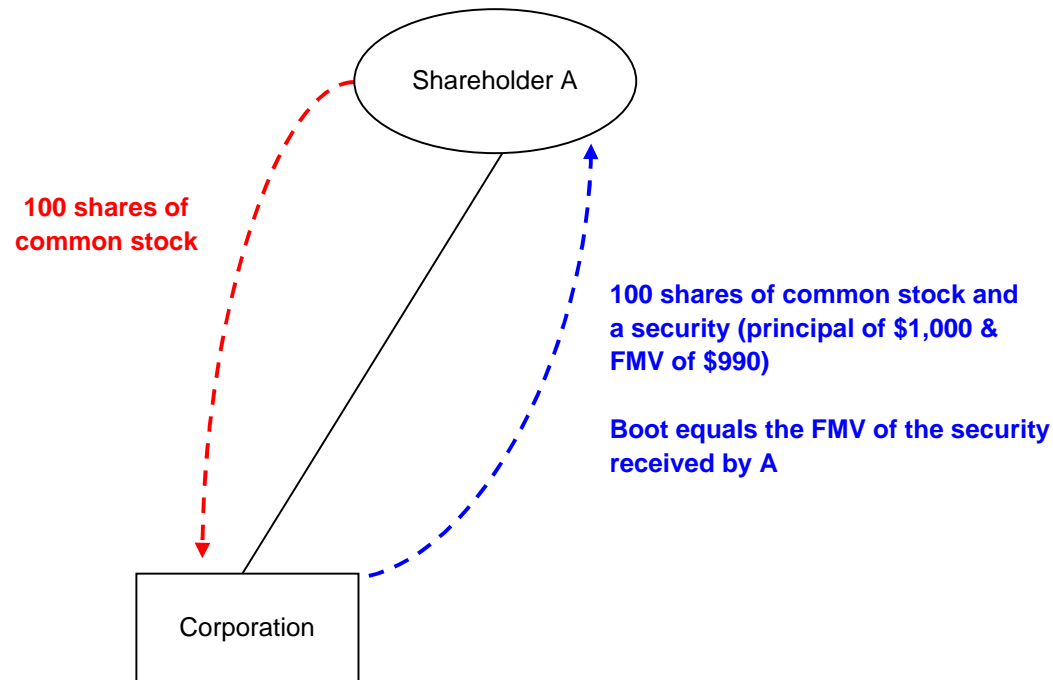


**Reg. 1.356-3(c),  
Example 1**

**Securities Received Treated  
as "Other Property" (i.e., Boot)**

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A, an individual, exchanged 100 shares of common stock for 100 shares of common stock and a security in the principal amount of \$1,000 with a fair market value of \$990. The amount of \$990 is treated as "other property."

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