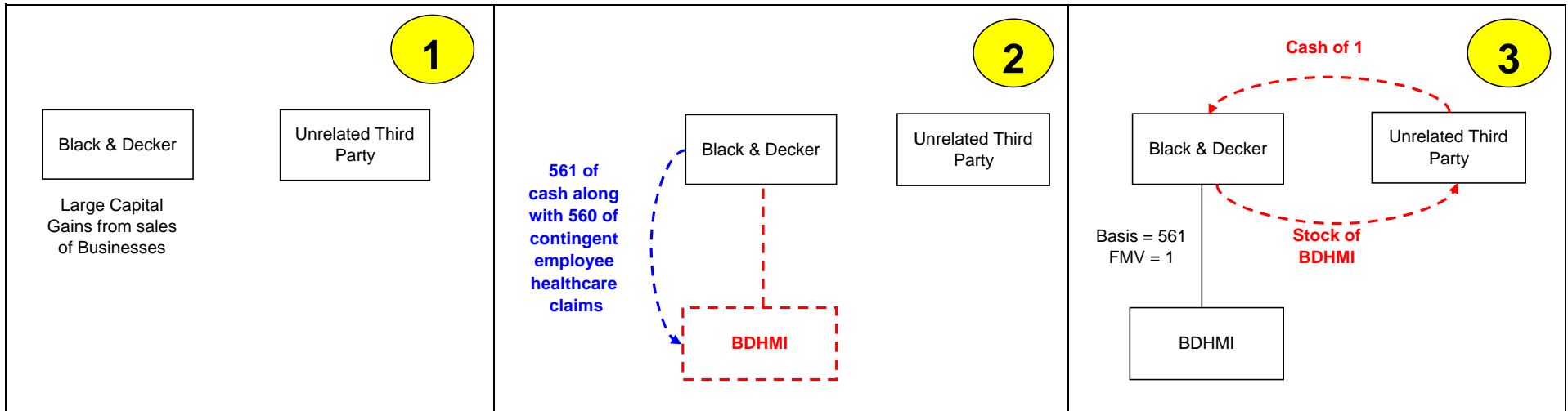


**Contingent Liability Tax Shelter**

Initial Structure

Subsidiary Formation

Sale of Subsidiary at a Loss



Ending Point

See Notice 2001-17 which describes this transaction as a listed transaction. In addition, section 358(h) now eliminates the potential to duplicate the same benefits.

In a motion for summary judgement, the District Court of Maryland (Northern Division) held for Black & Decker. However, on appeal the 4th Circuit reversed and remanded for further proceedings to determine whether this was a sham transaction.

