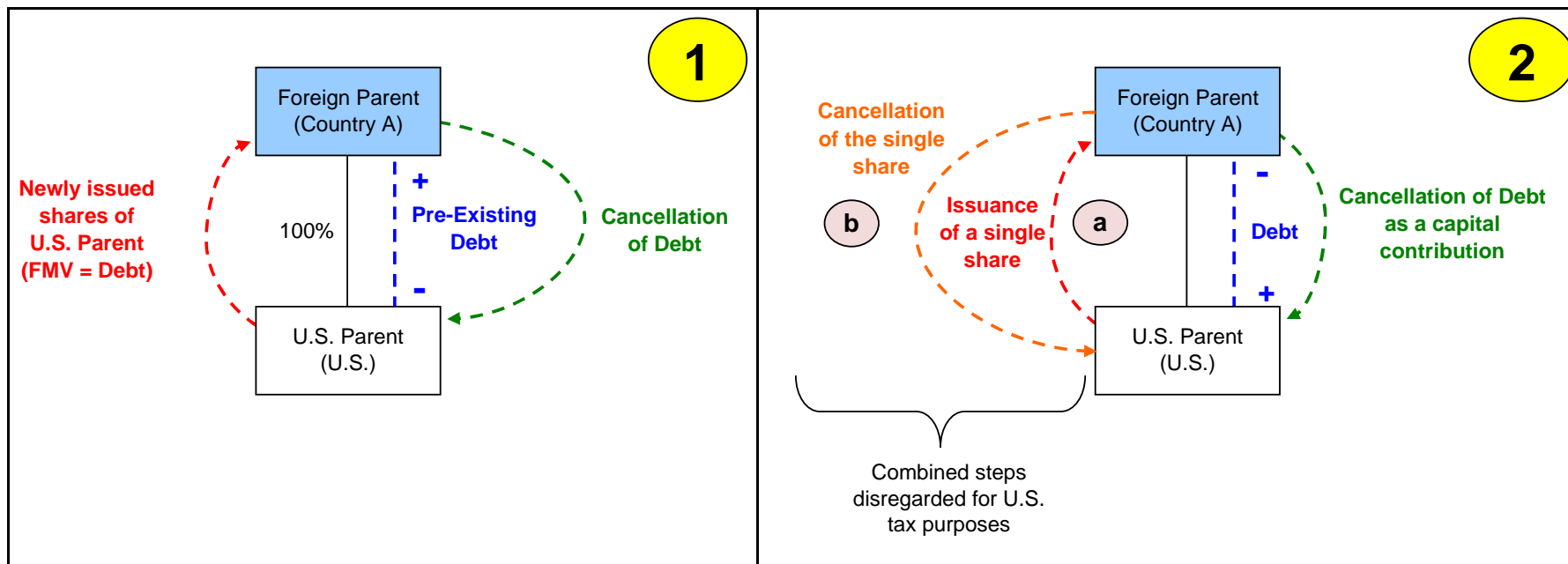


**Section 108(e)(6) vs.  
Section 108(e)(8)**

**Rescinded Transaction (Possibly Sec. 108(e)(8))**

**Revised Transaction (Sec. 108(e)(6))**



US Parent was indebted to Foreign Parent. Foreign Parent cancelled the debt in order to improve the financial position of US Parent. For Country A tax purposes, the debt was cancelled by Foreign Parent in exchange for shares of US Parent stock, the fair market value of which was intended to be approximately equal to the fair market value of the Debt.

US Parent intends to enter into a rescission agreement with Foreign Parent. Following the rescission, (a) the principal amount of US Parent's indebtedness to Foreign Parent will be the same as it was and the amount of interest (or other payments) payable and paid to Foreign Parent with respect to the debt will be the same as it would have been if the transaction had not occurred.

Following the rescission, US Parent intends to enter into an agreement with Foreign Parent pursuant to which (i) solely for Country A tax reasons, Foreign Parent will purchase a share of US Parent (the "Single Share"), in exchange for cancellation of an amount of intended to be equal to the fair market value of the Single Share, (ii) Foreign Parent will cancel an amount of the debt as a capital contribution to US Parent, and (iii) the Single Share, issued solely for Country A tax reasons, will be cancelled.

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