Under State W law, Corp Z merges into LLC X. Pursuant to such law, the following events occur simultaneously at the effective time of the transaction: all of the assets and liabilities of Z become the assets and liabilities of X and Z's separate legal existence ceases for all purposes. In the merger, the Z shareholders exchange their stock of Z for stock of Y.

The transaction qualifies as a statutory merger or consolidation for purposes of section 368(a)(1)(A) because the transaction is effected pursuant to State W law and the following events occur simultaneously at the effective time of the transaction: all of the assets and liabilities of Z become the assets and liabilities of one or more members of the transferee unit that is comprised of Y and X, and Z ceases its separate legal existence for all purposes.