

Verne, B. Michael

ITEM 5

From: [REDACTED]  
Sent: Monday, November 07, 2005 4:20 PM  
To: Verne, B. Michael  
Subject: Item 5 Question

Mike,

Do the following activities amount to "operations conducted within the United States" for purposes of Item 5?

Company A, a foreign issuer, sells products into the US. Before delivery to US customers, the products are held in warehouses in the US.

1. The US warehouses are either third party owned, public facilities or customer owned (none of them are owned or leased by Company A);
2. All sales functions originate abroad and not through a US sales office; and
3. Title to the products passes in the US on receipt of payment (a foreign subsidiary of Company A holds title until then).

Many thanks,

*No TO ALL. A DOESN'T  
HAVE ~~A~~ A U.S. ESTABLISHMENT*  
*B. Michael*  
*11/7/05*

IRS Circular 230 disclosure:

To ensure compliance with requirements imposed by the IRS, we inform you that any U.S. federal tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein.

[Click Here for More Information](#)

[REDACTED]

[REDACTED]

This message is intended only for the use of the Addressee and may contain information that is privileged and confidential. If you are not the intended recipient, you are hereby notified that any dissemination of this communication is strictly prohibited. If you have received this communication in error, please erase all copies of the message and its attachments and notify us immediately.