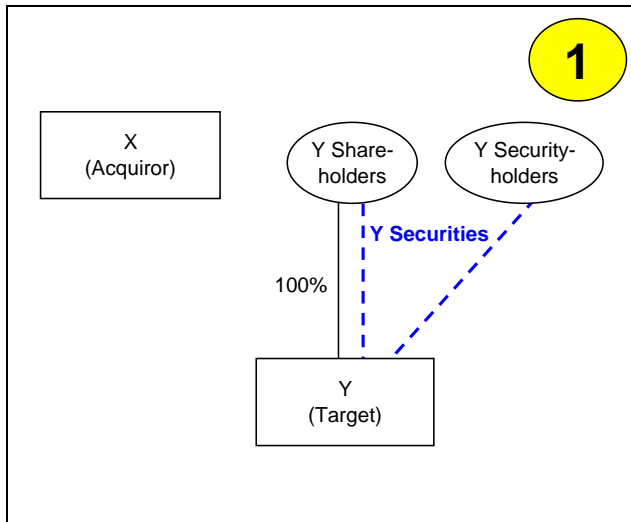
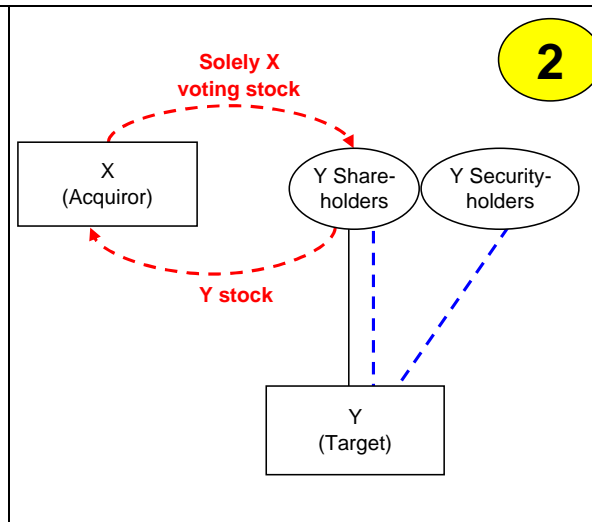


**B Reorganization with Exchange of Securities**

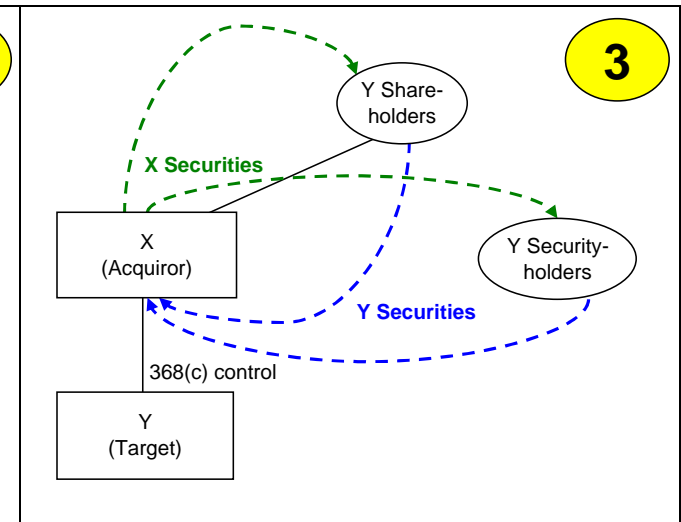
Initial Structure



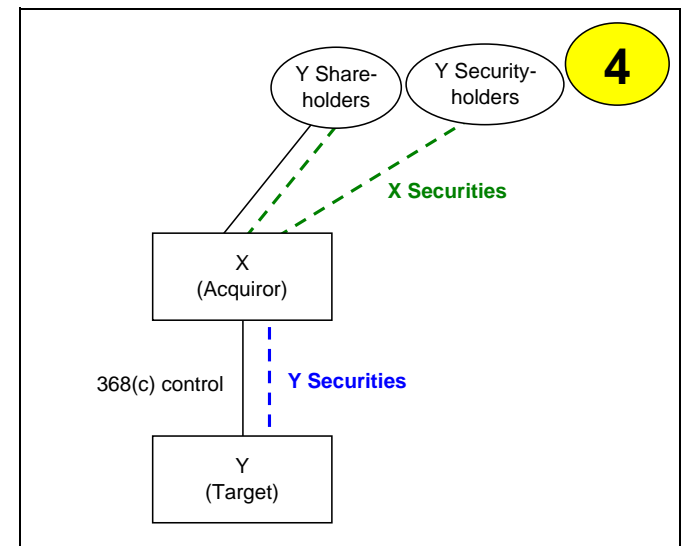
Stock for Stock Exchange



Securities for Securities Exchange



Ending Point



The exchange of Y stock for X stock is a reorganization described in section 368(a)(1)(B); and any gain or loss realized by the shareholders of Y as a result of the exchange will not be recognized. See section 354(a)(1).

The separate exchange of Y securities for X securities is an exchange in pursuance of the plan of reorganization described in section 368(a)(1)(B). Thus, any gain or loss realized by the security holders of Y as a result of their exchange of their Y securities for an equal principal amount of X securities will not be recognized. See section 354(a)(1).