling and of this supplemental ruling should be attached to the federal income tax return of each affected taxpayer for the year in which the transactions covered by the two letters are completed.

PLR-107269-99

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

Sincerely,

Assistant Chief Counsel (Corporate)

By: Wayne T. Murray _____

Wayne T. Murray
Senior Technician/Reviewer
Branch 4