

Gain/Loss on Sale of A's PRS Interest (in millions)

1.	Amount realized on sale	\$3
2.	Less basis of PRS interest	
	Original Basis	\$5
	§1.752-7 liability reduction	<u>(\$0.5)</u>
	Difference	<u>(\$4.5)</u>
3.	Gain/Loss	<u>(\$1.5)</u>