

PART 3 (continued from page 1)

1. Did the ratio of average aggregate debt to average aggregate equity increase by more than 100% over the ratio for the tax year immediately preceding the acquisition year? (see instructions) (see chart on page 1) Yes No
2. Did the ratio of average aggregate debt to average aggregate assets increase by more than 60% over the ratio for the tax year immediately preceding the acquisition year? (see chart on page 1) Yes No

PART 4 Highly Leveraged Transaction Modifications

Schedule A - Target's Unused Net Operating Losses

Enter the year and amount of any net operating losses of the target available for carryforward to tax years ending after the acquisition date.

YEAR	AMOUNT	YEAR	AMOUNT	YEAR	AMOUNT

Schedule B - Computation of Interest Addback Limitation and Addback Amount (refer to instructions)

1. Cost of target (stock or assets)	1.	
2. Total average debt	2.	
3. Limitation percentage (divide line 1 by line 2)	3.	%
4. Total interest expense of taxpayer	4.	
5. Limitation (multiply line 4 by line 3)	5.	%
6. Interest addback (multiply line 4 or line 5, whichever is smaller by 5% (.05), and enter the result here and on NYC-3L, Schedule B, line 7)	6.	

PART 5 Subsidiary Capital/Income Adjustments

Indicate in the appropriate space(s) below the nature and amount of any disposition of target stock and/or assets within 18 months of the date of this corporate acquisition.

A. **Asset Disposition**

1. Date of disposition	1.	
2. Value of all assets immediately following acquisition	2.	
3. Value of assets sold or otherwise disposed of as of date immediately following acquisition	3.	
4. Value held after sale or other disposition (subtract line 3 from 2)	4.	
5. Percentage (divide line 4 by line 3)	5.	%

B. **Stock Disposition**

6. Date of disposition	6.	
7. Total number of voting shares held immediately prior to disposition	7.	
8. Total number of voting shares outstanding immediately prior to disposition date	8.	
9. Total number of voting shares held after disposition	9.	
10. Percentage (divide line 9 by line 7)	10.	%

11. If you check box A above and line 5 is 50% or less, enter any amount of interest, dividends and gain received from the target for the period starting on the first day of the taxable year in which the disposition occurred and ending 18 months after such disposition, and excluded in the computation of your New York City entire net income for the year for which this form is being filed. 11.
12. If you check box B above and line 10 is 50% or less, enter any amount of interest, dividends and gain received from the target during this taxable year if the disposition occurred within this taxable year. 12.