Section 368(a)(1)(B) defines as a reorganization the acquisition by [Acquiror], in exchange solely for all or a part of its voting stock . . . of stock of [Target] if, immediately after the acquisition, [Acquiror] has control of [Target] . . .

Establishment by Target of an escrow account to pay dissenting shareholders did not preclude a reorganization under section 368(a)(1)(B). This was true even though Target had not redeemed all the dissenting shareholders' stock prior to the effective date of the exchange. The acquisition was made under state banking law, and under those rules each dissenting shareholder of Target ceased to have any shareholder rights except the right to demand payment for the fair market value of the shares. Therefore, immediately after the exchange, Acquiror was treated as owning all the outstanding stock of Target.

Compare Rev. Rul. 55-440, where preferred shares that had been called for redemption but had not yet been surrendered at the time of the exchange were not counted as "stock" for the purpose of determining the 80% control requirement of section 368(c). The ruling held that the preferred shareholders' rights as stockholders had terminated when the preferred shares were called.

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