

*Pertaining to
Mr. Newcomb's papers*

RSD 11/16/64 4

NOV 19 1964

BEVIS INDUSTRIES, INC.

Re: Marshall & Williams CorporationMemorandum Re: Computation of Stamps on Deeds

In connection with the liquidation of Marshall & Williams Southern Corporation into Marshall & Williams Corporation and the liquidation of Marshall & Williams Corporation into Bevis Industries, Inc., the amount of federal documentary stamps to be placed on deeds and the amount of South Carolina documentary stamps to be placed on the deeds relating to South Carolina real estate were computed on the basis of Special Ruling October 23, 1942, found in paragraph 3319.16 of

GCH, Excise Tax Reporter
at page 2110 (Reg. §46.4361-1)

We assumed for the purposes of the Rhode Island deed that the real estate had a value of \$300,000, less \$53,000 for the existing mortgage for a figure of \$247,000. We assume the total assets passing from Marshall & Williams Corporation to Bevis had a value of \$1,500,000. We also assumed that the liabilities of Marshall & Williams Corporation assumed by Bevis were \$750,000. Since the amount of tax is to be based on the portion of the liabilities assumed allocated to the real estate on the basis of the ratio of the value of the real estate to the value of the total assets transferred, the tax is to be based on

$$\frac{\$247,000}{\$1,500,000} = \frac{\$123,500}{\$750,000}$$

or \$135.85 in federal documentary stamps. The stamps will be affixed by the title company and