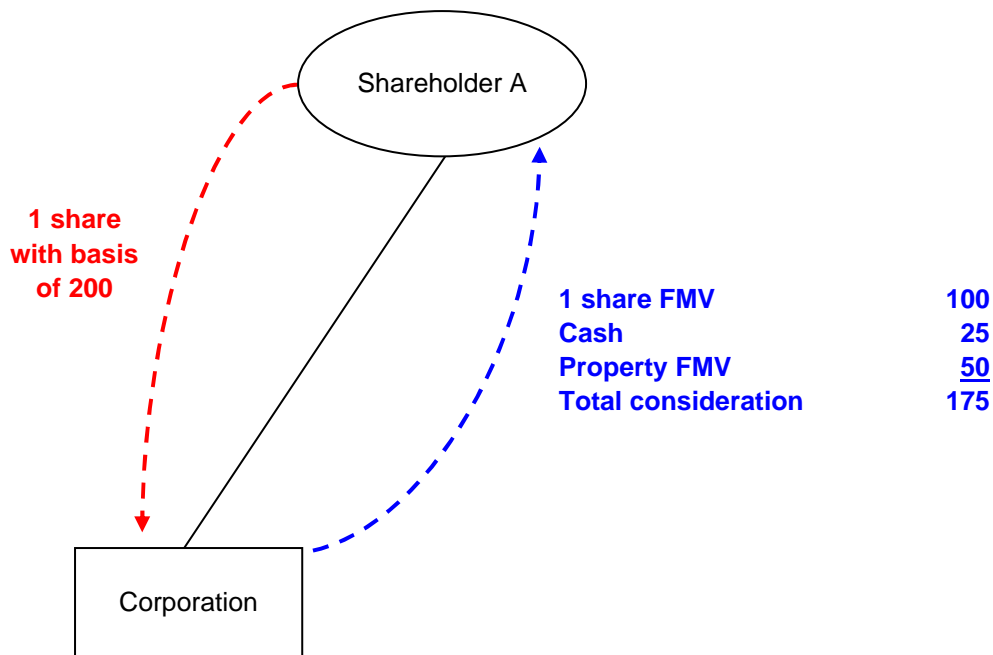


**Reg. 1.356-1(d),  
Example 2**

**Stock Exchanged for  
Stock Plus Boot - Loss**

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In an exchange to which the provisions of section 356 apply and to which section 354 would apply but for the receipt of property not permitted to be received without the recognition of gain or loss, A (either an individual or a corporation), received the following in exchange for a share of stock having an adjusted basis to A of \$200:

1 Share of stock FMV	100	Total consideration	175
Cash	25	Less adj. stock basis	<u>(200)</u>
Property FMV	<u>50</u>	Realized loss	(25)
Total consideration	175	Realized gain	0

A realized a loss, which would not be recognized.