**Office of Chief Counsel**
**Internal Revenue Service**

# memorandum

CC:LM:NR:HOU:2:TL-3304-00
NGraml TL-N-3304-00

**date:** August 23, 2001

**to:** International Manager Nieves M. Narvaez, Group 1215
Attn: International Examiner Jerry Richards, Group 1215

**from:** Area Counsel (Natural Resources: Houston)

**subject:** [redacted]
Form 1120, [redacted]
TIN: [redacted]
SOL: [redacted]

This responds to your question regarding the Office of Chief Counsel's position in the [redacted] issue subsequent to the Government's [redacted]. [redacted] involved taxable years [redacted] and [redacted], prior to the effective date of Treas. Reg. [redacted]). Because this regulation applies to the taxable years in issue in your taxpayer's case, you questioned whether Chief Counsel would support an adjustment.

On August 16, 2001, I spoke with Attorney Douglas Giblen. He stated that [redacted], (b)(5)(DP) [redacted], (b)(5)(AC), [redacted].

This writing may contain privileged information. Any unauthorized disclosure of this writing may have an adverse effect on privileges, such as the attorney-client privilege. If disclosure becomes necessary, please contact this office for our views.

Please call me at 281-721-7358 if I can be of further assistance.

BERNARD B. NELSON
Area Counsel
(Natural Resources: Houston)

By:_____
NANCY GRAML
Senior Attorney (LMSB)

Copies to: Carol B. McClure, S.L.A. (LMSB)
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Attorney Douglas Giblen, Office of Chief Counsel