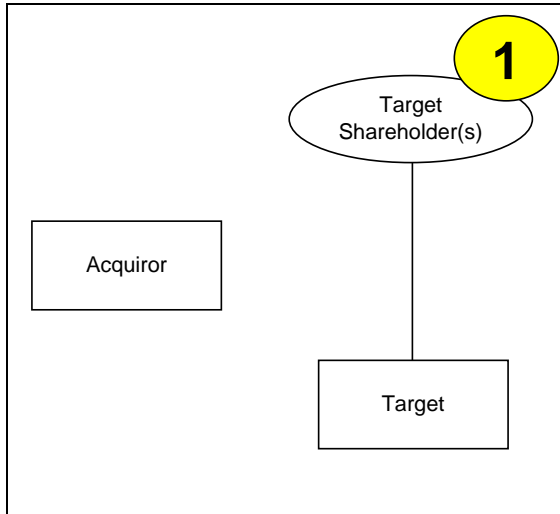
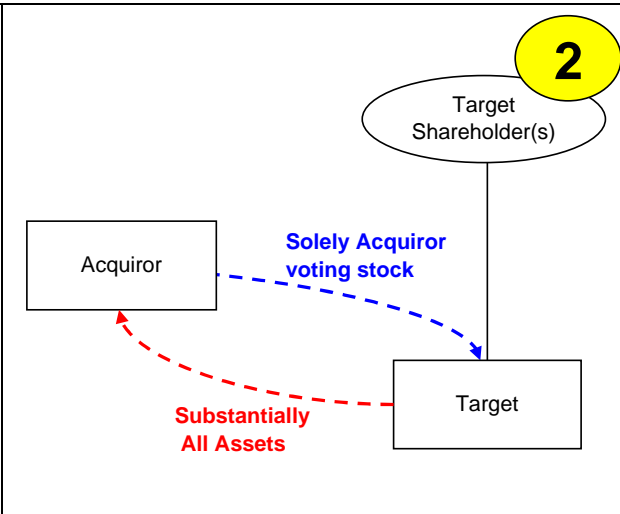


C Reorganization

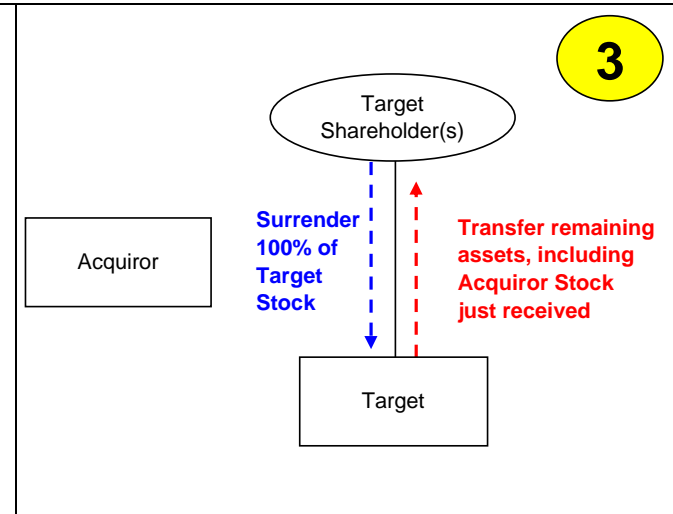
Initial Structure



Target Asset Transfer



Target Liquidation

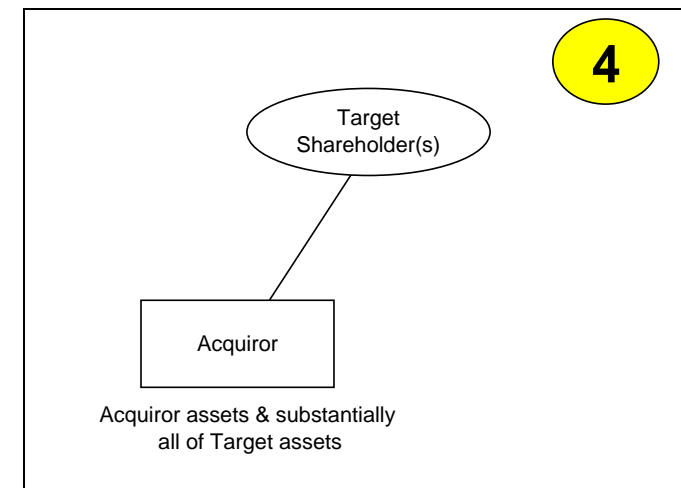


Nonrecognition Operative Provisions:

Acquiror - section 1032,
 Target - section 361(a)

Shareholders - section 354(a)(1),
 Target - section 361(c)

Ending Point



368(a)(1) . . . the term "reorganization" means . . . (C) the acquisition by one corporation, in exchange solely for all or a part of its voting stock . . . of substantially all of the properties of another corporation, but in determining whether the exchange is solely for stock the assumption by the acquiring corporation of a liability of the other shall be disregarded;