



Appeal of Milton K. and Irene T. Harwood

The first two paragraphs on the second page of the opinion are deleted and replaced with:

This appeal presents two questions arising out of appellants' sale of all the stock in their wholly-owned corporation. The issues are: (1) whether certain cancelled accounts receivable constituted constructive dividends; and (2) whether the basis of appellants' stock was properly computed.

Initially, there were two additional issues involving another constructive dividend and the proper depreciable life of a building owned by appellants. Appellants now concede the propriety of respondent's determination with respect to these issues. Since the sole issue for 1972, involving the proper depreciable life of appellants' building, has been conceded, respondent's action for that year must be sustained.

The first full paragraph on page three of the opinion beginning with: "On July 12, 1972, . . ." is deleted.

The last paragraph commencing on page five and ending on page six of the opinion beginning with: "The next issue . . ." is deleted.

The order of June 30, 1980, is modified to read as follows:

