DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

200147056

AUG 28 2001

UIL: 401.00-00
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OP:E:EP:T3

LEGEND:

Bank A:

Bank B:

Bank C:

Plan X:

Plan Y:

Dear

This is in response to a request for a private letter ruling submitted by your authorized representatives and dated January 28, 1999, as supplemented by correspondence dated April 23, 1999, August 20, 1999, February 17, 2000, April 28, 2000, January 17, 2001, and April 10, 2001, concerning the tax consequences of certain transactions. Your authorized representatives have submitted the following facts and representations in support of your request.

Bank A maintained Plan X and Plan Y for its employees. Plan X is an employee stock ownership plan ("ESOP") as described in section 4975(e)(7) of the Internal Revenue Code ("Code") and is intended to be qualified under Code section 401(a). Plan Y, also intended to be qualified under Code section 401(a), is a profit sharing plan with a cash or deferred arrangement as described in Code section 401(k). Bank B maintains the Bank B ESOP.

For purposes of this ruling letter, the following terms have the meanings indicated: "deferred vested participant" is a participant who has separated from service but who has still an account balance; "former participant" is generally a participant who has separated from service and has

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received his or her account balance; and "partial distribution" means the distribution of the entire account balance except for settlement proceeds which have not yet been allocated.

In July 1992, the trustees of Plan X borrowed approximately $1,000,000 in an exempt loan from an unaffiliated third party bank and used the proceeds to purchase 230,000 shares ("Original Shares") of Bank A common stock ("Bank A stock"). In connection with a rights offering of Bank A Stock in 1993, the Plan X trustees took out a second exempt loan in November 1993 in the principal amount of approximately $1.8 million from an unaffiliated third party bank, and used the proceeds to purchase an additional 106,500 shares of Bank A Stock ("Rights Offering Shares"). In 1997, the Plan X trustees consolidated and refinanced the 1992 and 1993 exempt loans with one internal loan from Bank A in the principal amount of approximately $1.7 million ("Exempt Loan"). The internal Exempt Loan included the same interest rate and the same amortization period as the 1992 and 1993 exempt loans. The Exempt Loan was scheduled to be repaid by January 15, 2003, and Bank A intended to repay this loan in accordance with the terms of the loan repayment schedule. Following January 15, 1997, which was the first payment date on the Exempt Loan, there was an ending principal balance outstanding in the amount of approximately $1.3 million, and 180,574 shares of Bank A Stock were allocated to the Plan X suspense account. On July 1, 2000, the date the Exempt Loan was prepaid in full, there was an ending principal balance outstanding of approximately $800,000 and 71,329 Bank B shares were allocated to the Plan X suspense account.

The Rights Offering Shares were allocated to Plan X's suspense account, which also held the original Bank A shares acquired by Plan X ("Original Shares"). Plan X continued to make annual payments on the Exempt Loan through January 15, 1999, and made a final payment on the Exempt Loan on July 1, 2000. In accordance with the terms of Plan X, both Rights Offering Shares and Original Shares were released from the Plan X suspense account and allocated to Plan X participant accounts as payments were made. Rights Offering Shares were first allocated to participant accounts in Plan X in 1995. These shares were allocated to individual participant accounts in accordance with the Plan X allocation schedule.

Plan Y purchased 7,572 shares of Bank A Stock on the open market from November 30, 1993, to November 14, 1994, on behalf of present and former Plan Y participants who had selected the purchase of Bank A Stock as an investment option under Plan Y. These shares were allocated to participant accounts in accordance with the terms of Plan Y.

In 1995, Plan X and Plan Y joined with other plaintiffs in class action lawsuits under state and federal securities laws with respect to the Rights Offering Shares and the Bank A Stock purchased by Plan Y on the open market from November 30, 1993, to November 14, 1994 ("Class Period"). Plan X and Plan Y were members of the class due to Plan X's exercise of rights to purchase Rights Offering Shares and Plan Y's purchase of Bank A Stock during the Class Period. The lawsuits alleged that certain disclosures made by Bank A from late 1993 to late 1994, including disclosures made by Bank A in a Rights Offering Circular dated October 27, 1993, concerning its business plan and exposure to interest rate risk were false and misleading or

there were material omissions. In 1998, the lawsuits were settled with court approval, and on December 30, 1998, Plan X and Plan Y received approximately $1.3 million and $51,000, respectively, representing their shares of the settlement ("Settlement Proceeds"). These amounts were calculated by the claims administrator for the lawsuits in accordance with the formula provided in the settlement agreement. Section 4.3 of the settlement agreement generally provides that the settlement proceeds shall be allocated to the authorized claimants (as defined in the settlement agreement) pro rata (i.e., the percentage of each authorized claimant's recognized loss that is equal to the ratio of the settlement proceeds divided by the total of all recognized losses for all authorized claimants.) Section 4.3 states that the recognized loss by authorized claimants on shares of Bank A Stock purchased but not sold during the Class Period will be the difference between the purchase price and the closing price of Bank A Stock on Nasdaq on November 14, 1994 (the last day of the Class Period). In determining the amount of recognized losses, if an authorized claimant both bought and sold Bank A Stock during the Class Period, the first-in, first-out basis will be applied (i.e., sales during the Class Period will be matched in chronological order against all purchases made during the Class Period in chronological order)

On March 24, 1999, Bank A and a previously unrelated bank, Bank B, entered into an Agreement and Plan of Reorganization ("Reorganization Agreement") whereby Bank A and a new banking corporation organized by Bank B consolidated to form Bank C. Bank B is the parent of Bank C. The closing date for the reorganization was September 15, 1999. Bank C became the plan sponsor of both Plan X and Plan Y, effective September 15, 1999. Pursuant to the terms of the Reorganization Agreement, each share of Bank A Stock held by Plan X and Plan Y was exchanged for 0.8 shares of common stock of Bank B ("Bank B Stock"). The conversion ratio resulted from the arms length negotiations between Bank A and Bank B, and therefore represented the fair market value of the shares of Bank A Stock on September 15, 1999. No fractional shares of Bank B Stock were issued in connection with the conversion of Bank A Stock to Bank B Stock. Pursuant to the terms of the Reorganization Agreement, Plan X and Plan Y each received cash in lieu of fractional shares equal to the fractional shares multiplied by the average closing sale price of Bank B Stock as reported on the Nasdaq Stock Market on the five trading days immediately preceding September 15, 1999. As a result, Plan X and Plan Y each now holds Bank B Stock and cash, to the extent there were fractional shares. The Bank B Stock and cash resulting from fractional shares, if any, held in the Plan X suspense account constitute collateral for the Exempt Loan. There is no other collateral for the Exempt Loan other than these shares of Bank B Stock and cash.

The reorganization was structured using the pooling of interest accounting treatment. The accountants for Bank A and Bank B advised that this treatment could not be used for the reorganization if Plan X was terminated in contemplation of, or in connection with, the reorganization or if the Exempt Loan was paid in full at the time of the reorganization. As a result, section 4.14 of the Reorganization Agreement provides that Plan X shall be merged with and into the Bank B ESOP following receipt of the requested private letter ruling from the Service. Since the Bank B ESOP is not leveraged, and in anticipation of the eventual merger of Plan X into and with the Bank B ESOP, Bank C prepaid the Exempt Loan in full on July 1, 2000,

by using the proceeds from the sale of Bank B Stock in the Plan X suspense account to Bank B. The purchase price for the Bank B Stock was the closing price for the Bank B Stock on the Nasdaq Stock Market on July 1, 2000. This prepayment will ease the administration of the Bank B ESOP following its eventual merger with Plan X, and will eliminate burdensome accounting procedures associated with an internal ESOP loan.

The Settlement Proceeds attributable to Bank A Stock that was converted to Bank B Stock pursuant to the Reorganization Agreement have always been held in separate unallocated money market accounts within Plan X and Plan Y. On December 12, 2000, Bank C distributed a memorandum and a distribution acknowledgment form to all deferred vested Plan X participants permitting each such deferred vested participant to request a partial distribution of his or her account under Plan X excluding the Settlement Proceeds attributable to his or her account. Each deferred vested participant who requests a partial distribution will receive the value of his or her account balance under Plan X, excluding the Settlement Proceeds attributable to his or her account. The memorandum clearly states that any deferred vested participant who elects to receive a partial distribution of his or her account will not be eligible to receive any allocation or distribution of the assets remaining in the Plan X suspense account following the prepayment of the Exempt Loan.

Following receipt of the requested private letter ruling, the Settlement Proceeds held in the separate money market account in Plan X will be allocated as follows:

(a) To the extent that a portion of the Settlement Proceeds is attributable to the Rights Offering Shares that were exchanged for shares of Bank B Stock, which shares of Bank B stock are currently unallocated and held in the Plan X suspense account, a proportionate part of the Settlement Proceeds will be allocated to that suspense account;

(b) A portion of the Settlement Proceeds attributable to Rights Offering Shares that were exchanged for shares of Bank B Stock, which shares of Bank B Stock were allocated to the Plan X accounts of active Plan X participants as of September 15, 1999, will be allocated in cash to the Plan X accounts of such active Plan X participants in proportion to the number of Rights Offering Shares that were exchanged for shares of Bank B Stock, which shares of Bank B Stock were allocated to and held in each such Plan X account as of September 15, 1999;

(c) A portion of the Settlement Proceeds attributable to Rights Offering Shares that were exchanged for shares of Bank B Stock, which shares of Bank B Stock were allocated as of September 15, 1999, to the Plan X accounts of deferred vested Plan X participants who did not request a partial distribution of their Plan X accounts, will be allocated in cash to the accounts of such deferred vested participants in Plan X, in proportion to the number of Rights Offering Shares that were exchanged for shares of Bank B Stock, which shares of Bank B Stock were allocated to and held in each such Plan X account as of September 15, 1999;

(d) A portion of the Settlement Proceeds attributable to Rights Offering Shares that were exchanged for shares of Bank B Stock, which shares of Bank B Stock were allocated as of September 15, 1999, to the Plan X accounts of deferred vested Plan X participants who requested partial distributions of their Plan X accounts, will be paid in cash to such Plan X deferred vested participants in proportion to the number of Rights Offering Shares that were exchanged for shares of Bank B Stock, which shares of Bank B Stock were allocated to and held in each such Plan X account as of September 15, 1999; and

(e) A portion of the Settlement Proceeds attributable to Rights Offering Shares that were exchanged for shares of Bank B Stock, which shares of Bank B Stock were allocated to the Plan X accounts of former Plan X participants who received distributions of their Plan X accounts prior to September 15, 1999, will be paid in cash to such former participants in proportion to the number of Rights Offering Shares that were exchanged for shares of Bank B Stock, which shares of Bank B Stock were allocated to and held in each such Plan X account as of the date of distribution of such account prior to September 15, 1999.

Following prepayment of the Exempt Loan on July 1, 2000, the assets in the Plan X suspense account consisted of (1) the remaining Bank B Stock, (2) cash in lieu of fractional shares resulting from the conversion of Bank A Stock to Bank B Stock, (3) cash resulting from quarterly cash dividends, (4) Bank B Stock resulting from annual stock dividends, and (5) Settlement Proceeds, upon their later allocation to the Plan X suspense account as described above. Consistent with the Reorganization Agreement, the assets will be released from the Plan X suspense account and allocated to the Plan X accounts of (i) active Plan X participants who were Plan X participants on July 1, 2000, the date of the Exempt Loan prepayment, and (ii) deferred vested Plan X participants who did not request a partial distribution of their Plan X accounts and who were Plan X participants on July 1, 2000, pursuant to the Treasury regulations issued under Code section 4975, based on the compensation of such active participants as of July 1, 2000, and the compensation of such deferred vested participants on the date of their separation from service.

In no event will deferred vested Plan X participants who requested partial distributions of their Plan X accounts or former Plan X participants who no longer have account balances receive any of the assets released from the suspense account as a result of the prepayment of the Exempt Loan.

Following receipt of the requested private letter ruling, the Settlement Proceeds and their related earnings held in the separate money market account in Plan Y will be allocated as follows:

(a) A portion of the Settlement Proceeds attributable to Bank A Stock purchased by Plan Y on the open market during the Class Period that was exchanged for shares of Bank B Stock, which shares of Bank B Stock were allocated to the Plan Y accounts of active Plan Y participants as of September 15, 1999, will be allocated in cash to the Plan Y accounts

of active Plan Y participants who were active Plan Y participants as of September 15, 1999, in proportion to the number of such shares of Bank B Stock allocated to and held in each such Plan Y account as of September 15, 1999;

(b) A portion of the Settlement Proceeds attributable to Bank A Stock purchased by Plan Y on the open market during the Class Period that was exchanged for shares of Bank B Stock, which shares of Bank B Stock were allocated to the Plan Y accounts of deferred vested Plan Y participants as of September 15, 1999, will be allocated in cash to the accounts of such deferred vested Plan Y participants, in proportion to the number of such shares of Bank B Stock allocated to and held in each such Plan Y account as of September 15, 1999; and

(c) A portion of the Settlement Proceeds attributable to Bank A Stock purchased by Plan Y on the open market during the Class Period that was exchanged for shares of Bank B Stock, which shares of Bank B Stock were allocated to the Plan Y accounts of former Plan Y participants who received distributions of their Plan Y accounts prior to September 15, 1999, will be paid in cash to such former participants, in proportion to the number of such shares of Bank B Stock allocated to and held in each such Plan Y account as of the date of distribution of such account prior to September 15, 1999.

Party defendants to the lawsuit who are also current or former participants in either Plan X or Plan Y will not receive any part of the Settlement Proceeds or any benefit derived therefrom. The calculation of the Settlement Proceeds, and the amount of the Settlement Proceeds received by Plan X or Plan Y, did not include any amount attributable to the three party defendants who are Plan X or Plan Y participants. Therefore, no portion of the Settlement Proceeds constitutes a forfeiture or annual addition attributable to these party defendants.

Based on the above facts and representations, your authorized representatives have requested rulings to the effect of the following:

1. The proposed restorative payments to Plan X and Plan Y will not constitute a "contribution" or other payment subject to the provisions of either Code section 404 or Code section 4972;
2. The proposed allocation of restorative payments will not adversely affect the qualified status of either Plan X or Plan Y pursuant to either Code section 401(a)(4) or Code section 415;
3. The proposed allocation of restorative payments as described in ruling request two will not, when made, result in taxable income to affected Plan X or Plan Y participants, deferred vested participants who have not received partial distributions, deferred vested participants who have received partial distributions, former participants or beneficiaries;
4. The use of the proceeds of the sale of the unallocated Bank B Stock held by Plan X to repay the Exempt Loan will not cause the Exempt Loan to fail to satisfy the requirements for exemption under Code section 4975; and

5. Any allocations made to the accounts of the Plan X participants as a result of the sale of the unallocated Bank B Stock held by Plan X, and the use of the sale proceeds to repay the Exempt Loan, will be treated as earnings and therefore will not constitute annual additions under Code section 415 to participants' accounts.

With respect to your first three requested rulings, section 401(a)(4) of the Code provides that the contributions or benefits provided under a retirement plan qualified under section 401(a) of the Code may not discriminate in favor of highly compensated employees as defined in section 414(q) of the Code.

Section 404(a) of the Code generally provides that contributions made by an employer to or under a stock bonus, pension, profit-sharing, or annuity plan shall be deductible under section 404 subject to the limitations contained therein.

Section 415(c) of the Code generally limits the amount of contributions and other additions under a qualified defined contribution plan with respect to a participant for any year.

Section 1.415-6(b)(2) of the Income Tax Regulations provides that the term "annual additions" includes employer contributions which are made under the plan. Section 1.415-6(b)(2) further provides that the Commissioner may, in an appropriate case, considering all of the facts and circumstances, treat transactions between the plan and the employer or certain allocations to participants' accounts as giving rise to annual additions.

Code section 4972 imposes on an employer an excise tax on nondeductible contributions to a qualified plan. Section 4972(c) defines "nondeductible contributions" as the excess (if any) of the amount contributed for the taxable year by the employer to or under such plan over the amount allowable as a deduction under section 404 for such contributions (determined without regard to subsection (e) thereof), and the amount determined under subsection (c) for the preceding year reduced by the sum of the portion of the amount so determined returned to the employer during the taxable year and the portion of the amount so determined deductible under section 404 for the taxable year (determined without regard to subsection (e) thereof).

Code section 402(a) generally provides that amounts held in a trust that is exempt from tax under Code section 401(a) and that is part of a plan that meets the qualification requirements of Code section 401(a) will not be taxable to participants until such time as such amounts are actually distributed to distributees under such plan.

Generally, amounts contributed to a qualified retirement plan are subject to Code sections 401(a)(4), 404, 415, and 4972. However, payments to a plan are not so subject if they are made by the employer in order to restore value to the plan's trust that was lost due to actions which place the employer under a reasonable risk of liability for breach of fiduciary duty. Payments to a plan made by an employer pursuant to a Department of Labor order or to a court-approved settlement to restore lost value would generally be considered as restorative payments and not

subject to the Code sections cited above. However, in general, payments made by an employer to a plan's trust to make up for lost value due to general market fluctuations would not be considered restorative payments. A determination as to whether play payments in other circumstances may be treated as restorative payments would be based on all the facts presented.

In this case, as a result of lawsuits concerning actions of Bank A with respect to its stock, Plans X and Y received settlements pursuant to a court-approved settlement agreement designed to restore the value of the stock which they purchased. As described above, these settlement proceeds will ensure that the affected participants in Plans X and Y recover their account balances and be placed in the position in which they would have been in the absence of certain acts by Bank A. Thus, it is reasonable to characterize these payments as restorative payments.

Thus, based on the above, we conclude as follows with respect to your first three requested rulings:

1. The proposed restorative payments to Plan X and Plan Y will not constitute a "contribution" or other payment subject to the provisions of either Code section 404 or Code section 4972;
2. The proposed allocation of restorative payments will not adversely affect the qualified status of either Plan X or Plan Y pursuant to either Code section 401(a)(4) or Code section 415; and
3. The proposed allocation of restorative payments will not, when made, result in taxable income to affected Plan X or Plan Y participants, deferred vested participants who received partial distributions, former participants or beneficiaries.

With respect to your fourth requested ruling, an ESOP is designed to invest primarily in employer securities. An ESOP must be part of a stock bonus plan qualified under section 401(a) of the Code, or a stock bonus plan and a money purchase plan qualified under section 401(a). A leveraged ESOP borrows funds which it uses to purchase employer securities, usually from the employer. The ESOP loan or loans are generally from the employer or guaranteed by the employer. The acquired employer securities are held in a suspense account pending allocation to the accounts of plan participants in accordance with the rules of section 54.4975-11(d) of the Excise Tax Regulations. An ESOP generally uses employer contributions to the plan and cash dividends on employer stock held by the plan to repay the exempt loan.

Under section 4975(d)(3)(A) of the Code, an ESOP loan generally is exempt from the prohibitions provided in section 4975(c) and the excise taxes imposed by sections 4975(a) and (b) only if the loan is primarily for the benefit of the participants and beneficiaries of the plan ("primary benefit requirement"). Section 54.4975-7(b)(3) of the regulations provides that all of the surrounding facts and circumstances will be considered in determining whether an ESOP loan satisfies the primary benefit requirement. Among the relevant facts and circumstances are whether the transaction promotes employee ownership of the employer stock, whether

contributions to the ESOP are recurring and substantial, and the extent to which the method of repayment of the loan benefits the employees. All aspects of the loan transaction, including the method of repayment, will be scrutinized to determine whether the primary benefit requirement is satisfied.

Section 54.4975-7(b) of the regulations indicates that the employer has the primary responsibility for the repayment of an exempt loan through contributions to the plan. Section 54.4975-7(b)(6) provides for the repayment of an exempt loan in the event of default. However, the exemption provided by section 4975(d)(3) of the Code, and described in the associated regulations, will not fail to be met merely because the trustee sells the unallocated suspense account shares and uses the proceeds to repay the exempt loan, if the transaction satisfies the primary benefit requirement based on all the surrounding facts and circumstances.

Section 54.4975-7(b)(5) of the regulations also provides that the only assets of an ESOP that may be given as collateral on an exempt loan are qualifying employer securities of two classes: those acquired with the proceeds of the loan and those that were used as collateral on a prior exempt loan repaid with the proceeds of the current exempt loan. No person entitled to payment under the exempt loan shall have any right to assets of the ESOP other than: (i) collateral given for the loan, (ii) contributions (other than contributions of employer securities) that are made under an ESOP to meet its obligations under the loan, and (iii) earnings attributable to such collateral and the investment of such contributions.

Section 54.4975-7(b)(5) of the regulations does not establish a per se prohibition against exempt loan prepayment by an ESOP. However, as noted above, if an ESOP contemplates prepaying an exempt loan, the funds used to prepay the loan must be limited as described in this regulation.

In this case, Bank A made consistent and substantial contributions to Plan X since the inception of the first exempt loan in 1992. Of the approximately 336,000 shares acquired by Plan X with the proceeds of the two exempt loans, approximately 265,000 shares have been allocated to participants' accounts. At the time Plan X was established and at the time the subsequent exempt loans occurred, Bank A contemplated that Plan X would continue until the exempt loans were repaid and all shares of Bank A common stock were allocated to participants. However, in 1999, Bank A agreed to merge with a new banking corporation organized by Bank B. The resulting bank, Bank C, became the sponsor of Plan X. The Reorganization Agreement provides that Plan X will be merged into an ESOP maintained by Bank B, the parent of Bank C. Since the Bank B ESOP is not leveraged and Bank B did not wish to maintain a leveraged ESOP, Bank C prepaid Plan X's Exempt Loan with the proceeds from selling the Bank B Stock in the Plan X suspense account to Bank B.

Accordingly, with respect to your fourth requested ruling, we conclude that the use of the proceeds of the sale of the unallocated Bank B Stock held by Plan X to repay the Exempt Loan

will not cause the Exempt Loan to fail to satisfy the requirements for exemption under Code section 4975.

With respect to your fifth requested ruling, section 415(a) of the Code provides that contributions and other additions under a defined contribution plan with respect to a participant for any taxable year may not exceed the limits of subsection (c). Section 415(a)(1)(B) of the Code generally prohibits contributions and other additions under all defined contribution plans of an employer, including an ESOP, with respect to any participant for any limitation year from exceeding the limitations in section 415(c). Section 415(c)(1) of the Code provides that contributions and other additions with respect to a participant shall not, when expressed as an "annual addition" to the participant's account, exceed the lesser of $30,000 or 25% of the participant's compensation. Section 415(c)(2) defines "annual addition" as the sum for any year of employer contributions, the employee contributions, and forfeitures.

Section 1.415-6(g) of the Income Tax Regulations sets forth special rules for ESOPs. This regulation provides, in part, that for purposes of applying the limitations of section 415(c) of the Code and section 1.415-6(g) of the regulations, the amount of employer contributions which is considered an annual addition for the limitation year is calculated with respect to employer contributions of both principal and interest used to repay the exempt loan for that limitation year.

Section 1.415-6(b)(2)(i) of the regulations provides that the Commissioner may, in appropriate cases, considering all of the facts and circumstances, treat certain allocations to participant accounts as giving rise to annual additions.

Section 54.4975-7(b)(8)(i) of the regulations provides, in part, that an exempt loan must provide for the release from encumbrance of plan assets used as collateral for the loan. For each plan year during the duration of the loan, the number of securities released must equal the number of encumbered securities held immediately before release for the current play year multiplied by a fraction. The numerator of the fraction is the amount of the principal and interest paid for the year. The denominator of the fraction is the sum of the numerator plus the principal and interest to be paid for all future years.

The assets remaining in Plan X's suspense account following the prepayment of the Exempt Loan reflect the extent of the appreciation in the value of the shares held in the suspense account and are, in effect, earnings, and are properly treated as such. Since the assets remaining in Plan X's suspense account are treated as earnings, they do not constitute annual additions under section 1.415-6(b)(2)(i) upon their allocation to participants' accounts in this situation.

Accordingly, we conclude with respect to your fifth requested ruling that any allocations made to the accounts of the Plan X participants as a result of the sale of the unallocated Bank B Stock held by Plan X, and the use of the sale proceeds to repay the Exempt Loan, will be treated as earnings and therefore will not constitute annual additions under Code section 415 to participants' accounts.

The above rulings are based on the assumption that Plan X will be otherwise qualified under Code section 401(a) and will meet the requirements of Code section 4975(e)(7), and that Plan Y will be otherwise qualified under Code sections 401(a) and 401(k), and that their related trusts will be tax exempt under Code section 501(a) at the time that the above transaction takes place.

This ruling is directed only to the taxpayer who requested it. Section 6110(j)(3) of the Code provides that this ruling may not be used or cited as precedent.

If you have any questions about this letter, please contact ********** at **********. Please refer to T:EP:RA:T3.

A copy of this letter has been sent to your authorized representative in accordance with a power of attorney on file in this office.

Sincerely yours,

Frances V. Sloan

Frances V. Sloan, Manager
Employee Plans, Technical Group 3
Tax Exempt and Government Entities Division

Enclosures
Notice 437
Deleted copy of ruling letter