368(a)(1)(B) - Stock for Stock

**Initial Structure**

1. Acquiror → Target Shareholder(s) → Target

**Stock for Stock Exchange**

2. Acquiror → Target Shareholder(s) → Target
   - Solely Acquiror voting stock
   - Stock of Target (after the transfer, Acquiror must hold 368(c) control of Target)

**Ending Point**

3. Acquiror → Target Shareholder(s) → Target
   - 368(c) control

**Nonrecognition Operative Provisions:**

- Acquiror - section 1032,
- Shareholders - section 354(a)(1)

368(a)(1) . . . the term "reorganization" means . . . (B) the acquisition by one corporation, in exchange solely for all or a part of its voting stock . . . of stock of another corporation if, immediately after the acquisition, the acquiring corporation has control of such other corporation (whether or not such acquiring corporation had control immediately before the acquisition);

HUNDREDS of additional charts at www.andrewmitchel.com