



**Part II Organizational Action (continued)**

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ See Attachment

18 Can any resulting loss be recognized? ▶ See Attachment

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ See Attachment

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶  Date ▶ 3/13/13  
Print your name ▶ Phil Cannella Title ▶ AVP Director of Taxes

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶			Firm's EIN ▶	
	Firm's address ▶			Phone no.	

Leucadia National Corporation  
EIN: 13-2615557  
Attachment to Form 8937  
Report of Organizational Actions  
Affecting Basis of Securities

**Form 8937 Part I**

**Box 9:**

All outstanding Leucadia National Corporation common stock.

**Form 8937 Part II**

**Item 14:**

On February 25, 2013 Leucadia National Corporation ("Leucadia") distributed to its shareholders one share of Crimson Wine Group, Ltd. ("Crimson") for every ten shares of Leucadia National Corporation in a transaction that should qualify as a tax-free spin-off under Section 355 of the United States Internal Revenue Code ("IRC").

**Item 15:**

Each Leucadia shareholder must allocate the aggregate tax basis in his or her Leucadia shares held immediately prior to the distribution between the Leucadia shares and Crimson shares (including fractional shares to which the shareholder would have been entitled) received in the spin-off in proportion to the fair market value of each on February 25, 2013, the distribution date. Among other possibilities, the midpoint of the high and low trading prices of a company's shares on a particular day is one proxy for the fair market value of those shares on that day. The midpoint of the high and low trading prices of Leucadia and Crimson on February 25, 2013 were \$26.76 for Leucadia and \$7.88 for Crimson. Based on this measure of fair market value and the 1 for 10 distribution ratio, 2.86% of the shareholder's basis would be allocated to each whole Crimson share received in the spin-off and 97.14% of the basis would remain with the Leucadia shares.

Leucadia National Corporation

EIN: 13-2615557

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Report of Organizational Actions

Affecting Basis of Securities

**Form 8937 Part II**

**Item 16:**

An illustrative example of the basis allocation using the midpoint of the high and low trading prices for Leucadia and Crimson on February 25, 2013 would be:

Midpoint of Leucadia's high and low trading price on 2/25/13: \$26.76

Midpoint of Crimson's high and low trading price on 2/25/13: \$7.88

Distribution ratio: 1 Crimson share per 10 Leucadia shares

Percentage of basis allocable to Crimson share =  $(\$7.88/10) / (\$26.76 + (\$7.88/10)) = 2.86\%$

Percentage of basis retained by Leucadia shares =  $\$26.76 / (\$26.76 + (\$7.88/10)) = 97.14\%$

**Item 17:**

Leucadia believes that the distribution qualifies as a tax-free spin-off under Section 355 of the IRC, and the tax consequences are determined under Sections 355(a), 358(a) & (c), and 368 of the IRC.

**Item 18:**

In general no, but if a shareholder realizes a loss as a result of receiving cash in lieu of fractional Crimson shares, that loss can be recognized.

**Item 19:**

A shareholder generally will recognize gain or loss as a result of the receipt of cash in lieu of fractional Crimson shares in the taxable year of the shareholder that includes February 25, 2013, the distribution date. Otherwise, the basis adjustment generally will affect any future sales or dispositions by the shareholder of the Leucadia or Crimson shares that were subject to the basis adjustment.

September 26, 2013

Leucania National Corporation,  
315 Park Avenue South  
New York, New York  
USA 10010-3607

To the attention of: Mr Philip Cannella

**RE:** Spin-Off of Crimson Wine Group, Ltd by Leucania National Corporation

Dear Sir,

We are replying to your correspondence dated August 23, 2013, in which was submitted information with regard to the tax treatment of the spin-off undertaken on February 25, 2013 by Leucania National Corporation of its subsidiary Crimson Wine Group, Ltd.

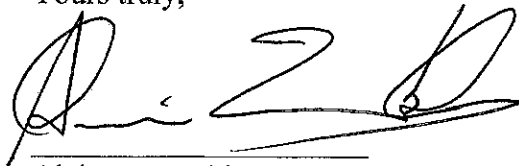
Based on the information that you provided, the distribution meets the requirements of paragraph 86.1(2)(e) of the Income Tax Act (Canada). Since you have provided all of the information required under this paragraph and it was received within the time limits set out in the legislation, common Canadian shareholders of Leucania National Corporation will be entitled to elect under section 86.1 in respect of the distribution.

However, if IRS reviews the distribution at a later date and determines the distribution is taxable, we will reverse our decision.

We also acknowledge receipt of your consent to publish the fact that you have provided the information required to meet the conditions of paragraph 86.1(2)(e).

Should you have any questions, please do not hesitate to contact me at (418) 649-4993, extension 4304.

Yours truly,



Alain T Tremblay  
International Tax Division  
Quebec Taxation Services Office  
Canada Revenue Agency