T has 100 shares of stock outstanding. Corp P purchased 60% of Corp T stock. The other 40% of the T stock is owned by Corp X, an unrelated corporation. T has properties with a fair market value of $110 and liabilities of $10. In a related transaction, T transfers all of its properties to P. In exchange, P assumes the $10 of liabilities, and transfers to T $30 of P voting stock and $10 of cash. T distributes the P voting stock and $10 of cash to X and liquidates.

The transaction does not satisfy the solely for voting stock requirement of paragraph (d)(2)(ii) of this section because P is treated as having acquired all of the T assets for consideration consisting of $70 of cash, $10 of liability assumption and $30 of P voting stock, and the sum of $70 of cash and the assumption by P of $10 of liabilities exceeds 20% of the value of the properties of T.