Under the circumstances of this case the acquisition of Target stock by Acquiror and the liquidation of Target by Acquiror are part of the overall plan of reorganization and the two steps may not be considered independently of each other for Federal income tax purposes.

The substance of the transaction is an acquisition of assets to which section 368(a)(1)(B) does not apply. The ruling holds that the acquisition is treated as a C reorganization.

Compare Rev. Rul. 72-405 which treats the acquisition of assets of a target corporation in a forward triangular merger followed by the liquidation of the acquiring subsidiary corporation as a C reorganization.