

06-21-1999



**RECORDATION FORM COVER SHEET
TRADEMARKS ONLY**

101070594

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- ☒ New
- ☐ Resubmission (Non-Recordation)
Document ID #
- ☐ Correction of PTO Error
Reel # Frame #
- ☐ Corrective Document
Reel # Frame #

Conveyance Type

- ☐ Assignment ☐ License
- ☐ Security Agreement ☐ Nunc Pro Tunc Assignment
- ☐ Merger ☐ Change of Name
- ☒ Other Effective Date
Month Day Year

Conveying Party

☐ Mark if additional names of conveying parties attached

Execution Date
Month Day Year

Name Sunquest Information Systems, Inc.

12 29 95

Formerly

- ☐ Individual ☐ General Partnership ☐ Limited Partnership ☒ Corporation ☐ Association
- ☐ Other
- ☒ Citizenship/State of Incorporation/Organization Arizona

Receiving Party

☐ Mark if additional names of receiving parties attached

Name Sunquest Information Systems, Inc.

DBA/AKA/TA

Composed of

Address (line 1) 4801 East Broadway Boulevard

Address (line 2)

Address (line 3) Tucson

AZ

85711-3609

City

State/Country

Zip Code

- ☐ Individual ☐ General Partnership ☐ Limited Partnership ☒ Corporation ☐ Association
- ☐ Other
- ☐ Citizenship/State of Incorporation/Organization Pennsylvania

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)

FOR OFFICE USE ONLY

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

TRADEMARK
REEL: 001916 FRAME: 0226

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number (412) 392-1622

Name

Mary Beth Nolan, Esquire

Address (line 1)

Klett Lieber Rooney & Schorling, A Professional Corporation

Address (line 2)

40th Floor, One Oxford Centre

Address (line 3)

Pittsburgh, PA 15219-6498

Address (line 4)

Pages

Enter the total number of pages of the attached conveyance document including any attachments.

31

Trademark Application Number(s) or Registration Number(s)

☐ Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)

75/616247

75/616248

75/616246

75/591625

75/601477

Registration Number(s)

1,754,470

1,644,819

1,743,557

Number of Properties

Enter the total number of properties involved.

8

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41):

\$ 215.00

Method of Payment:

Enclosed ☒

Deposit Account ☐

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

#

Authorization to charge additional fees:

Yes ☐

No ☐

Statement and Signature

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. Charges to deposit account are authorized, as indicated herein.

MARY BETH NOLAN

Name of Person Signing

Mary Beth Nolan

Signature

6/2/99

Date Signed

EXHIBIT A

**AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
SUNQUEST INFORMATION SYSTEMS, INC.**

1. The name of the corporation is: **SUNQUEST INFORMATION SYSTEMS, INC.** (the "Corporation").
2. The address of the registered office of the Corporation (which is located in Cambria County) is:

1407 Eisenhower Boulevard, Suite 200
Johnstown, PA 15904
3. The Corporation (which was originally incorporated under the Arizona Business Corporation Act on September 10, 1979) was domesticated in Pennsylvania effective January 1, 1996, at which time it became subject to the domestic corporation provisions of the Pennsylvania Business Corporation Law of 1988, as amended.
4. The purpose for which the Corporation is incorporated in Pennsylvania is to engage in and to do any lawful act concerning any and all lawful business for which corporations may be incorporated under the Pennsylvania Business Corporation Law of 1988, as amended.
5. The Corporation shall have authority to issue a total of **FIFTY MILLION (50,000,000)** shares of stock of which **THIRTY-FIVE MILLION (35,000,000)** shares shall be Common Stock, no par value per share, and **FIFTEEN MILLION (15,000,000)** shares shall be Preferred Stock. The holders of Common Stock shall have one (1) vote per share on any matter submitted to a vote of or for consent of shareholders.

The Board of Directors shall have the full authority permitted by law to divide the authorized and unissued shares of Preferred Stock into classes or series, or both, and to determine for any such class or series its designation and the number of shares of the class or series and the voting rights, preferences, limitations and special rights, if any, of the shares of the class or series.
6. The shareholders shall not have the right to cumulate their votes for the election of directors.

7. Subject only to the exceptions in 15 Pa.C.S. § 1713(b), a director of the Corporation shall not be personally liable, as such, for monetary damages for any action taken or failure to take any action unless:
- (1) the director has breached or failed to perform the duties of his or her office under 15 Pa.C.S. Subch. 17B; and
 - (2) the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness.
8. These articles of incorporation may be amended in the manner prescribed at the time by statute, and all rights conferred upon shareholders in these articles of incorporation are granted subject to this reservation.

PENNSYLVANIA DEPARTMENT OF STATE
CORPORATION BUREAU
ROOM 308 NORTH OFFICE BUILDING
P.O. BOX 8722
HARRISBURG, PA 17105-8722

9

SUNQUEST INFORMATION SYSTEMS, INC.

THE CORPORATION BUREAU IS HAPPY TO SEND YOU YOUR FILED DOCUMENT.
PLEASE NOTE THE FILE DATE AND THE SIGNATURE OF THE SECRETARY OF THE
COMMONWEALTH. THE CORPORATION BUREAU IS HERE TO SERVE YOU AND WANTS
TO THANK YOU FOR DOING BUSINESS IN PENNSYLVANIA. IF YOU HAVE ANY
QUESTIONS PERTAINING TO THE CORPORATION BUREAU, CALL (717) 787-1057.

ENTITY NUMBER: 0729330

MICROFILM NUMBER: 09628

0337-0340

KLETT LIEBER ROONEY & SCHORLING
COUNTER

TRADEMARK
REEL: 001916 FRAME: 0230

PENNSYLVANIA DEPARTMENT OF STATE
CORPORATION BUREAU
ROOM 308 NORTH OFFICE BUILDING
P.O. BOX 8722
HARRISBURG, PA 17105-8722

43

SUNQUEST INFORMATION SYSTEMS, INC.

THE CORPORATION BUREAU IS HAPPY TO SEND YOU YOUR FILED DOCUMENT.
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TO THANK YOU FOR DOING BUSINESS IN PENNSYLVANIA. IF YOU HAVE ANY
QUESTIONS PERTAINING TO THE CORPORATION BUREAU, CALL (717) 787-1057.

ENTITY NUMBER: 0729330

MICROFILM NUMBER: 09582

0694-0695

PATRICIA A JUNKER
KLETT LIEBER ROONEY & SCHORLING
COUNTER

TRADEMARK
REEL: 001916 FRAME: 0231

9582- 694

Filed in the Department of
State on

DEC 29 1995

EXHIBIT D

ARTICLES OF DOMESTICATION
OF
SUNQUEST INFORMATION SYSTEMS, INC.

Secretary of the Commonwealth

729330

1. The name of the corporation is: SUNQUEST INFORMATION SYSTEMS, INC. (the "Corporation").
2. The address of the registered office of the Corporation (which is located in Cambria County) is:

1407 Eisenhower Boulevard, Suite 200
Johnstown, PA 15904
3. Upon domestication, the Corporation (which was incorporated under the Arizona Business Corporation Act on September 10, 1979) will be subject to the domestic corporation provisions of the Pennsylvania Business Corporation Law of 1988, as amended.
4. The purpose for which the Corporation is to be domesticated in Pennsylvania is to engage in and to do any lawful act concerning any and all lawful business for which corporations may be incorporated under the Pennsylvania Business Corporation Law of 1988, as amended.
5. The Corporation shall have authority to issue a total of FIFTEEN MILLION (15,000,000) shares of stock of which TEN MILLION (10,000,000) shares shall be Class A Common Stock, par value ONE DOLLAR (\$1.00) per share, and FIVE MILLION (5,000,000) shares shall be Class B Common Stock, par value ONE DOLLAR (\$1.00) per share. The Class A Common Stock and the Class B Common Stock shall be identical in all respects except that the holders of Class B Common Stock shall have no voting power for any purpose and shall not be entitled to notice of any meeting of shareholders, except as otherwise required by law. The holders of Class A Common Stock shall have one (1) vote per share on any matter submitted to a vote of or for consent of shareholders.
6. The shareholders shall not have the right to cumulate their votes for the election of directors.

KLRSPGH1:129747.3

DEC 29 95
PA Dept. of State

TRADEMARK
REEL: 001916 FRAME: 0232

7. The shareholders of the Corporation shall have a preemptive right to acquire stock in the Corporation whenever such stock is issued after the initial offering or issuance and said preemptive right shall be proportional according to the amount of shares then held by each of the shareholders.
8. Subject only to the exceptions in 15 Pa.C.S. § 1713(b), a director of the Corporation shall not be personally liable, as such, for monetary damages for any action taken or failure to take any action unless:
 - (1) the director has breached or failed to perform the duties of his or her office under 15 Pa.C.S. Subch. 17B; and
 - (2) the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness.
9. The Corporation shall, to the full extent permitted by Pennsylvania law, indemnify any person who incurs expenses by reason of the fact that he or she is or was an officer, director, employee or agent of the Corporation.
10. These Articles of Domestication shall become effective on January 1, 1996 at 12:01 a.m.
11. The filing of these Articles of Domestication has been authorized by a majority of the votes cast by all shareholders entitled to vote thereon.

IN TESTIMONY WHEREOF, the Corporation has caused these Articles of Domestication to be executed on December 30, 1995.

SUNQUEST INFORMATION SYSTEMS, INC.

By Nina M. Dmetruk
Nina M. Dmetruk

Title: Executive Vice President

9628-337

EXHIBIT D

729330

FILED
MAR 25 1996
J. H. K.
Secretary of the Commonwealth

ARTICLES OF AMENDMENT
DOMESTIC BUSINESS CORPORATION

1. The name of the corporation is Sunquest Information Systems, Inc.
2. The address of the current registered office of the corporation (which is located in Cambria County) is: 1407 Eisenhower Boulevard, Suite 200, Johnstown, PA 15904.
3. The corporation was originally incorporated on September 10, 1979 pursuant to the Arizona Business Corporation Act. Effective January 1, 1996, pursuant to 15 Pa.C.S. § 4161, the corporation was domesticated in Pennsylvania and became subject to the Pennsylvania Business Corporation Law of 1988, as amended.
4. The original date of its incorporation in Arizona is September 10, 1979.
5. The amendment shall be effective upon filing these Articles of Amendment in the Department of State.
6. The amendment was adopted by the shareholders pursuant to 15 Pa.C.S. § 1914 (a) and (b).
7. The amendment adopted by the corporation, set forth in full, is as follows:

RESOLVED, that the Articles of Incorporation of the corporation be amended and restated to read in their entirety as set forth in Exhibit A;

FURTHER RESOLVED, that upon the effectiveness of the Articles of Amendment effecting the amendment and restatement of the Articles of Incorporation of the Corporation (i) all shares of Class A Common Stock, \$1.00 par value per share, of the Corporation held in the Corporation's treasury shall be cancelled, (ii) each outstanding share of Class A Common Stock of the Corporation shall, without any further action of the Board of Directors or shareholders, be converted into 1,780.3836 shares of Common Stock, no par value, of the Corporation, and (iii) each share certificate representing such outstanding shares of Class A Common Stock shall be deemed to represent the shares of Common Stock into which the shares of Class A Common Stock represented thereby have been converted, without further action by the holder and until such time as such share certificates have been surrendered for transfer or reissuance; provided, however, that no fractional shares of Common Stock shall be created or issued.

MAR 25 96

PA Dept. of State

8. The amended and restated Articles supersede the original Articles and all amendments thereto.

IN TESTIMONY WHEREOF, the undersigned corporation has caused these Articles of Amendment to be signed by a duly authorized officer thereof on March 25, 1996.

SUNQUEST INFORMATION SYSTEMS, INC.

BY: Nina M. Dmetruk
Nina M. Dmetruk

TITLE: Executive Vice President

RENZ D. JENNINGS
CHAIRMAN

MARCIA WEEKS
COMMISSIONER

CARL J. KUNASEK
COMMISSIONER



JAMES MATTHEWS
EXECUTIVE SECRETARY

ARIZONA CORPORATION COMMISSION

1/17/96

We are pleased to notify you that your Application for Authority to transact business in Arizona was approved and filed on 1/17/96.

You must publish a copy of both your Application for Authority and Certificate of Disclosure WITHIN SIXTY (60) DAYS from the File Date. The publication must be in a newspaper of general circulation in PIMA County, for three (3) consecutive publications. An Affidavit from the newspaper, evidencing such publication, must be delivered to the Commission for filing WITHIN NINETY (90) DAYS from the File Date.

All corporations transacting business in Arizona are required to file an Annual Report with the Commission, no later than the 15th day of the fourth (4th) month following the close of each fiscal year. Your fiscal year end is 12/31/96. A preprinted Annual Report form will be mailed to you during that month.

If you have any questions or need further information, please contact us at (602)542-3135 or Toll Free (Arizona residents only) 1-800-345-5819.

Very truly yours,

Christine Young

Examiner Technician
Corporate Filings Section
Corporations Division

CF:07
REV:1/96

FOREIGN

ARIZONA CORPORATION COMMISSION
INCORPORATING DIVISION

Phoenix Address: 1200 West Washington
Phoenix, Arizona 85007

Tucson Address: 402 West Congress
Tucson, Arizona 85701

CERTIFICATE OF DISCLOSURE

A.R.S. Sections 10-128 & 10-1084

PLEASE SEE REVERSE SIDE

Sunquest Information Systems, Inc.
EXACT CORPORATE NAME

CHECK APPROPRIATE BOX(ES) A or B
ANSWER "C"

THE UNDERSIGNED CERTIFY THAT:

- A. No persons serving either by elections or appointment as officers, directors, incorporators and persons controlling, or holding more than 10% of the issued and outstanding common shares or 10% of any other proprietary, beneficial or membership interest in the corporation:
- ☒ 1. Have been convicted of a felony involving a transaction in securities, consumer fraud or antitrust in any state or federal jurisdiction within the seven-year period immediately preceding the execution of this Certificate.
2. Have been convicted of a felony, the essential elements of which consisted of fraud, misrepresentation, theft by false pretenses, or restraining the trade or monopoly in any state or federal jurisdiction within the seven-year period immediately preceding the execution of this Certificate.
3. Have been or are subject to an injunction, judgment, decree or permanent order of any state or federal court entered within the seven-year period immediately preceding the execution of this Certificate where such injunction, judgment, decree or permanent order:
- (a) Involved the violation of fraud or registration provisions of the securities laws of that jurisdiction; or
- (b) Involved the violation of the consumer fraud laws of that jurisdiction; or
- (c) Involved the violation of the antitrust or restraint of trade laws of that jurisdiction.
- B. For any person or persons who have been or are subject to one or more of the statements in Items A.1 through A.3 above, the following information MUST be attached:
- ☐ 1. Full name and prior name(s) used.
2. Full birth name.
3. Present home address.
4. Prior addresses (for immediate preceding 7-year period).
5. Date and location of birth.
6. Social Security number.
7. The nature and description of each conviction or judicial action, date and location, the court and public agency involved and file or cause number of case.

STATEMENT OF BANKRUPTCY, RECEIVERSHIP OR REVOCATION

A.R.S. Sections 10-128.01 and 10-1083

- C. Has any person serving (a) either by election or appointment as an officer, director, trustee or incorporator of the corporation or, (b) major stockholder possessing or controlling any proprietary, beneficial or membership interest in the corporation, served in any such capacity or held such interest in any corporation which has been placed in bankruptcy or receivership or had its charter revoked? YES _____ NO X

IF YOUR ANSWER TO THE ABOVE QUESTION IS "YES", YOU MUST ATTACH THE FOLLOWING INFORMATION FOR EACH CORPORATION:

1. Name and address of the corporation.
2. Full name, including alias and address of each person involved.
3. State(s) in which the corporation:
- (a) Was incorporated.
- (b) Has transacted business.
4. Dates of corporate operation.
5. A description of the bankruptcy, receivership or charter revocation, including the date, court or agency involved and the file or cause number of the case.

Under penalties of law, the undersigned incorporators/Officers declare that we have examined this Certificate, including any attachments, and to the best of our knowledge and belief it is true, correct and complete.

See signatures attached hereto

BY _____ DATE _____

TITLE _____

BY _____ DATE _____

TITLE _____

BY _____ DATE _____

TITLE _____

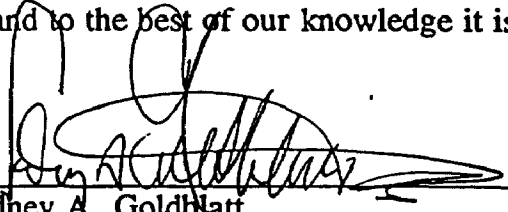
BY _____ DATE _____

TITLE _____

FISCAL DATE: December 31

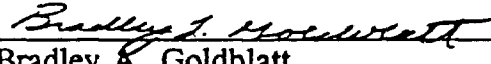
Under penalties of law, the undersigned declare that we have examined the attached Certificate of Disclosure, including any attachments, and to the best of our knowledge it is true and correct and complete.

Date: January 5, 1996



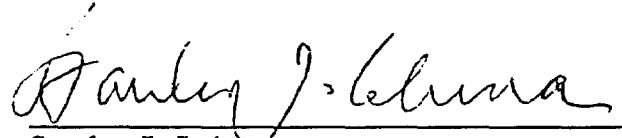
Sidney A. Goldblatt
Director, President and
Chief Executive Officer

Date: January 9, 1996



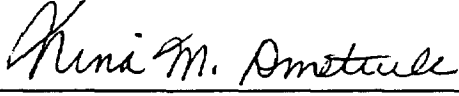
Bradley A. Goldblatt
Director and Treasurer

Date: January 5, 1996




Stanley J. Lehman
Director and Secretary

Date: January 5, 1996



Nina M. Dmetruk
Director, Executive Vice President
and Chief Financial Officer

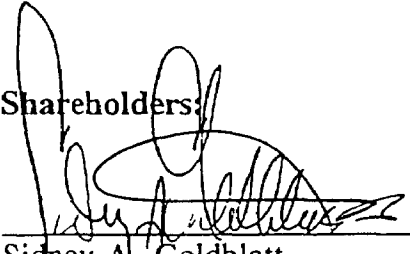
Date: January 5, 1996



R.A. Wesson
Chief Operating Officer

Date: January 5, 1996

Shareholders:



Sidney A. Goldblatt

The Bradley L. Goldblatt Trust
u/d/t dated 1/1/91

Date: January 9, 1996

By: Bradley L. Goldblatt
Bradley L. Goldblatt, Trustee

Date: January 5, 1996

By: Sidney A. Goldblatt
Sidney A. Goldblatt, Trustee

Date: January 5, 1996

By: Nina M. Dmetruk
Nina M. Dmetruk, Trustee

The Curtis S. Goldblatt Trust
u/d/t dated 1/1/91

Date: January 9, 1996

By: Bradley L. Goldblatt
Bradley L. Goldblatt, Trustee

Date: January 5, 1996

By: Sidney A. Goldblatt
Sidney A. Goldblatt, Trustee

Date: January 5, 1996

By: Nina M. Dmetruk
Nina M. Dmetruk, Trustee

The Jodi Beth Goldblatt Trust
u/d/t dated 1/1/91

Date: January 5, 1996

By: Jodi Beth Goldblatt
Jodi Beth Goldblatt, Trustee

Date: January 5, 1996

By: Sidney A. Goldblatt
Sidney A. Goldblatt, Trustee

Date: January 5, 1996

By: Nina M. Dmetruk
Nina M. Dmetruk, Trustee

KLRSPGHI:131941.1

AZ. CORP. COMMISSION
DELIVERED

JAN 17 1996

APPLICATION FOR AUTHORITY

FILED BY Christina Ganga
TERM
DATE 1/17/96

F - 0125196-8

PURSUANT TO THE PROVISIONS OF CHAPTER 15 OF THE ARIZONA GENERAL CORPORATION LAW, THE UNDERSIGNED CORPORATION HEREBY APPLIES FOR AUTHORITY TO TRANSACT BUSINESS IN ARIZONA.

1. This application is an original application pursuant to Section 10-1503 of the Arizona General Corporation Law.
2. The name of the corporation is **Sunquest Information Systems, Inc.**
3. The jurisdiction under which the corporation is incorporated is the **Commonwealth of Pennsylvania.**
4. The corporation was incorporated in the State of Arizona on **September 10, 1979** and was domesticated in the Commonwealth of Pennsylvania effective **January 1, 1996.** The period of duration of the corporation is **perpetual.**
5. The address of the principal office of the corporation in the Commonwealth of Pennsylvania is:

**1407 Eisenhower Boulevard, Suite 200
Johnstown, PA 15904**

6. The address of the proposed place of business of the corporation in the State of Arizona is:

**4801 East Broadway Boulevard
Tucson, Arizona 85711**

KLRSPGHI:131796.1

TRADEMARK
REEL: 001916 FRAME: 0240

7. The name and address of the proposed statutory agent of the corporation in the State of Arizona is:

R.A. Wesson
Sunquest Information Systems, Inc.
4801 East Broadway Boulevard
Tucson, Arizona 85711

8. The names and respective addresses of the officers and directors of the corporation are:

<u>Name</u>	<u>Address</u>	<u>Title</u>
Sidney A. Goldblatt,	1407 Eisenhower Blvd. Suite 200 Johnstown, PA 15904	President, Chief Executive Officer and Director
Bradley L. Goldblatt	1407 Eisenhower Blvd. Suite 200 Johnstown, PA 15904	Treasurer and Director
Stanley J. Lehman	40th Floor, One Oxford Centre Pittsburgh, PA 15219	Secretary and Director
Nina M. Dmetruk	136 Third Street Pittsburgh, PA 15215	Chief Financial Officer, Executive Vice President and Director

9. No officer, director, incorporator or person controlling or holding over twenty per cent of any beneficial interest in the corporation has served in any such capacity or held a twenty per cent interest in any other corporation upon the bankruptcy, receivership or charter revocation of any other corporation.

10. The aggregate number of shares which the corporation has authority to issue is set forth below:

<u>Number</u>	<u>Class</u>	<u>Par Value</u>
10,000,000	Class A Common	\$1.00
5,000,000	Class B Common	\$1.00

11. The aggregate number of issued shares of the corporation is set forth below:

<u>Number</u>	<u>Class</u>	<u>Par Value</u>
6,685.601	Common	\$1.00

12. The character of business which the corporation initially intends to conduct in the State of Arizona is software development.

Dated: January __, 1996

SUNQUEST INFORMATION SYSTEMS, INC.

By: Nina M. Dmetruk

Name: Nina M. Dmetruk
Title: Executive Vice President

I, R.A. Wesson, having been designated to act as the Statutory Agent, hereby consent to act in that capacity until removed or resignation is submitted in accordance with the Arizona General Corporation Law.

R.A. Wesson
R.A. Wesson

Attention Corporate Officers

If you have the responsibility of collecting, accounting for, and paying over payroll taxes withheld from the wages and salaries of corporate employees, read on.

A principal benefit of incorporation is limiting an owner's liability to the amount of his/her capital investment. This limited liability may not apply in all circumstances.

Section 6672 of the Internal Revenue Code States that the liability for taxes withheld from the wages and salaries of corporate employees may be assessed against the corporate officer(s) or employee(s) found to be responsible for their collection and payment. The personal liability of the responsible officer or employee is not limited to the amount of capital investment.

There are other civil and criminal penalties in the law regarding filing, paying, depositing of employment taxes.

If you would like more information regarding this or any other federal tax sue, contact your local Internal Revenue Service office or call toll-free,

1-800-829-1040.

corp. tax

STAR PUBLISHING COMPANY

Tucson, Arizona

STATE OF ARIZONA)
COUNTY OF PIMA)

Barbara Ann Cook, being first duly sworn deposes and says: that she is the Legal Advertising Representative of the STAR PUBLISHING COMPANY, a corporation organized and existing under the laws of the State of Arizona, and that the said STAR PUBLISHING COMPANY prints and publishes The Arizona Daily Star, a daily newspaper printed and published in the City of Tucson, Pima County, State of Arizona, and having a general circulation in said City, County, State and elsewhere, and that the attached

LEGAL NOTICE - APPLICATION FOR AUTHORITY
of SUNQUEST INFORMATION SYSTEMS
INC.

was printed and published correctly in the entire issue of the said The Arizona Daily Star on each of the following dates, to-wit:

February 1, 2 and 3, 1996

Barbara Ann Cook

Subscribed and sworn to before me this 5th day
of February 1996

Mary L Markwell
Notary Public

My commission expires February 1, 1997

TNI AD NO. 464959

APPLICATION FOR AUTHORITY
Pursuant to the provisions of Chapter 15 of the Arizona General Corporation Law, the undersigned corporation hereby applies for Authority to Transact Business in Arizona.
1. This application is an original application pursuant to Section 10-1503 of the Arizona General Corporation Law.
2. The name of the corporation is Sunquest Information Systems, Inc.
3. The jurisdiction under which the corporation is incorporated is the Commonwealth of Pennsylvania.
4. The corporation was incorporated in the State of Arizona on September 10, 1979 and was domesticated in the Commonwealth of Pennsylvania effective January 1, 1996. The period of duration of the corporation is perpetual.
5. The address of the principal office of the corporation in the Commonwealth of Pennsylvania is: 1407 Eisenhower Boulevard, Suite 200, Johnstown, PA 15904.
6. The address of the proposed place of business of the corporation in the State of Arizona is: 4801 East Broadway Boulevard Tucson, Arizona 85711.
7. The name and address of the proposed statutory agent of the corporation in the State of Arizona is: R.A. Wesson Sunquest Information Systems, Inc. 4801 East Broadway Boulevard Tucson, Arizona 85711.
8. The names and respective addresses of the officers and directors of the corporation are:
NAME ADDRESS TITLE
Sidney A. Goldblatt 1407 Eisenhower Blvd, Suite 200 Johnstown, PA 15904 President, Chief Executive Officer and Director
Bradley L. Goldblatt 1407 Eisenhower Blvd, Suite 200 Johnstown, PA 15219 Treasurer and Director
Stanley J. Lehman 40th Floor, One Oxford Centre Pittsburgh, PA 15219 Secretary and Director
Nina M. Dmetruk 136 Third Street Pittsburgh, PA 15215 Chief Financial Officer, Executive Vice President and Director
9. No officer, director, incorporator or person controlling or holding over twenty per cent of any beneficial interest in the corporation has served in any such capacity or held a twenty per cent interest in any other corporation upon the bankruptcy, receivership or charter revocation of any other corporation.
10. The aggregate number of shares which the corporation has authority to issue is set forth below:
NUMBER CLASS PAR VALUE
10,000,000 Class A Common \$1.00
5,000,000 Class B Common \$1.00
11. The aggregate number of issued shares of the corporation is set forth below:
NUMBER CLASS PAR VALUE
6,685,601 Common \$1.00
12. The character of business which the corporation initially intends to conduct in the State of Arizona is software development.
Dated: January -, 1996
SUNQUEST INFORMATION SYSTEMS, INC.
By: Nina M. Dmetruk Name: Nina M. Dmetruk
Title: Executive Vice President
I, R.A. Wesson, having been designated to act as the Statutory Agent, hereby consent to act in that capacity until removed or resignation is submitted in accordance with the Arizona General Corporation Law, s/R.A. Wesson
Publish February 1, 2 and 3, 1996
The Arizona Daily Star

EXHIBIT A

BUSINESS CORPORATIONS

FOREIGN BUSINESS CORPORATIONS 15 Pa.C.S.A. § 4161

Pennsylvania Code References

Domestication of associations, see 19
Pa. Code § 21.1 et seq.

WESTLAW Electronic Research

See WESTLAW Electronic Research Guide following the Preface.

§ 4161. Domestication

(a) **General rule.**—Any qualified foreign business corporation may become a domestic business corporation by filing in the Department of State articles of domestication. The articles of domestication, upon being filed in the department, shall constitute the articles of the domesticated foreign corporation, and it shall thereafter continue as a corporation which shall be a domestic business corporation subject to this subpart.

(b) **Articles of domestication.**—The articles of domestication shall be executed by the corporation and shall set forth in the English language:

(1) The name of the corporation. If the name is in a foreign language, it shall be set forth in Roman letters or characters or Arabic or Roman numerals.

(2) Subject to section 109 (relating to name of commercial registered office provider in lieu of registered address), the address, including street and number, if any, of its registered office in this Commonwealth.

(3) A statement that upon domestication the corporation will be subject to the domestic corporation provisions of the Business Corporation Law of 1988 and, if desired, a brief statement of the purpose or purposes for which it is to be domesticated which shall be a purpose or purposes for which a domestic business corporation may be incorporated under Article B (relating to domestic business corporations generally)¹ and which may consist of or include a statement that the corporation shall have unlimited power to engage in and to do any lawful act concerning any or all lawful business for which corporations may be incorporated under the Business Corporation Law of 1988.

(4) The term for which upon domestication it is to exist, if not perpetual.

(5) Any desired provisions relating to the manner and basis of reclassifying the shares of the corporation.

For Title 15, Purdon's Statutes, see post

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th or affecting real property situated

ctions against directors and officers),
g brought in a court of this Common-

5¹ (relating to business combinations),
ction 2551(c) (relating to continuing

, § 103, effective Oct. 1, 1989. Amended
§ 102, imd. effective; 1992, Dec. 18, P.L.
1 days.

nittee Comment—1990:

its present form, it represents merely
ns derived from the prior law.

this section are defined in 15 Pa.C.S.

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and Statutory Notes

Official Source Note—1988:
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Official Source Note—1990:
Applicability of 15 Pa.C.S. § 1782 limit-
ed to actions or proceedings brought in
the courts of this Commonwealth.

iew Commentaries

Mark J. Sonnenfeld and Kristine M.
Cuene, 61 Pa.B.A.Q. 31 (1990).

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urdon's Statutes, see post
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(6) A statement that the filing of articles of domestication and, if desired, the renunciation of the original charter or articles of the corporation has been authorized (unless its charter or other organic documents require a greater vote) by a majority of the votes cast by all shareholders entitled to vote thereon and, if any class of shares is entitled to vote thereon as a class, a majority of the votes cast in each class vote.

(7) Any provisions desired providing special treatment of shares held by any shareholder or group of shareholders if the laws of the jurisdiction under which the corporation was incorporated prior to its domestication permit such special treatment.

(8) Any other provisions authorized by Article B to be set forth in the original articles.

(c) **Cross reference.**—See section 134 (relating to docketing statement).

1988, Dec. 21, P.L. 1444, No. 177, § 103, effective Oct. 1, 1989. Amended 1990, Dec. 19, P.L. 834, No. 198, § 102, imd. effective.

15 Pa.C.S.A. § 1301 et seq.

Amended Committee Comment—1990:

This section expands and clarifies the provisions of prior law relating to the domestication of foreign corporations.

If the laws of the jurisdiction under which the corporation was incorporated prior to its domestication do not permit special treatment as authorized in 15 Pa.C.S. § 1906, the same result can, of course, be obtained by first domesticating the corporation and then engaging in a fundamental transaction under 15 Pa.C.S. Ch. 19.

A domesticating corporation is not required to surrender its foreign charter, thus permitting it to be incorporated in more than one jurisdiction if desired.

Under 15 Pa.C.S. § 135(c), only an actual street address or rural route box number, and not a post office box number, is acceptable as a registered office address.

A majority of all votes cast on the adoption of the articles of domestication satisfies the statutory vote requirements of the 1988 BCL, in lieu of the absolute majority of the prior law.

The following terms used in this section are defined in 15 Pa.C.S. § 1103:

"articles"

"department"

"domestic business corporation" (see "business corporation")

"entitled to vote"

"qualified foreign business corporation"

"registered office"

"shareholders"

For Title 15, Purdon's Statutes, see post

"shares"
"special t

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Official Source N

Derived from a
364, No. 106), §
Subsection (b)(1)

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§ 61.101.

Corporations &
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§ 4162. El

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1988, Dec. 21,

15 Pa.C.S.A.

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"shares"

BUSINESS CORPORATIONS

ng of articles of domestication and, if the original charter or articles of the zed (unless its charter or other organ- or vote) by a majority of the votes cast to vote thereon and, if any class of eon as a class, a majority of the votes

providing special treatment of shares roup of shareholders if the laws of the corporation was incorporated prior to h special treatment.

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ction 134 (relating to docketing state-

, § 103, effective Oct. 1, 1989. Amended § 102, imd. effective.

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EXHIBIT B

FOREIGN BUSINESS CORPORATIONS 15 Pa.C.S.A. § 4162

"shares"

"special treatment"

Historical and Statutory Notes

The 1990 amendment in subd. (b)(6) inserted "if desired".

Official Source Note—1988:

Derived from act of May 5, 1933 (P.L. 14, No. 106), § 909 (15 P.S. § 1909). Subsection (b)(1) is patterned in part af-

ter N.J.S.A. § 14A:1-6(1)(a). The require- ment for issuance of a certificate of do- mestication is supplied by new 15 Pa.C.S. § 133(e).

Official Source Note—1990:

Renunciation of original charter made optional in subsection (b)(6).

Pennsylvania Code References

Official forms, see 19 Pa. Code § 1.101.

Library References

Corporations ¶634.
WESTLAW Topic No. 101.

C.J.S. Corporations § 887.
P.L.E. Corporations §§ 521, 529, 530.

§ 4162. Effect of domestication

As a domestic business corporation, the domesticated corporation shall no longer be a foreign business corporation for the purposes of this subpart and shall have all the powers and privileges and be subject to all the duties and limitations granted and imposed upon domestic business corporations. The property, franchises, debts, liens, estates, taxes, penalties and public accounts due the Common-wealth shall continue to be vested in and imposed upon the corpora- tion to the same extent as if it were the successor by merger of the domesticating corporation with and into a domestic business corpo- ration under Subchapter C of Chapter 19 (relating to merger, consol- idation, share exchanges and sale of assets).¹ The shares of the domesticated corporation shall be unaffected by the domestication except to the extent, if any, reclassified in the articles of domestica- tion.

1988, Dec. 21, P.L. 1444, No. 177, § 103, effective Oct. 1, 1989.

¹ 15 Pa.C.S.A. § 1921 et seq.

Committee Comment—1988:

The following terms used in this section are defined in 15 Pa.C.S. § 1103:

"domestic business corporation" (see "business corporation")

"foreign business corporation"

"shares"

For Title 15, Purdon's Statutes, see post

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BUSINESS CORPORATIONS

months following its consummation. In re Jones & Laughlin Steel Corp., 412 A.2d 1099, 488 Pa. 524, 1980.

3. Evidence

Under § 99 of Title 28, Evidence and Witnesses, and former act, certified copy of record of merger and consolidation of corporations is admissible as evidence of such merger. Kuyalowiez v. G. & E. Co., 50 C.C. 331, 17 Sch. 283, 1921.

4. Failure to file

Where first corporation transferred most of its assets, goodwill, and right to use its name to second corporation, which assumed liabilities of first corporation and gave first corporation some of second corporation's stock for distribution to stockholders of first corporation, and first corporation was dissolved as required by contract between corporations, there was a de facto "merger," and dissenting stockholder of first corporation could maintain action against corporations for money judgment for value of her stock in first corporation, though articles of merger were never filed with Department of State as required by merger statute. Marks v. Autocar Co., 153 F.Supp. 768, D.C.1957.

Merger or consolidation

of merger or the articles of consolidation or upon the effective date specified in the articles of merger or consolidation, whichever is later, the merger or consolidation of corporations into a foreign business corporation is incorporated, but the articles of consolidation have been in this subchapter.

§ 103, effective Oct. 1, 1989.

Comment—1988:

this section are defined in 15 Pa.C.S.

"(see 'business corporation')"

don's Statutes, see post

EXHIBIT C

FUNDAMENTAL CHANGES

15 Pa.C.S.A. § 1929

Historical and Statutory Notes

Official Source Note—1988:

Derived from act of May 5, 1933 (P.L. 364, No. 106), § 906 (15 P.S. § 1906). Patterned after former 15 Pa.C.S. § 7928.

The limitation in prior law on attack on the validity of the transaction appears in new 15 Pa.C.S. § 138(c).

Library References

Corporations § 585.
WESTLAW Topic No. 101.

C.J.S. Corporations §§ 802 to 806.
P.L.E. Corporations § 471 et seq.

Notes of Decisions

In general 1
Limitations 3
Presumptions 2

filed it of record, and that it remains of record in his office. Com. v. Atlantic & Great Western R.R. Co., 53 Pa. 9, 1866.

1. In general

Filing the certificate of consolidation in the office of the secretary of the commonwealth, constitutes the one corporation thus created a legal corporation in Pennsylvania. Com. v. Atlantic & Great Western R.R. Co., 53 Pa. 9, 1866; Pittsburgh, Cincinnati & St. Louis Ry. Co. v. Fierst, 96 Pa. 144, 1880.

2. Presumptions

On proof that the certificate of consolidation has been deposited in the secretary's office, the presumption is that he

3. Limitations

A dissenting shareholder's petition for appointment of appraisers filed more than 90 days after effective date of a corporate merger will be dismissed, even though the effective date had been changed by the board of directors to a date earlier than that contained in original notice, where directors in original notice reserved right to change effective date and subsequently gave notice to all shareholders which noted such change. Newburger, Loeb & Co. v. Baldwin Securities Corp., 15 D. & C.2d 614, 1959.

§ 1929. Effect of merger or consolidation

(a) **Single surviving or new corporation.**—Upon the merger or consolidation becoming effective, the several corporations parties to the merger or consolidation shall be a single corporation which, in the case of a merger, shall be the corporation designated in the plan of merger as the surviving corporation and, in the case of a consolidation, shall be the new corporation provided for in the plan of consolidation. The separate existence of all corporations parties to the merger or consolidation shall cease, except that of the surviving corporation, in the case of a merger. The surviving or new corporation, as the case may be, if it is a domestic business corporation, shall not thereby acquire authority to engage in any business or exercise any right that a corporation may not be incorporated under this subpart to engage in or exercise.

(b) **Property rights.**—All the property, real, personal and mixed, and franchises of each of the corporations parties to the merger or consolidation, and all debts due on whatever account to any of them, including subscriptions for shares and other choses in action belong-

For Title 15, Purdon's Statutes, see post

ing to any of them, shall be deemed to be transferred to and vested in the surviving or new corporation, as the case may be, without further action, and the title to any real estate, or any interest therein, vested in any of the corporations shall not revert or be in any way impaired by reason of the merger or consolidation. The surviving or new corporation shall thenceforth be responsible for all the liabilities of each of the corporations so merged or consolidated. Liens upon the property of the merging or consolidating corporations shall not be impaired by the merger or consolidation and any claim existing or action or proceeding pending by or against any of the corporations may be prosecuted to judgment as if the merger or consolidation had not taken place or the surviving or new corporation may be proceeded against or substituted in its place.

(c) **Taxes.**—Any taxes, penalties and public accounts of the Commonwealth, claimed against any of the merging or consolidating corporations but not settled, assessed or determined prior to the merger or consolidation, shall be settled, assessed or determined against the surviving or new corporation and, together with interest thereon, shall be a lien against the franchises and property, both real and personal, of the surviving or new corporation.

(d) **Articles of incorporation.**—In the case of a merger, the articles of incorporation of the surviving domestic business corporation, if any, shall be deemed to be amended to the extent, if any, that changes in its articles are stated in the plan of merger. In the case of a consolidation into a domestic business corporation, the statements that are set forth in the plan of consolidation, or articles of incorporation set forth therein, shall be deemed to be the articles of incorporation of the new corporation.

1988, Dec. 21, P.L. 1444, No. 177, § 103, effective Oct. 1, 1989. Amended 1992, Dec. 18, P.L. 1333, No. 169, § 3, effective in 60 days.

Committee Comment—1988:

The following terms used in this section are defined in 15 Pa.C.S. § 1103:

"articles"

"domestic business corporation" (see "business corporation")

"shares"

"subscriptions"

Historical and Statutory Notes

The 1992 amendment deleted "plan of" preceding "merger or consolidation" in subsec. (a) in the first sentence where second appearing and in the second sentence and in subsec. (b) in the first sentence where first appearing.

For Title 15, Purdon's Statutes, see post

FUNDAMENTAL

Official Source Note.
Substantially a re-
May 5, 1933 (P.L.
(15 P.S. § 1907). Pa.
15 Pa.C.S. § 7929. The
first sentence of subsec.
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Corporations 586
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Rights and liabilities of
Subsidiary corporations
Taxation 6
Validity 1

1. Validity

Federal legislation held
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823, 323 Pa. 145, 1936.

2. In general

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corporations results in
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unities v. C.I.R., 75 F.2d

statute merely codifies P
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al identity, abandons its
fore its legal identity and
ence, and can no longer
recognition. Dawejko v.

For Title

EXHIBIT F

CORPORATIONS AND ASSOCIATIONS

§ 10-301

corporation as that corporation that existed under the laws of the jurisdiction in which it was formerly domiciled and is considered to have been incorporated on the date it was originally incorporated in the former jurisdiction.

B. The articles of domestication, when filed by the commission, entitle the domesticated corporation to all of the powers, privileges and rights granted to corporations incorporated in this state and subject the domesticated corporation to all the duties, liabilities and limitations imposed on domestic corporations. The corporation is subject to the laws of this state as of the date of filing of the articles of domestication, as if the corporation had been originally incorporated on that date. On filing the articles of domestication, the articles of domestication constitute the articles of incorporation of the domesticated corporation.
Added by Laws 1994, Ch. 223, § 4, eff. Jan. 1, 1996. Amended by Laws 1995, Ch. 69, § 7, eff. Jan. 1, 1996.

Historical and Statutory Notes

The 1995 amendment by Ch. 69, in subsec. B, substituted a reference to domestic corporations for a reference to domestic business corporations at the end of the first sentence.

The 1995 amendment of this section by Ch. 69 explicitly amended the 1994 addition of this section by Ch. 233, § 4.

Laws 1995, Ch. 69, § 26, subsec. A, provides:

"Sec. 26. Delayed effective date

"A. Sections 1 through 22, 24 and 25 of this act are effective on January 1, 1996."

§ 10-226. Transfer of domicile from this state

Effective January 1, 1996

Any corporation incorporated and in good standing under the laws of this state may transfer its domicile to another jurisdiction by adopting articles of domestication in accordance with the laws of the jurisdiction into which the corporation is to transfer its domicile. The articles of domestication must be adopted by the corporation in the manner provided by the laws of this state for amendment to the articles of incorporation. On filing of the articles of domestication with the official having custody of the corporate records in the jurisdiction to which the corporate domicile is transferred, the corporation ceases to be a corporation incorporated under the laws of this state and becomes a foreign corporation qualified to transact business in this state subject to all laws of this state with respect to foreign corporations so qualified.

Added by Laws 1994, Ch. 223, § 4, eff. Jan. 1, 1996.

CHAPTER 3

PURPOSES AND POWERS

ARTICLE 1. GENERAL PROVISIONS

Section

10-301. Purposes.

Section

10-302. General powers.

10-303. Emergency powers.

10-304. Validity of actions.

Chapter 3, consisting of Article 1, §§ 10-301 to 10-304, was added by Laws 1994, Ch. 223, § 4, effective January 1, 1996.

ARTICLE 1. GENERAL PROVISIONS

§ 10-301. Purposes

Effective January 1, 1996

Subject to any limitations or requirements contained in its articles of incorporation or in any other applicable law, a corporation shall have the purpose of engaging in and may engage in any lawful business activity.

Added by Laws 1994, Ch. 223, § 4, eff. Jan. 1, 1994.

For prior text see ARSA Vol. 3, Title 10

§ 1.1502-14(c)(2) is taken into account in the taxable year in which the transaction occurs.

Under subchapter C of the Internal Revenue Code of 1986 and the consolidated return regulations, the Internal Revenue Service is unaware of any circumstance in which gain or loss recognized by the distributing corporation in a complete liquidation should not be deferred in the same manner as is provided for other distributions described in § 1.1502-14(a) and (b). See also H.R. Rep. No. 100-495, 100th Cong., 1st Sess. 969 (1987). Accordingly, temporary regulation § 1.1504-14T is added, and related temporary regulation § 1.1502-13T is amended, to provide for the deferral of any gain or loss recognized by the distributing corporation on any complete liquidation to the same extent that deferral is provided for gain recognized with respect to a nonliquidating distribution under section 311. The temporary regulations under new § 1.1502-14T, and the amended related regulations under § 1.1502-13T, generally apply to distributions in complete liquidation of a corporation that occur during a taxable year for which the due date (without

extensions) for the filing of the income tax return is after April 14, 1988.

SPECIAL ANALYSES

A general notice of proposed rulemaking is not required by 5 U.S.C. 553 for temporary regulations. Accordingly, the temporary regulations do not constitute regulations subject to the Regulatory Flexibility Act (5 U.S.C. Chapter 6). The Commissioner of Internal Revenue has determined that this temporary rule is not a major rule as defined in Executive Order 12291 and that a regulatory impact analysis therefore is not required.

DRAFTING INFORMATION

The principal author these temporary regulations is Patricia W. Pellervo of the Legislation and Regulations Division of the Office of Chief Counsel, Internal Revenue Service. However, other personnel from the Internal Revenue Service and Treasury Department participated in developing the regulations, on matters of both substance and style.

[¶ 6509] Rev. Rul. 88-25, I.R.B. 1988-16, 8.

[Code Sec. 368. Also, Code Secs. 354, 361, 367 and 897]

Reorganizations: Conversion of foreign corporation to domestic.—The conversion of a foreign corporation to a domestic corporation pursuant to a state domestication statute will be treated as a reorganization qualifying under section 368(a)(1)(F) of the Code. Back references: ¶ 2509.01, 2540.01, 2548.08, 2551.10 and 4199J.45.

ISSUE

What is the federal income tax treatment of the conversion of a foreign corporation to a domestic corporation under a state domestication statute?

FACTS

F was incorporated in Country Y. For valid business reasons, the shareholders of F decided that it would be advantageous for F to become a State A corporation. Under State A corporate law, a foreign corporation may become a State A corporation by filing a certificate of domestication and a certificate of incorporation with the appropriate official. Pursuant to a plan of reorganization, F filed a certificate of domestication and a certificate of incorporation in State A.

Upon filing the certificate of domestication and certificate of incorporation, F was considered by State A to be incorporated in State A and became subject to State A law, whether or not F continued to be considered a Country Y corporation for Country Y purposes. Thus, F was not required to incorporate anew in State A, but merely "converted" itself into a State A corporation by filing the appropriate documents. For State A law pur-

poses, the existence of F was deemed to have commenced on the date F commenced its existence in Country Y.

Following the domestication, F possessed the same assets and liabilities as before the domestication and continued its previous business without interruption. There was no change in the shareholders of F or in the shareholders' proprietary interests.

LAW AND ANALYSIS

For federal income tax purposes, the conversion of F from a Country Y to a State A corporation under the State A domestication statute is treated as: (1) a transfer by a foreign corporation (F) of all of its assets and liabilities to a new domestic corporation (F-D) in exchange for F-D stock; and (2) a liquidating distribution by F to its shareholders of the F-D stock received in exchange for F's assets and liabilities. There was no change in the shareholders of F or in the shareholders' proprietary interests. Furthermore, F-D possessed the same assets and liabilities and continued the same business activities after the conversion as F did before the conversion. Because there was no

¶ 6509

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alteration in shareholder continuity, asset continuity, or business enterprise, the effect of the conversion was a mere change in the place of organization of *F*. Therefore, the conversion qualified as a reorganization under section 368(a)(1)(F) of the Internal Revenue Code, which provides that the term "reorganization" includes a mere change in identity, form, or place of organization of one corporation, however effected. See Rev. Rul. 87-27, 1987-15 I.R.B. 5, concluding that the reincorporation in a foreign country of a dual resident U.S. corporation was a reorganization under section 368(a)(1)(F). *F*, the transferor corporation, and *F-D*, the transferee corporation, are considered "part[ies] to a reorganization" under section 368(b).

Generally, section 361 and section 354 of the Code provide the transferor corporation and the shareholders of the transferor corporation, respectively, with nonrecognition treatment in a reorganization under section 368. However, in certain circumstances, the nonrecognition treatment normally accorded to the transferor corporation and its shareholders in an international reorganization is overridden by the operation of section 367 and the corresponding regulations, or the rules of sections 897(d) and (e). If, for example, a corporate shareholder of *F* is a "United States shareholder" under section 7.367(b)-2(b) of the Temporary Income Tax Regulations, then the shareholder is denied section 354 nonrecognition treatment unless it agrees to include the "all earnings and profits amount" in income as a dividend. See section 7.367(b)-7(c)(2) of the Temporary Regulations.

In addition, section 897(e)(1) of the Code denies section 361 nonrecognition treatment to *F* with respect to the transfer by *F* to *F-D* of any "United States real property interest[s]" if *F-D* is not a "United States real property holding corporation" immediately after the exchange. Furthermore, subject to section 897(d)(2) or regulations to be promulgated, section 897(d)(1) denies section 361 nonrecognition treatment to *F* on the distribution to its shareholders (whether U.S. or foreign) of the *F-D* stock constitutes a U.S. real property interest at the time of the distribution. See Rev. Rul. 87-66, 1987-29 I.R.B. 6, for a more complete discussion of the treatment of reorganizations involving the transfer of U.S. real property interests by a foreign corporation to a U.S. corporation.

HOLDING

For federal income tax purposes, the conversion of *F* from a Country *Y* corporation to a State *A* corporation under the State *A* domestication statute is treated as a transfer by *F* of its assets and liabilities to a new corporation (*F-D*) and a distribution by *F* to its shareholders of the *F-D* stock received in exchange. The transaction qualifies as a reorganization under section 368(a)(1)(F) of the Code.

DRAFTING INFORMATION

The principal author of this revenue ruling is Jerilynn V. Chapman of the Corporation Tax Division. For further information regarding this revenue ruling contact Howard Staiman on (202) 566-3342 (not a toll-free call).

[¶ 6510] Rev. Rul. 88-26, I.R.B. 1988-16, 9.

[Code Sec. 472]

Inventories: LIFO: Department store price indexes.—The January 1988 Bureau of Labor Statistics price indexes are accepted for use by department stores employing the retail inventory and last-in, first-out inventory methods for valuing inventories for tax years ended on, or with reference to, January 31, 1988. Back reference: ¶ 2965.03.

The following price indexes for January 1988 were issued by the Bureau of Labor Statistics on March 1, 1988, for use by department stores, and are accepted by the Internal Revenue Service, under section 1.472-1(k) of the Income Tax Regulations and Rev. Proc. 86-46, 1986-2 C.B. 739, for appropriate application to inventories of department stores employing the retail inventory and last-in, first-out inventory methods for tax years ended on, or with reference to, January 31, 1988.

Indexes are prepared on a national basis for the store total, for 23 major groups of departments, and for three special combinations—soft goods, durable goods and miscellaneous goods. The store total index covers all departments, including some not listed separately, with the following exceptions: candy, foods, liquor, tobacco, as well as contract departments.

88(10) CCH—Standard Federal Tax Reports

¶ 6510