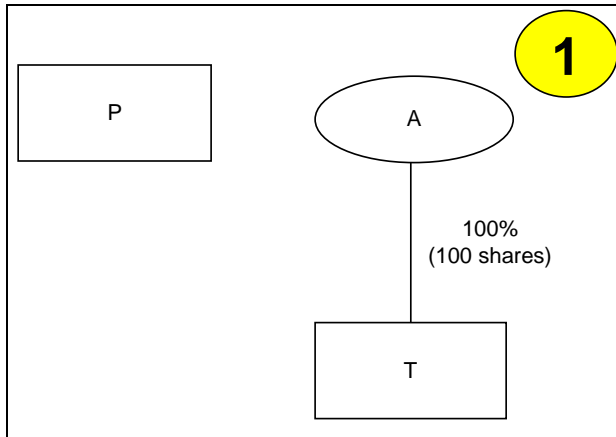
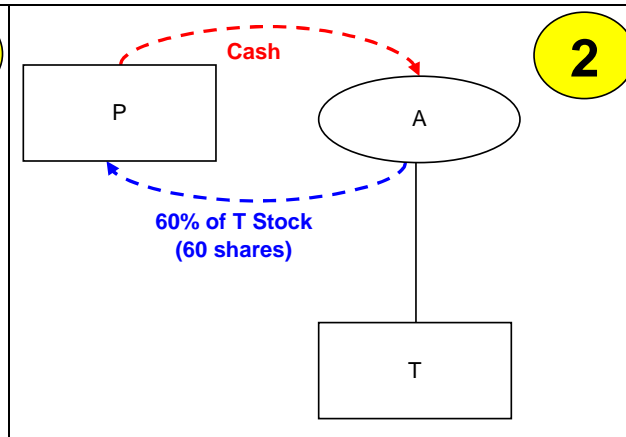


QSP - Purchase & Redemption

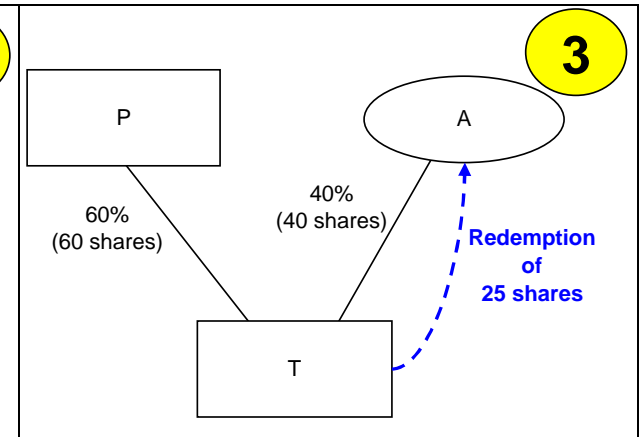
Initial Structure



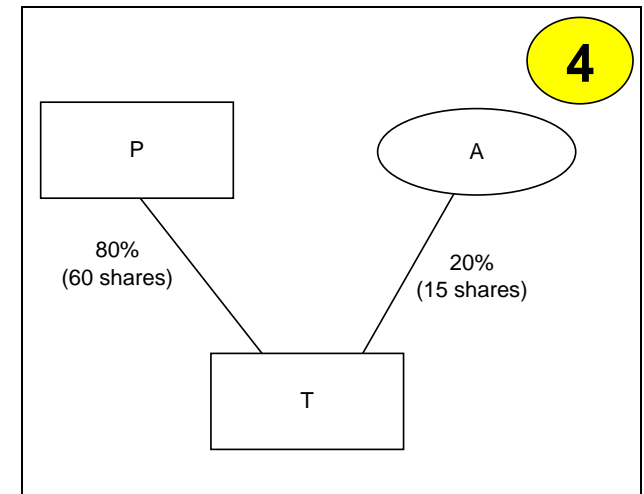
Purchase (Jan. 1, Year 1)



Redemption (July 1, Year 1)



Ending Point



A owns all 100 shares of T stock. On January 1 of Year 1, P purchases 60 shares of the T stock from A. On July 1 of Year 1, T redeems 25 shares from A. P makes a qualified stock purchase of T on July 1 of Year 1, because that is the first day on which the T stock purchased by P within the preceding 12-month period satisfies the 80-percent ownership requirements of section 338(d)(3) (i.e., 60/75 shares), determined by taking into account the redemption of 25 shares.