368(a)(1)(C) - Stock for Assets

Initial Structure

1. Acquiror
   Target Shareholder(s)

   Target

Target Asset Transfer

2. Acquiror
   Target Shareholder(s)

   Target

Nonrecognition Operative Provisions:

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

Target Liquidation

3. Acquiror
   Target Shareholder(s)

   Target

   Surrender 100% of Target Stock
   Transfer remaining assets, including Acquiror Stock just received

Ending Point

4. Acquiror
   Target Shareholder(s)

   Acquiror assets & substantially all of Target assets

Nonrecognition Operative Provisions:

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

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;