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INTERNAL REVENUE SERVICE
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INTERNAL REVENUE SERVICE NATIONAL OFFICE FIELD SERVICE ADVICE

MEMORANDUM FOR ASSOCIATE AREA COUNSEL
CC:LM:RFP:CHI2

FROM: ASSOCIATE CHIEF COUNSEL
PASSTHROUGHS & SPECIAL INDUSTRIES
CC:PSI

SUBJECT: Lease-in/Lease-out

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LEGEND

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ISSUE

Whether the Lease-in/Lease-out (LILO) transaction described below has economic substance.

CONCLUSION

The LILO transaction described below lacks economic substance and should not be respected for federal income tax purposes.

FACTS

1. Lease Terms

A, a Country A stock corporation, leased an office building from B , which held title to the project. Under the master lease (Master Lease), which went into effect on Date 1, A leased the project for a term of #1 years and a renewal option (Head Lease Renewal Option) of #2 years. The Master Lease was modified on Date 2 extending the lease another #2 years, for a total term, including renewal options, of #3 years.

On Date 3, A entered into a head lease (Head Lease) with C, as trustee for D. The Head Lease provided for a #4 year basic term (Head Lease Basic Term), and a #5 year renewal term, (Head Lease Renewal Term), for a combined term of #6 years. The projected useful life of the project was estimated to be at least #7 years. Thus, the Head Lease was not expected to exceed #8 percent of the #7 year useful life of the project. Also, on Date 3, A entered into a lease agreement (Sublease) to lease the project back from C, as trustee for D, for a term of #4 years.

For federal tax reporting purposes, D treated the assets and obligations held in trust by C for D as though they were held by a grantor trust owned by D.

At the end of the this term several options come into play. First, A can choose to exercise a purchase option (Purchase Option) to purchase D's interest in the project at a set Purchase Option price of $1. This is in excess of the estimated value per the appraisal value set as of the closing date of the Head Lease (Closing Date Appraisal) of $2.

If A does not elect the Purchase Option, then D has the following three options under the Lease Agreement:

1. D may cause A to renew the Lease for a #9 year term, (Sublease Renewal Term, Date 4-Date 5) at a fixed rent of not more than #10 percent of expected releasing rent levels as determined in the Closing Date Appraisal (Sublease Renewal Option);
2. D may cause A to return the project to D, in which case A is obligated to return the Project to D on the Lease Expiration date in accordance with the return provisions of the Lease (Return Option); and
3. D may arrange a new lease with a third party unrelated to the Lessee (New Lease Option).

If D elects the Sublease Renewal Option, D may elect to cause A to seek bids for a “Value Guarantee” in an amount equal to #11 percent of the projected fair market value of D’s interest as of the end of the Sublease Renewal Term as determined by an appraiser chosen by D prior to the commencement of the Sublease Renewal Term. The Value Guarantee will be payable in an amount equal to the shortfall between the sales price obtained by D for its interest, should D choose to sell its interest at the expiration of the Sublease Renewal Term, and the Value Guarantee amount. Based on the Closing Date Appraisal, however, it is unlikely that D’s interest would be worth less than #11 percent of its estimated future fair market value at the end of the Lease Renewal Term and that any net payment would be required from the party providing the Value Guarantee. Alternatively, under this option, A has the right to pay a predetermined sum (Stipulated Loss Value) and all other amounts due and payable under the lease to D and to terminate the lease, in which case, D may, in its sole discretion, elect not to renew the Head Lease.

If D elects the Return Option, and returns and sells its interest in the project, the Closing Date Appraisal projects that D will be able to sell its interest in the project for fair market value of $5.

If D elects the New Lease Option, the Closing Date Appraisal projects rents for the Sublease Renewal Term of $7. Taxpayer concludes that since this rental rate exceeds the rent obtainable if D causes A to lease for the Sublease Renewal Term (at a rate of not more than #10 percent of expected releasing rent levels as determined in the Closing Date Appraisal, projected as rents varying from $8 to $9), it is reasonable that D will choose a new tenant. This conclusion also assumes that the Purchase Option will not be exercised. After the end of the Sublease Renewal Term, the Closing Date Appraisal projects that D will receive rent for the project for the period between the end of the Sublease Renewal Term and the end of the Head Lease (Date 5 and Date 7, Shirttail Period), of $6 per year.

2. Financing

To fund the Head Lease, D made an initial investment (Initial Investment) of $10 and C obtained a non-recourse loan from E of $11. The loan has a fixed interest rate of #12 percent and the debt service payments are amortized over the term of the Head Lease and the Head Lease Renewal Term (or the term of any new lease entered into, whichever is applicable). D instructed C to transfer the Initial Investment to A as a substantial advance payment. Of this amount, $11 was credited to A's account with E in Country B. The $10 equity investment was credited to A's account in City A . E then debited A's account in Country B in the amount of $11, and credited that amount to E's account.

E entered into a agreement (Payment Undertaking Agreement) with A and C. Under the terms of the Payment Undertaking Agreement, A agreed to pay $11 to E on Date 3. E agreed to make payments on behalf of A in fulfillment of A's obligations under the Sublease.

A may replace E with an acceptable substitute to D, so long as A is not in default. In the event that other collateral is substituted for the Payment Undertaking Agreement or A makes any payments due under the Lease from sources other than the Payment Undertaking Agreement, the amounts payable under the Payment Undertaking Agreement are payable to A, or as A directs. D's rights under the Payment Undertaking Agreement were assigned to E, the lender. Neither E nor A has a right of set off against any payments for amounts not received. E received a fee on the Closing Date equal to $12 , representing the spread between the interest rate on the Loan and the implicit rate on the upfront payment.

Additionally, under a participation agreement (Participation Agreement), A was required to purchase United States treasury obligations (Treasury Obligations). From the $10 equity investment, A authorized the transfer of $13 (the purchase price of the Treasury Obligations) from its City A account to a F account. A kept the $14 remaining portion of the lease prepayment as its upfront benefit. C transferred this amount from A's City A account to A's account at G. A has title to the Treasury Obligations. The Treasury Obligations were pledged to C and D to secure A's obligations to make payments under the Sublease. This arrangement economically defeases a portion of the transaction. Under the documents, in the event that there is an early termination of the Lease, a portion of the equity portion of stipulated loss value is not expected to be covered by the Treasury Obligations.

E, as lender, has a security interest in the Head Lease, the Lease, and the portion of the Initial Investment that is subject to the Payment Undertaking Agreement.

If A elects the Purchase Option, then D will have to pay off the loan. If D elects the return or new lease option, D must refinance or pay off the loan. If D elects the lease renewal option, A will be required to arrange a refinancing of the Loan for the Sublease Renewal Term.

3. Reported Tax Consequences

D claimed deductions for the allocated rents under the Head Lease pursuant to Internal Revenue Code § 178. D claims that $15 was paid for the Head Lease Basic Term and is being amortized on a straight-line basis over that term. D claimed that $16 was paid to acquire the Head Lease Renewal Option, and that amount is being capitalized and will be amortized over the Head Lease Renewal Term, or, if the Purchase Option is exercised, will be deducted in the tax year the option is exercised.

D claimed deductions for interest expenses related to the loan between E and C. D included in gross income the rents on the lease with A. D claimed net deductions in the early years of the transaction followed by net income inclusion, on or after the conclusion of the basic lease term.

LAW AND ANALYSIS

You have asked whether this LILO transaction should be respected for federal tax purposes. For the reasons discussed below, we agree with your conclusion that the transaction lacks economic substance.

1. Economic Substance

To be respected, a transaction must have economic substance separate and distinct from the economic benefit achieved solely by tax reduction. If a taxpayer seeks to claim tax benefits, which were not intended by Congress, by means of transactions that serve no economic purpose other than tax savings, the doctrine of economic substance is applicable. United States v. Wexler, 31 F.3d 117, 122, 124 (3d Cir. 1994); Yosha v. Commissioner, 861 F.2d 494, 498-99 (7th Cir. 1988), aff'g Glass v. Commissioner, 87 T.C. 1087 (1986); Goldstein v. Commissioner, 364 F.2d 734 (2d Cir. 1966), aff'g 44 T.C. 284 (1965); Weller v. Commissioner, 31 T.C. 33 (1958), aff'd, 270 F.2d 294 (3d Cir. 1959); ACM Partnership v. Commissioner, T.C. Memo. 1997-115, aff'd in part and rev'd in part, 157 F.3d 231 (3d Cir. 1998). Whether a transaction has economic substance is a factual determination. United States v. Cumberland Pub. Serv. Co., 338 U.S. 451, 456 (1950). This determination turns on whether the transaction is rationally related to a useful nontax purpose that is plausible in light of the taxpayer's conduct and useful in light of the taxpayer's economic situation and intentions. The utility of the stated purpose and the rationality of the means chosen to effectuate it must be evaluated in accordance with commercial practices in the relevant industry. Cherin v. Commissioner, 89 T.C. 986, 993-94 (1987); ACM Partnership, supra. A rational relationship between purpose and means ordinarily will not be found unless there was a reasonable expectation that the nontax benefits would be at least commensurate with the transaction costs. Yosha, supra; ACM Partnership, supra.

In determining whether a transaction has economic substance so as to be respected for tax purposes, both the objective economic substance of the transaction and the subjective business motivation must be determined. ACM Partnership, 157 F.3d at 247; Horn v. Commissioner, 968 F.2d 1229, 1237 (D.C. Cir. 1992); Casebeer v. Commissioner, 909 F.2d 1360, 1363 (9th Cir. 1990). The two inquiries are not separate prongs, but are interrelated factors used to analyze whether the transaction had sufficient substance, apart from its tax consequences, to be respected for tax purposes. ACM Partnership, 157 F.3d at 247; Casebeer, 909 F.2d at 1363.

Courts have recognized that offsetting legal obligations, or circular cash flows, may effectively eliminate any real economic significance of the transaction. Knetsch v. United States, 364 U.S. 361 (1960). In Knetsch, the taxpayer repeatedly borrowed against increases in the cash value of a bond. Thus, the bond and the taxpayer's borrowings constituted offsetting obligations. As a result, the taxpayer could never derive any significant benefit from the bond. The Supreme Court found the transaction to be a sham, as it produced no significant economic effect and had been structured only to provide the taxpayer with interest deductions.

In Sheldon v. Commissioner, 94 T.C. 738 (1990), the Tax Court denied the taxpayer the tax benefits of a series of Treasury bill sale-repurchase transactions because they lacked economic substance. In the transactions, the taxpayer bought Treasury bills that matured shortly after the end of the tax year and funded the purchase by borrowing against the Treasury bills. The taxpayer accrued the majority of its interest deduction on the borrowings in the first year while deferring the inclusion of its economically offsetting interest income from the Treasury bills until the second year. The transactions lacked economic substance because the economic consequence of holding the Treasury bills was largely offset by the economic cost of the borrowings. The taxpayer was denied the tax benefit of the transactions because the real economic impact of the transactions was "infinitesimally nominal and vastly insignificant when considered in comparison with the claimed deductions." Sheldon, 94 T.C. at 769.

In ACM Partnership v. Commissioner, 157 F.3d 231 (3d Cir. 1998), the taxpayer entered into a near-simultaneous purchase and sale of debt instruments. Taken together, the purchase and sale "had only nominal, incidental effects on [the taxpayer's] net economic position." ACM Partnership, 157 F.3d at 250. The taxpayer claimed that, despite the minimal net economic effect, the transaction had economic substance. The court held that transactions that do not "appreciably" affect a taxpayer's beneficial interest, except to reduce tax, are devoid of substance and are not respected for tax purposes. ACM Partnership, 157 F.3d at 248. The court denied the taxpayer the purported tax benefits of the transaction because the transaction lacked any significant economic consequences other than the creation of tax benefits.

In other leasing transactions, leases have been respected as valid despite the presence of credit support for their payment, such as third-party rent guarantees. See Torres v. Commissioner, 88 T.C. 702 (1987); Cooper v. Commissioner, 88 T.C. 84 (1987); Gefen v. Commissioner, 87 T.C. 1471 (1986). On the other hand, a fully defeased lease arguably is not "compelled or encouraged by business and regulatory realities" as required by Frank Lyon v. Commissioner, 435 U.S. 561, 583 (1978).

Moreover, claims of pre-tax profit are not dispositive. There is some precedent that economic substance for a lease transaction will be satisfied if there is "some modicum" of economic substance, which may mean "some modicum" of pre-tax profit. See Rice's Toyota World, Inc. v. Commissioner, 81 T.C. 184, 203 n.17 (1983), aff'd in part and rev'd in part on other grounds, 752 F.2d 89 (4th Cir. 1985). See Estate of Thomas v. Commissioner, 84 T.C. 412, 440 n.52 (1985). In Hines v. Commissioner, 912 F.2d 736 (4th Cir. 1990), the Fourth Circuit found that a leasing transaction was a sham. In doing so, it described a $17,000 profit potential as "minimal" on an eight-year investment of $130,000. The Fourth Circuit also found evidence of tax motivation in the offsetting obligations to pay rent and debt service. The transaction also involved the use of related parties to avoid section 465. Under these facts, the court found that "the tax tail began to wag the dog." Hines, 912 F.2d at 741. Thus, small profits on a lease transaction may be overlooked when tax considerations have taken over the transaction. See also Pacheco v. Commissioner, T.C. Memo. 1989-296.

2. Application to LILO Transaction

It is the position of the Internal Revenue Service that certain LILO transactions lack economic substance. Rev. Rul. 99-14, 1999-13 I.R.B. 3. When the form of a transaction lacks economic substance, the form is disregarded and, consistent with the substance of the transaction, the proper tax treatment is determined. ACM Partnership, supra; Compaq Computer v. Commissioner, 113 T.C. 17 (1999).

A sale leaseback transaction is distinct from a LILO transaction. A LILO involves a lease from one entity to another, with a generally coextensive lease back to the first entity. A sale leaseback involves a disposition for tax purposes. Rev. Proc. 75-21, 1975-1 C.B. 715, provides safe harbors and ruling guidelines for determining whether a transaction is a lease or a sale. Because a sale leaseback is distinct from a LILO transaction, Rev. Proc. 75-21 does not apply to LILO transactions. Similarly, an analysis of the benefits and burdens factors, as would be utilized in analyzing a sale leaseback, would be inappropriate under the present facts.

Viewed as a whole, the objective facts of the above-described LILO transaction indicate that the transaction lacks the potential for any significant economic consequences other than the creation of tax benefits; the transaction lacks economic substance.

The payments due during the term of the Sublease represent a circular cash flow. D borrows $11 from E, which amount is credited to A, who in turn, deposits that amount with E. E then makes payments on behalf of A equal to the A's obligations under the Sublease.

D's rights under the Payment Undertaking Agreement are collaterally assigned to E as security for the D's loan. The Payment Undertaking Agreement does not afford E any additional rights in respect of its security for the Loan other than in its capacity as lender. E also has a security interest in the Head Lease and the Sublease. Although neither E nor A has a right of set off against any payments for amounts not received, the economic reality is that E pays to itself the amounts due under the loan.

Although A may substitute alternative collateral for the Payment Undertaking Agreement, it may only do so with a substitute acceptable to D. Under Section 12 of the Participation Agreement, A may substitute collateral which provides for the payment of amounts equal to A's obligations under the Sublease, for the benefit of D and subject to a first priority security interest in favor of E. The applicable rate of the loan may not be increased without D's consent, which may be withheld in D's good faith discretion. Further, A is responsible for any increased costs, fees, and expenses incurred by D or E in connection with A's substitution of collateral. Therefore, there is little real risk; if A substitutes alternative collateral, it will be as safe as the Payment Undertaking Agreement and D will be at no greater risk as to payment.

D also provided $10 as its Initial Investment. This amount is partially defeased by the requirement that A purchase Treasury Obligations in the amount of $13. Although A has title to the Treasury Obligations, they are held in a City B office of E, and are pledged to D. The remaining amount, $14, represents A's upfront benefit, or its return on the transaction on the Closing Date.

Although there is a spread between the rates of interest on the loan and the deposit, this spread is paid to the E as a fee. It would appear to make no economic difference whether an amount was paid as interest or as a fee. In sum, the amount of the rent obligation is equal to the amount of the debt service. Thus, all such funds represent a circular cash flow. As a result, the offsetting and circular nature of the obligations eliminate any significant economic consequences of the transaction.

The economics of the different options at the end of the sublease term must be verified. Taxpayer asserts that A's purchase option is set at a price which exceeds estimated fair market value set at the Closing Date. A further asserts that this option will not be exercised unless there is a significant deviation in the appraised value. Taxpayer's argument assumes two things: 1) that taxpayer's appraisals are correct; and 2) that A will not have a significant business incentive to retain possession of the building which it occupies.

The differential between the Purchase Option price and estimated fair market value, is small, relative to the overall value, therefore a significant business purpose on the part of A to retain the building would overcome that impediment.

Under the Lease, D has the option to allow A to renew the lease at a rent set at #10 percent of expected fair market value. Accordingly, taxpayer asserts that this election will probably not be exercised, because it is below fair market value. Again this determination depends upon taxpayer's appraisal.

Under this option, the Value Guarantee is called upon if the project's fair market value falls below 49 percent of expected fair market value. Accordingly D carries the risk that the fair market value will be above #11 percent but below expected fair market value. The appearance of risk, however, is not real, because the Value Guarantee applies only if D elects to renew A's lease, an option that is not likely to be exercised.

The remaining options involve re-leasing the project to third parties. While D does bear some risk as to these options, the risk is limited to the fair market value falling below #10 percent of expected fair market value because D can elect to cause A to renew its lease at #10 percent of expected fair market value. Moreover, this risk does not arise until after the end of the #4 year basic term. There is no precedent which establishes what level of risk gives a transaction substance. Nonetheless, for the first #4 years of the lease, the payments are circular and there is no real risk. We believe we would prevail on the argument that deductions related to those circular payments should not be allowed.

Because the central transaction lacks the potential for any significant economic consequences, the LILO lacks economic substance. Accordingly, the rent payments arising from the transaction are not deductible under section 162.

Further, if case development reveals that D is found to be the owner of the Treasury Strips for tax purposes and D's ownership is separate from the principal tax benefit sought in the transaction, D should be required to include in income the original issue discount (OID) accruing with respect to the Treasury Strips. Under the facts provided, it appears that the OID income associated with the Treasury Strips may be both economically substantive and separable from the sham aspects of the underlying transaction. The “centerpiece” or “principal tax benefit” of the LILO transaction is to create artificial rent and interest deductions that have no economic basis due to the offsetting circular cash flows. See ACM Partnership, 157 F.3d at 262; compare Salina Partnership v. Commissioner, T.C. Memo. 2000-352 (refusing to classify transitory partnership as a sham but upholding the Commissioner’s determination on alternate grounds). Thus, if D is found to be the owner of the Treasury Strips, the OID income that accrued on the strips will have an economically substantive impact on taxpayer’s net financial position. Under these circumstances, recognition of the income attributable to the Treasury Strips accurately reflects the economic realities of the transaction. When a taxpayer acquires funds, has control over the property, and derives readily realizable economic value from it, the taxpayer is regarded as having received income and is liable for tax on the income. James v. United States, 366 U.S. 213, 219 (1961).

3. Treatment of Interest Expense

Having concluded that the transaction lacks economic substance, the next issue is the proper treatment of the interest deduction. The original loan of $11 million was an integral part of the LILO transaction. In general, an interest deduction that is part of a transaction that lacks economic substance may be disallowed, even if it arises on bona fide debt. See Goldstein v. Commissioner, 364 F.2d 734 (2d Cir. 1966). There are, however, circumstances where a loan that is part of a transaction that lacks economic substance is recognized. See Rice's Toyota World, Inc. v. Commissioner, 752 F.2d 89 (4th Cir. 1985). The differential between the two scenarios is whether the loans are an integral part of the transaction that lacks economic substance. It is our opinion that the loans under the present facts are an integral part of the transaction.

In Rice's Toyota World, Inc., the taxpayer purchased a used computer from a leasing company by issuing a recourse note and two nonrecourse notes to the leasing company. The taxpayer claimed accelerated depreciation deductions, based on its ownership of the computer, and interest deductions for the payments on the notes. The taxpayer paid off the recourse indebtedness, which was $250,000, in three years along with $30,000 of interest. The Tax Court found that the transaction lacked economic substance. In conjunction with this determination, the court found that, because the transaction could be disregarded, the taxpayer was not entitled to interest deductions.

The Fourth Circuit affirmed the Tax Court's finding that the transaction lacked economic substance. However, the Fourth Circuit reversed the Tax Court's finding that the interest on the recourse indebtedness was not deductible. "A sham transaction may contain elements whose form reflects economic substance and whose normal tax consequences may not therefore be disregarded." Rice's Toyota World, Inc., 752 F.2d at 96, citing Grodt & McKay Realty, Inc. v. Commissioner, 77 T.C. 1221, 1243 (1981). The Fourth Circuit concludes that both the recourse indebtedness and the interest paid upon it were genuine. Rice's Toyota World, Inc., 752 F.2d at 96. Thus, section "163 does not limit the deductibility of . . . interest expense depending upon the item purchased by the taxpayer." Id; See also, Rose v. Commissioner, 88 T.C. 386, 423 (1987), aff'd, 868 F.2d 851 (6th Cir. 1989).

In addition, in Lieber v. Commissioner, T.C. Memo. 1993-424, the Commissioner challenged the taxpayers' deduction of interest on nonrecourse indebtedness incurred to enter a computer sale leaseback transaction. The Tax Court found that the taxpayers lacked a profit objective in regard to the transaction and disallowed the other deductions. However, the court went on to find the indebtedness incurred to purchase the computer was genuine and allowed the interest paid.

Other cases have recognized the distinction between borrowings that are separable from the sham transaction and those that are an integral part of the sham transaction. ACM Partnership, 157 F.3d at 262; Arrowhead Mountain Getaway, Ltd. v. Commissioner, T.C. Memo. 1995-54, 69 T.C.M. (CCH) 1805 (1995).

Goldstein v. Commissioner, 364 F.2d 734 (2d Cir. 1966), however, is the primary precedent that disallows interest deductions in circumstances where there is no question that genuine loans were obtained. In Goldstein, the taxpayer had won the Irish Sweepstakes. To shelter her windfall, she borrowed money from banks to purchase Treasury securities that would yield a lower rate of interest than she would be paying to the banks. The transaction only benefitted her because of the tax savings on prepaid interest on the loans.

The Second Circuit found that the loans were genuine and recourse, but affirmed the disallowance of the interest expense. The opinion emphasizes the Tax Court's finding that the taxpayer's sole purpose for entering into the transaction was to obtain an interest deduction. 364 F.2d at 740-42. Goldstein holds that borrowing for such a purpose should not be recognized under section 163. Goldstein, Supra (citing Knetsch).

Following Goldstein, a number of cases have disallowed interest deductions where they are an integral part of a transaction found to lack economic substance. See Wexler v. United States, 31 F.3d 117, 125-26 (3d Cir. 1994), cert. denied, 115 S. Ct. 1251 (1995) (affirming the disallowance of an interest deduction in a "repo" transaction.); Sheldon v. Commissioner, 94 T.C. 738 (1990) (disallowing an interest deduction in a “repo” transaction.); Saba Partnership v. Commissioner, T.C. Memo. 1999-359 (disallowing expenses and losses in a similar transaction to ACM

Partnership); Seykota v. Commissioner, T.C. Memo. 1991-541 (distinguishing Rice's Toyota World and disallowing interest expense on a transaction which depended upon an up-front interest deduction for its tax benefits).

In disallowing the interest deduction in Lee v. Commissioner, T.C. Memo. 1997-172, aff'd, 155 F.3d 584 (2d Cir. 1998), the Tax Court asserted that Goldstein "continues to apply to the narrower situation where a taxpayer enters into a borrowing transaction for no purpose other than to claim the deductions generated by that transaction itself."   Lee, 73 T.C.M (CCH) at 2549. In affirming the disallowance of the interest deduction in Lee, the Second Circuit reasoned that:

> To adopt petitioners' reading would be to permit every shelter, no matter how transparently sham, to qualify for an interest expense deduction as long as the money used to finance the not-for-profit transactions involved were borrowed from a lender – any commercial bank would do -- that demanded repayment. That result, soundly criticized by the Third Circuit in . . . Wexler . . . is contrary to the longstanding jurisprudence of sham shelters from Knetsch on down.

Lee, 155 F.3d at 587; See also, Winn-Dixie Stores, Inc. v. Commissioner, 113 T.C. 254, 279 (1999) (citing Lee in disallowing interest incurred in a leveraged corporate-owned life insurance (COLI) program, which was found to lack economic substance.).

The rental deductions at issue stem directly from the loans taken out by Taxpayer and cannot be separated from them. As such, the loans were an integral part of the LILO transaction and a deduction for the interest on the loans is not allowable under section 163.

CASE DEVELOPMENT, HAZARDS AND OTHER CONSIDERATIONS:

[redacted]

[redacted]

[redacted]

Please call if you have any further questions.

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