

**CURRENT DEVELOPMENTS IN TAX-FREE
CORPORATE REORGANIZATIONS**

APPENDIX

September, 1997

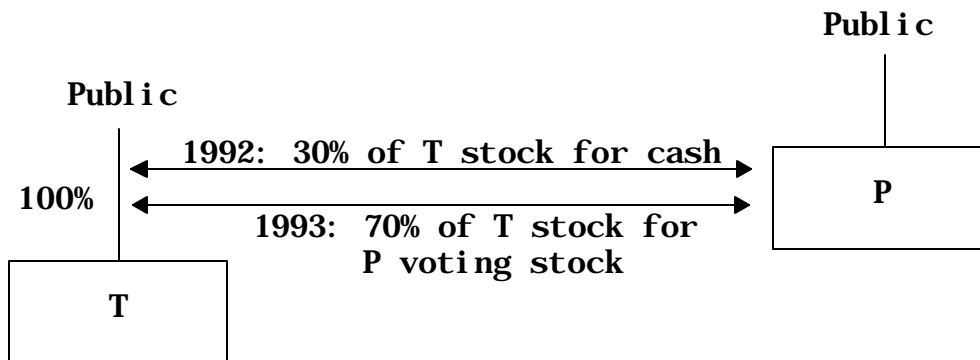
**Mark J. Silverman
Steptoe & Johnson LLP
Washington, D. C.**

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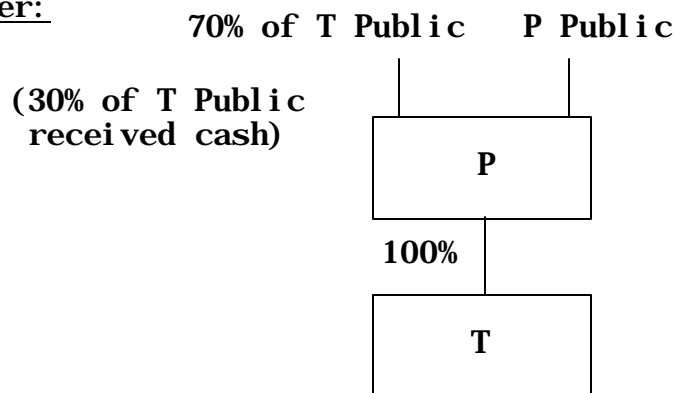
Multi-Step Reorganizations

Example 1 (p. 15)

Before:

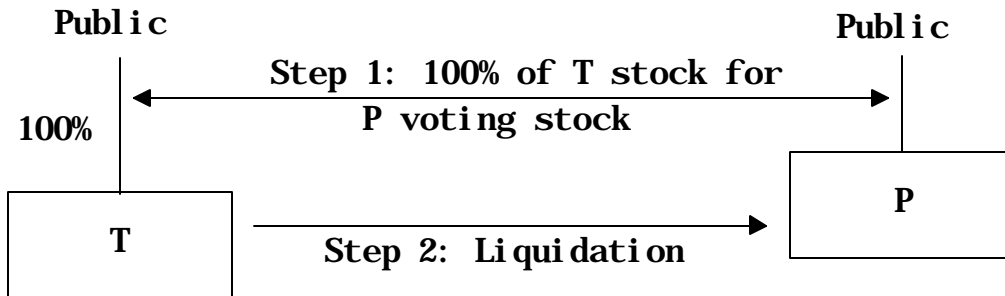


After:

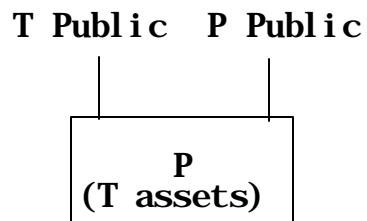


Example 2 (p. 19)

Before:

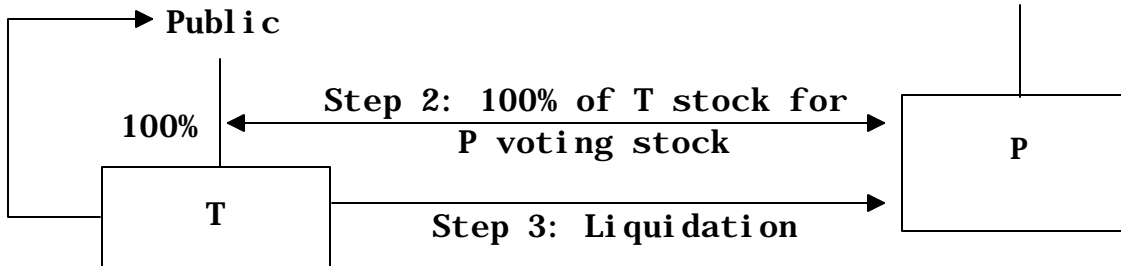


After:

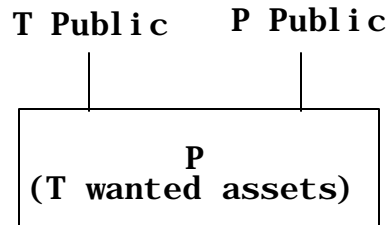


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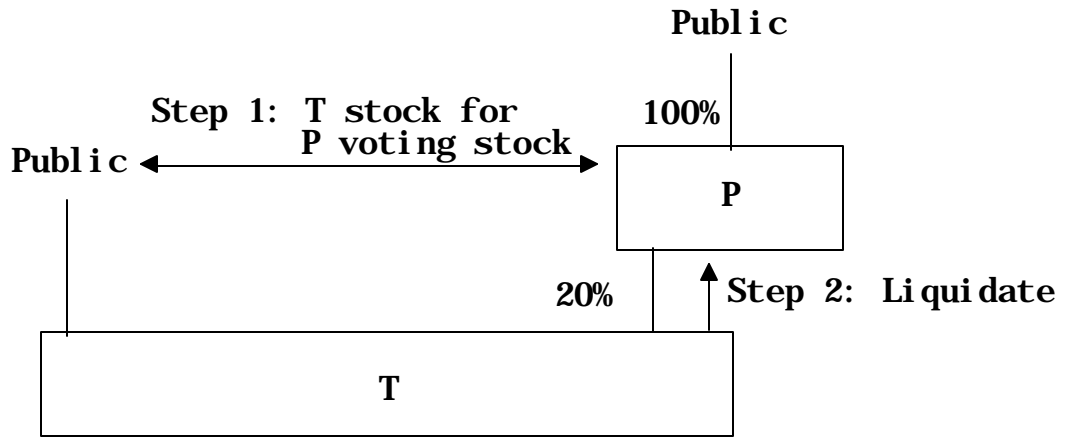
Unwanted Assets
(§ 355)



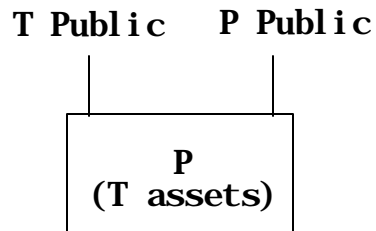
After:



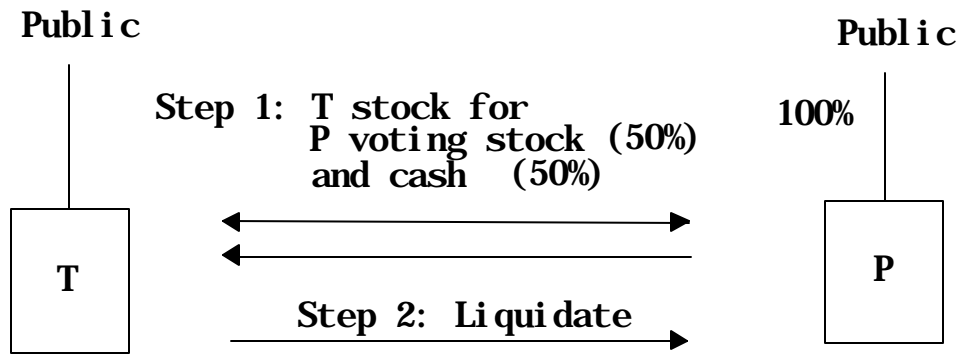
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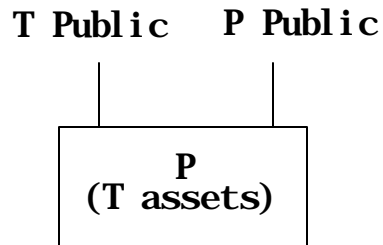
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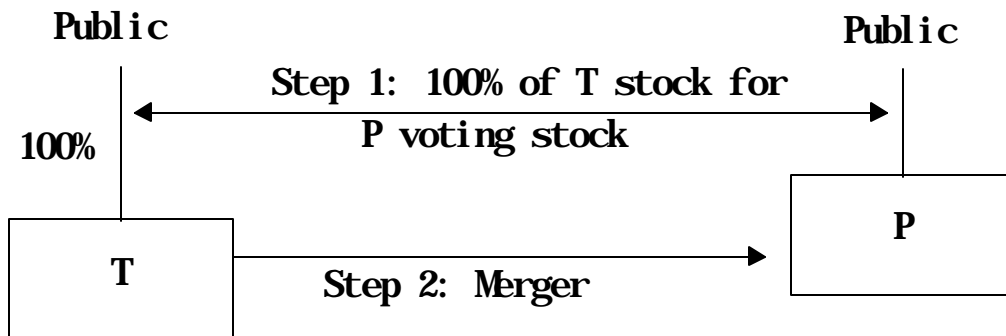
Before:



After:

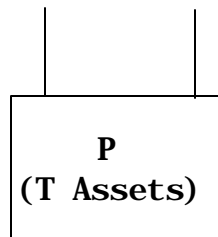


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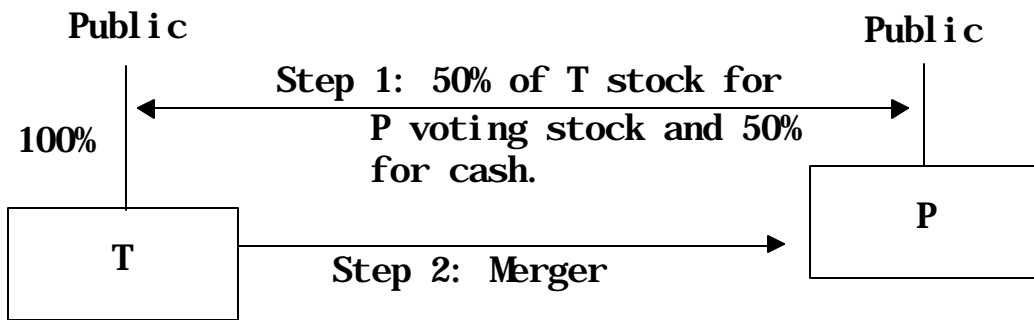


After:

T Public P Public

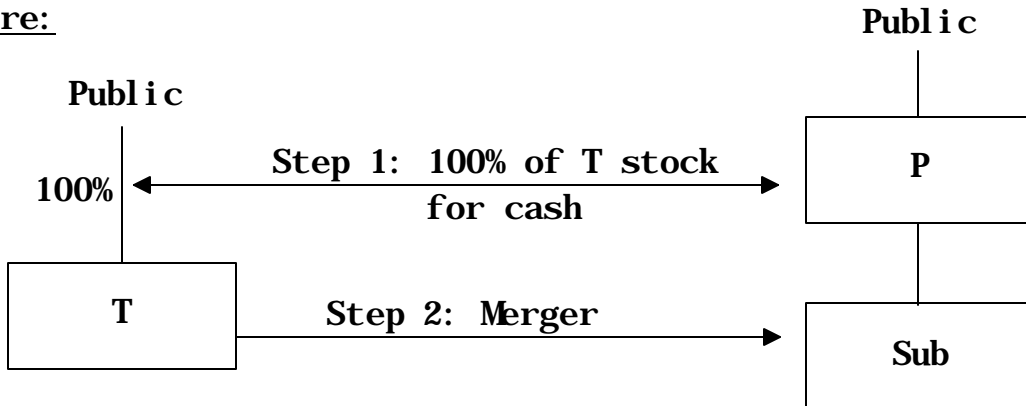


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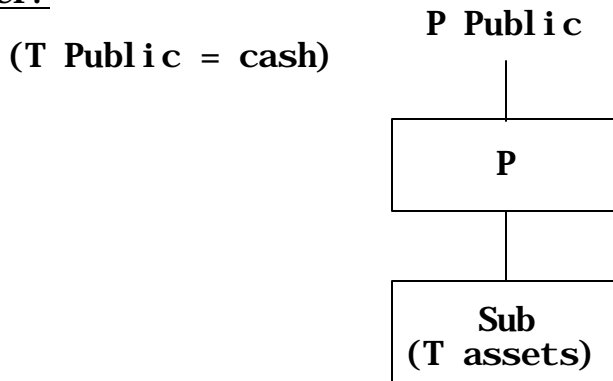


Example 3 (p. 25)

Before:

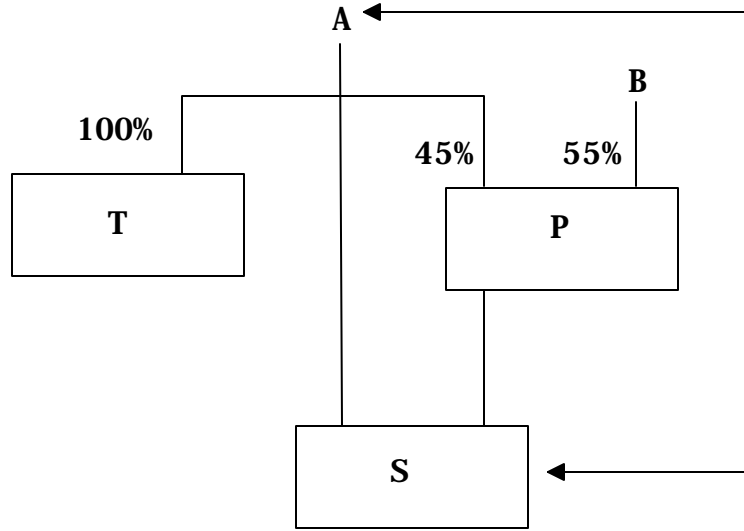


After:



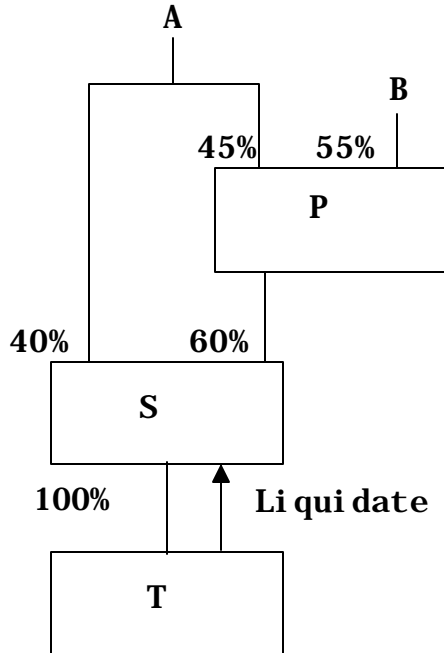
Example 4 (p. 27)

Before:

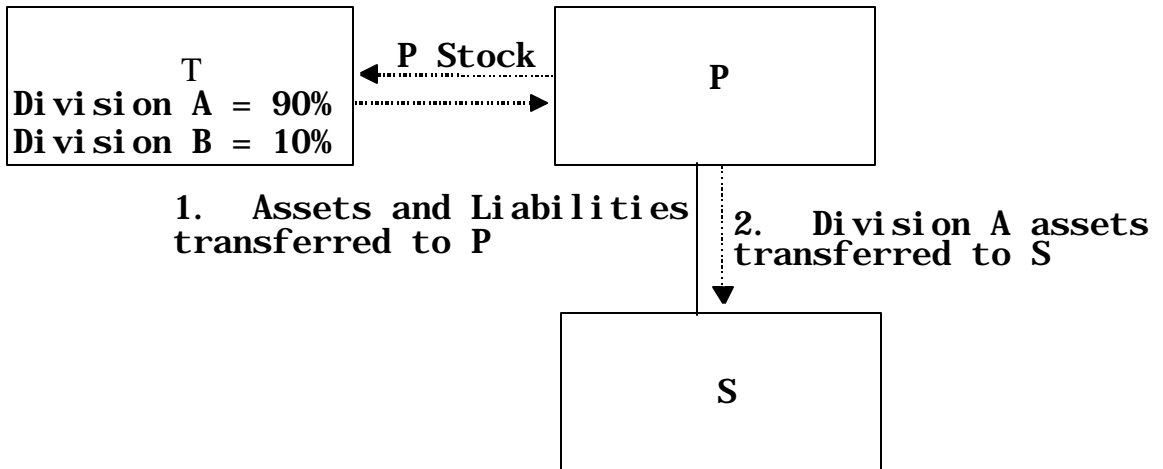


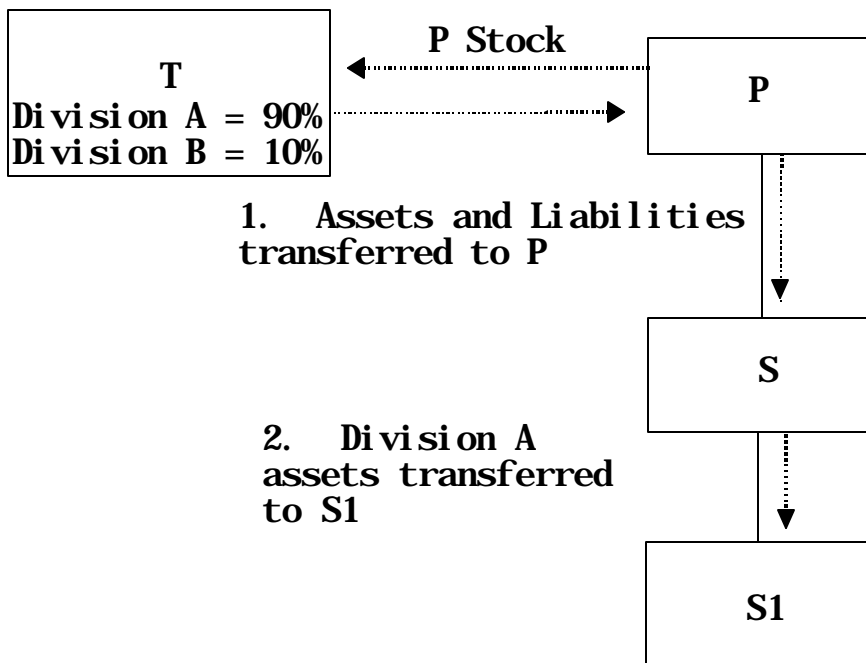
T stock
for cash

After:

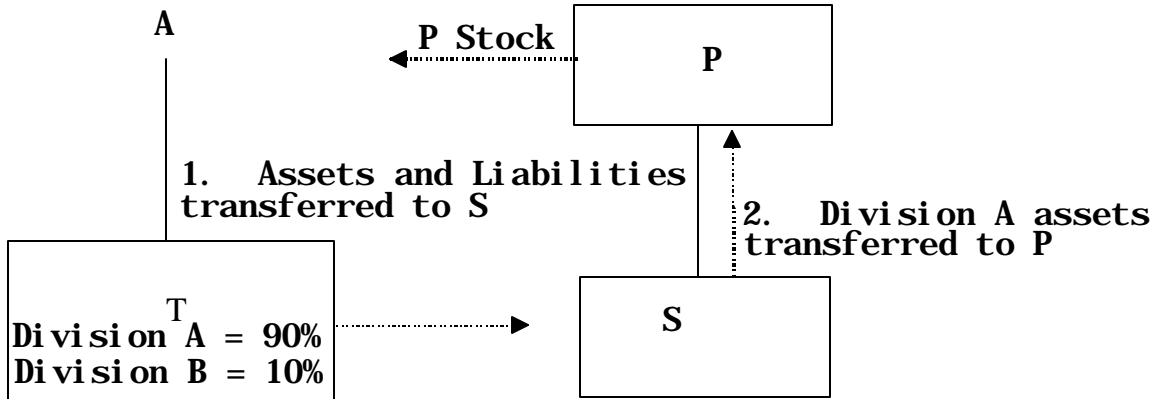


Example 5 (p. 29)

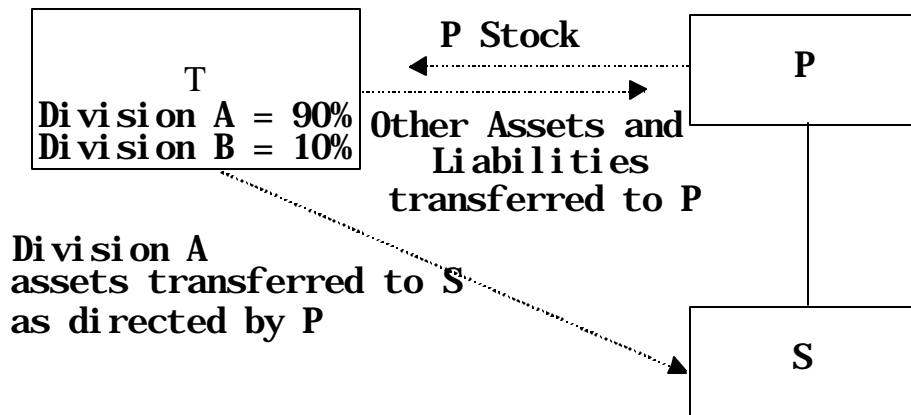




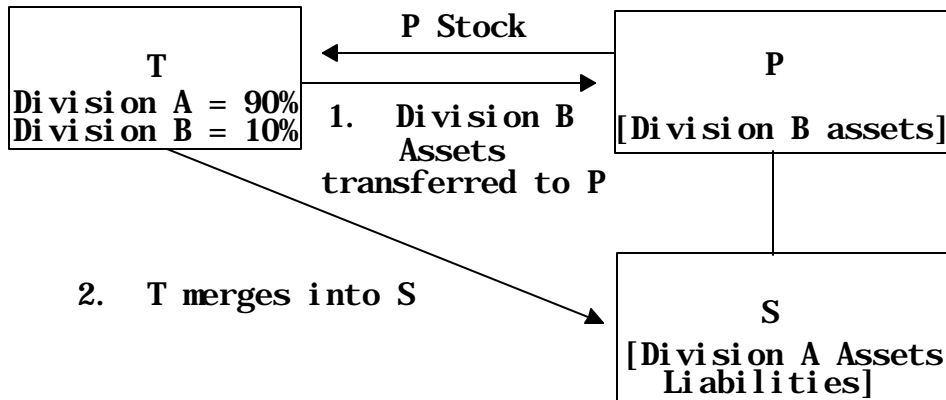
Example 6 (p. 34)



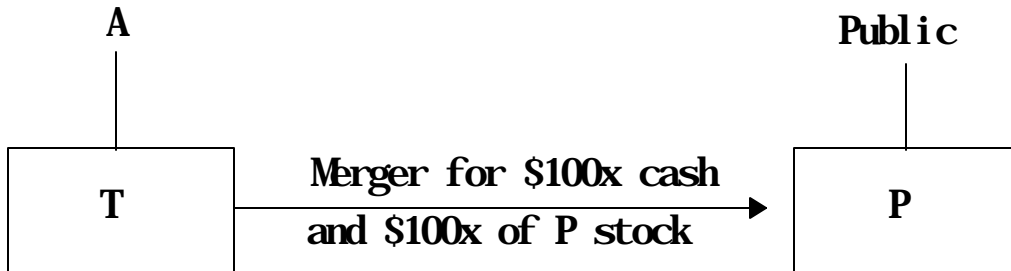
Example 7 (p. 37)



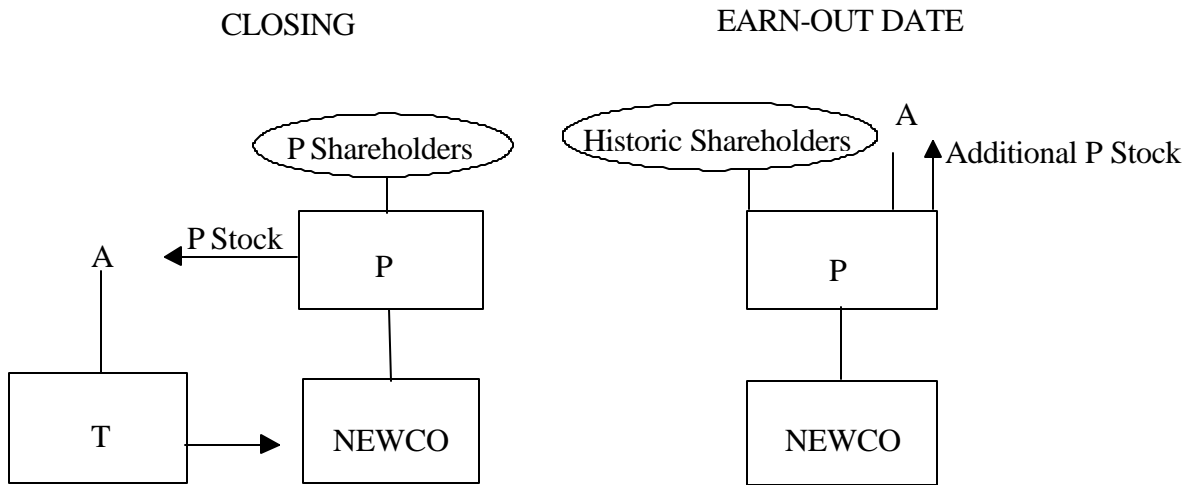
(p. 39)



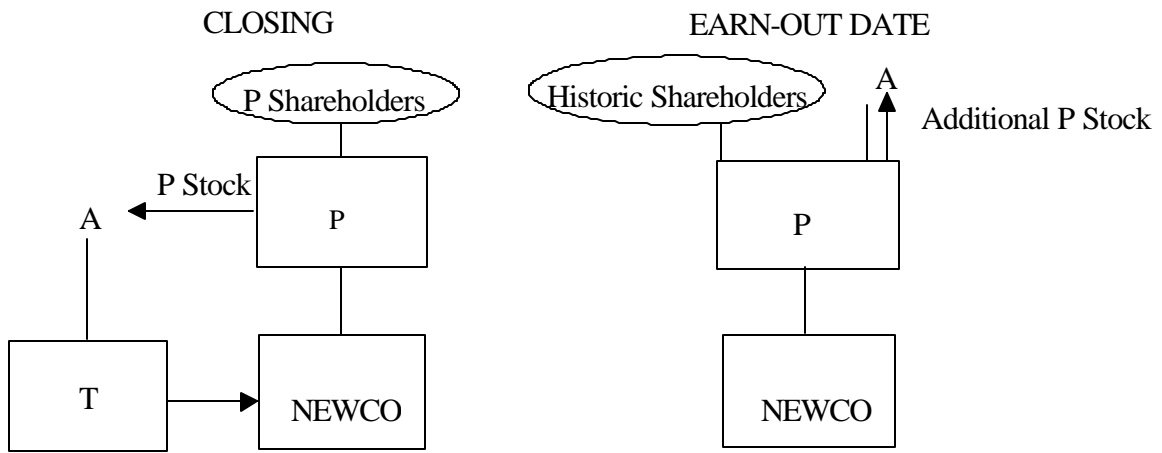
**Issues Involving Shareholder Continuity of Interest
Examples 1 and 2 (pp. 40 and 41)**



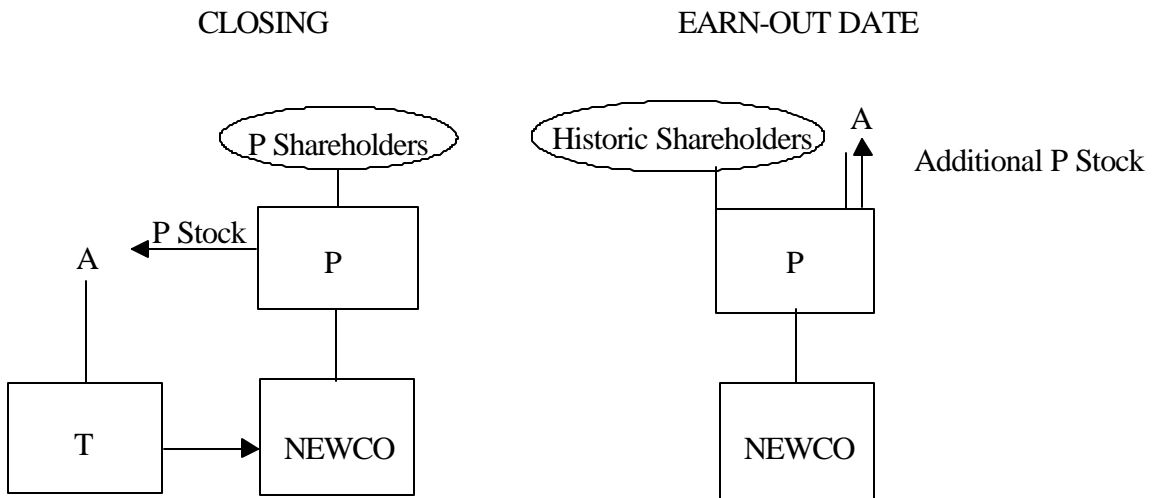
Example 3 -- Contingent Stock (p. 42)



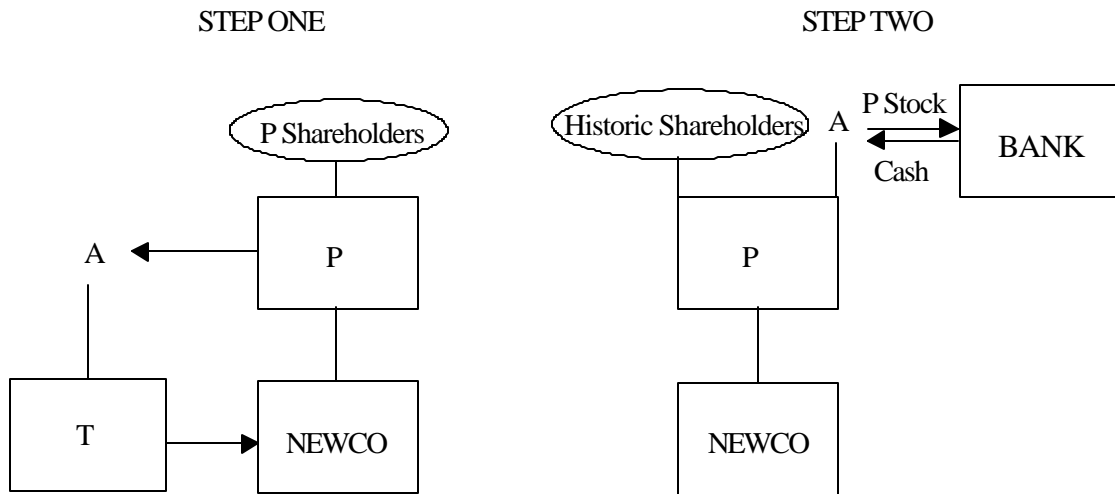
Example 4 -- Contingent Stock (p. 46)



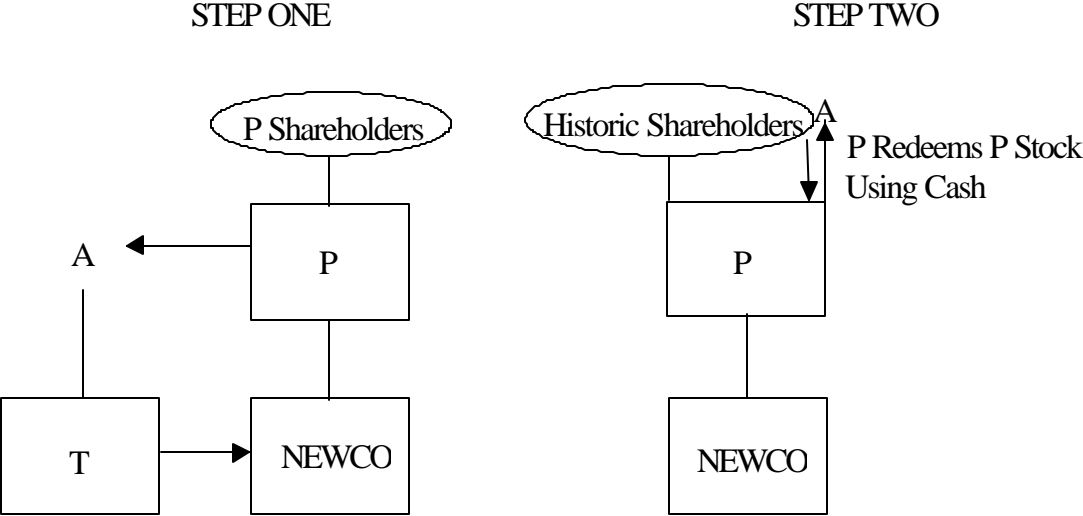
Example 5 (p. 47)



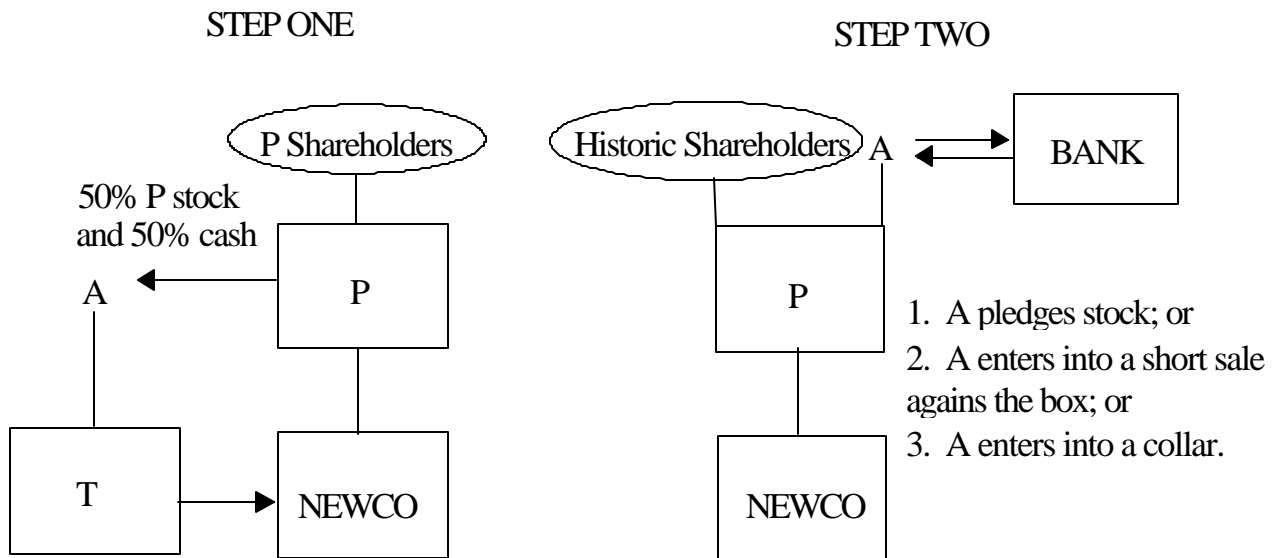
Example 6 -- Post-reorganization Continuity (p. 50)



**Example 7 -- Post-reorganization Continuity
(Sales to Issuing Corporation)
(p. 52)**

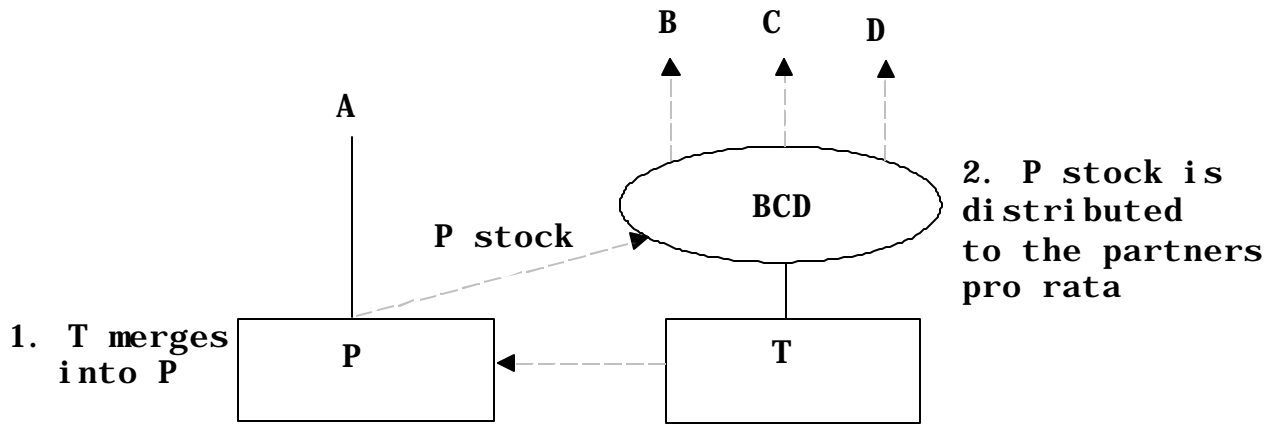


Example 8 -- Monetization transactions (p. 53)

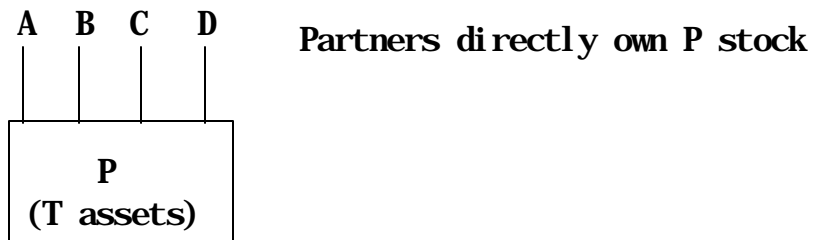


Example 9 (p. 56)

Before:

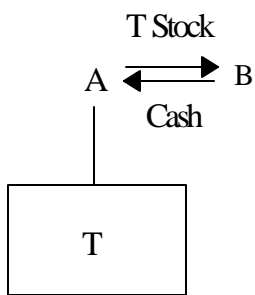


After:

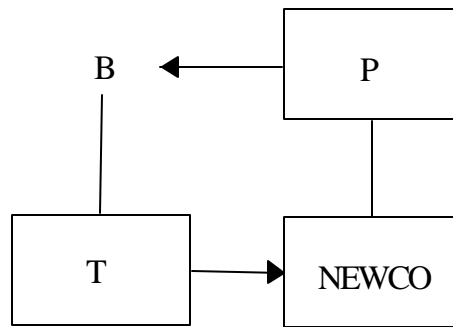


Example 10 -- Pre-reorganization Continuity (p. 59)

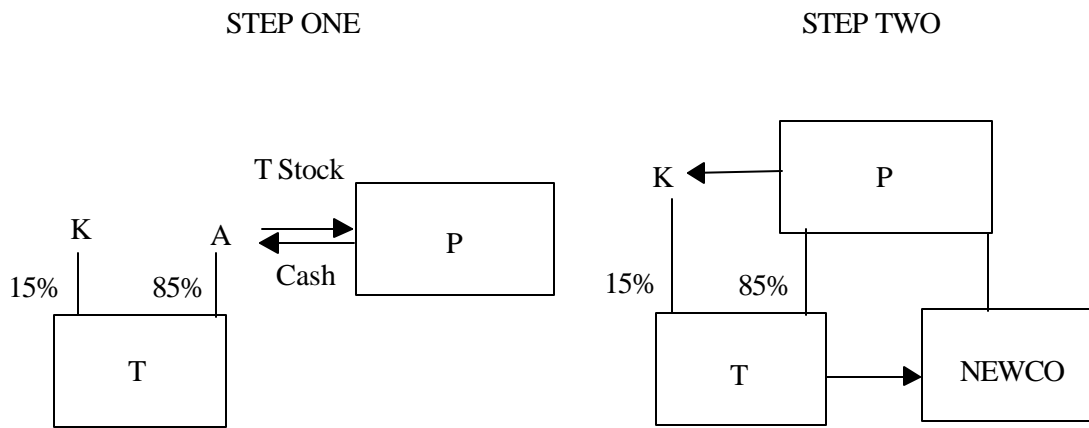
STEP ONE



STEP TWO

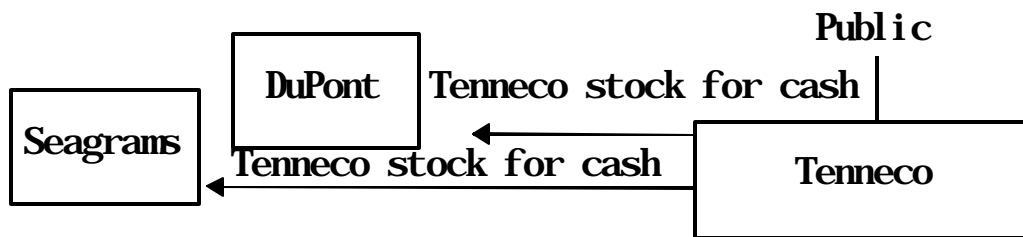


**Example 11 -- Pre-reorganization Continuity and
May B. Kass (p. 60)**

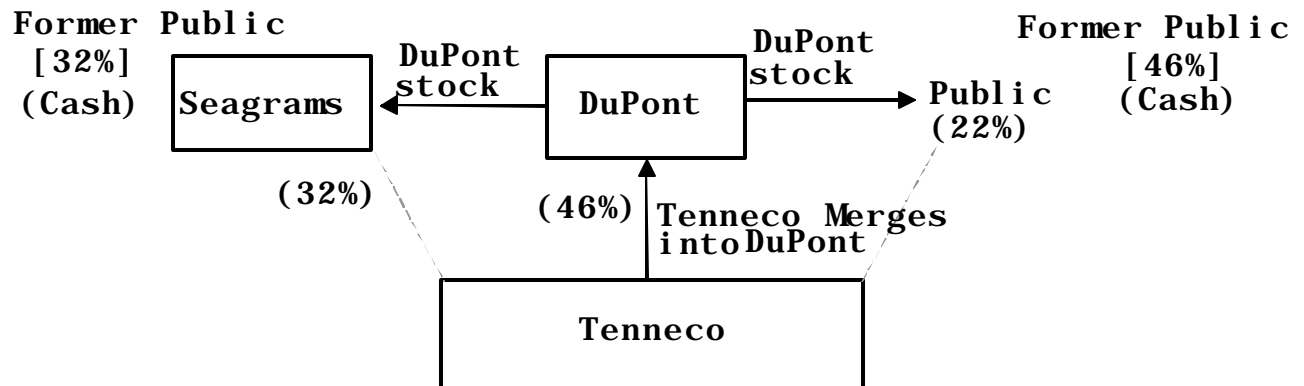


Example 12 -- Pre-reorganization Continuity and Seagrams
(p. 61)

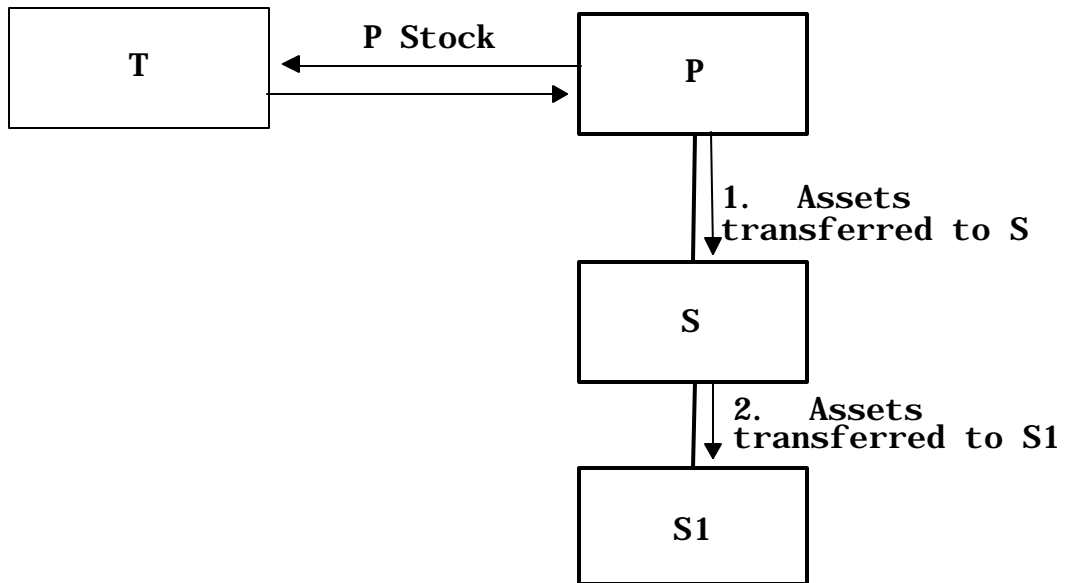
Step 1:



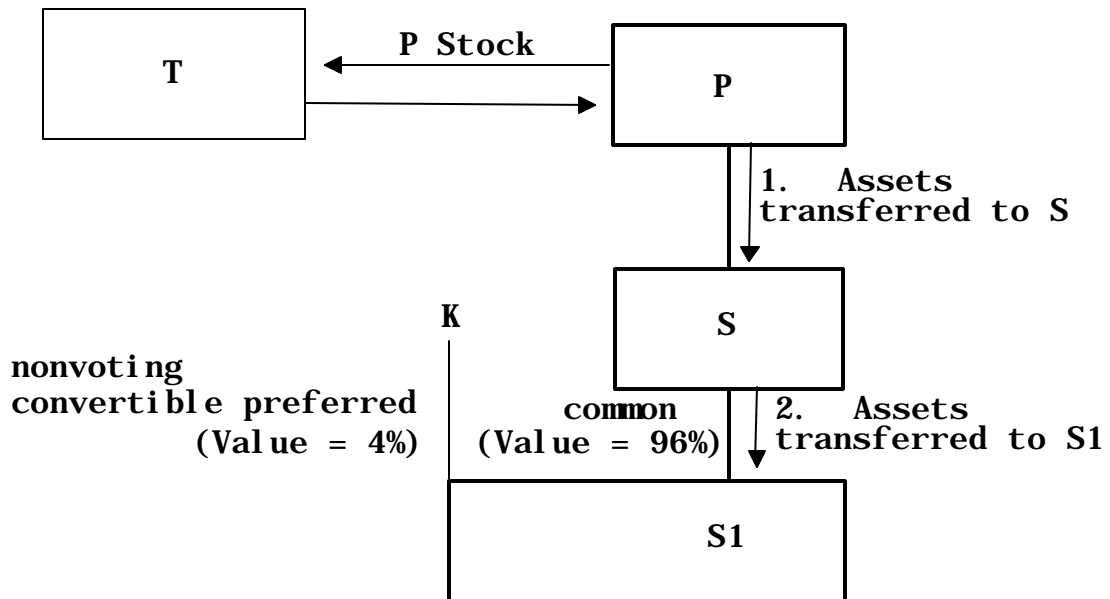
Step 2:



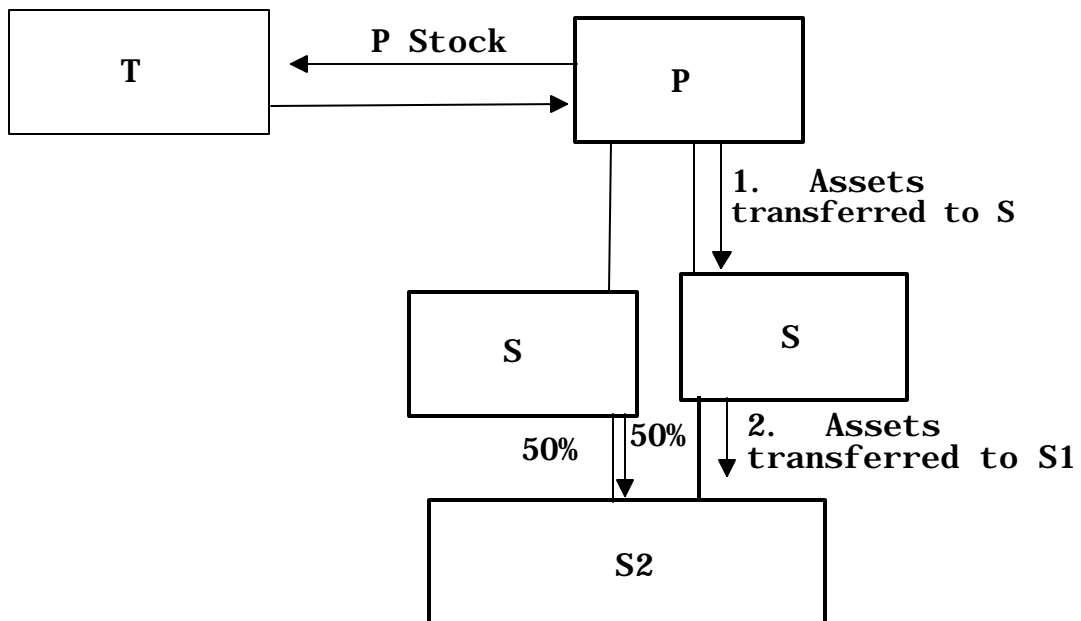
Remote Continuity and Continuity of Business Enterprise
Example 1 -- Asset Transfers to Corporations (p. 63)



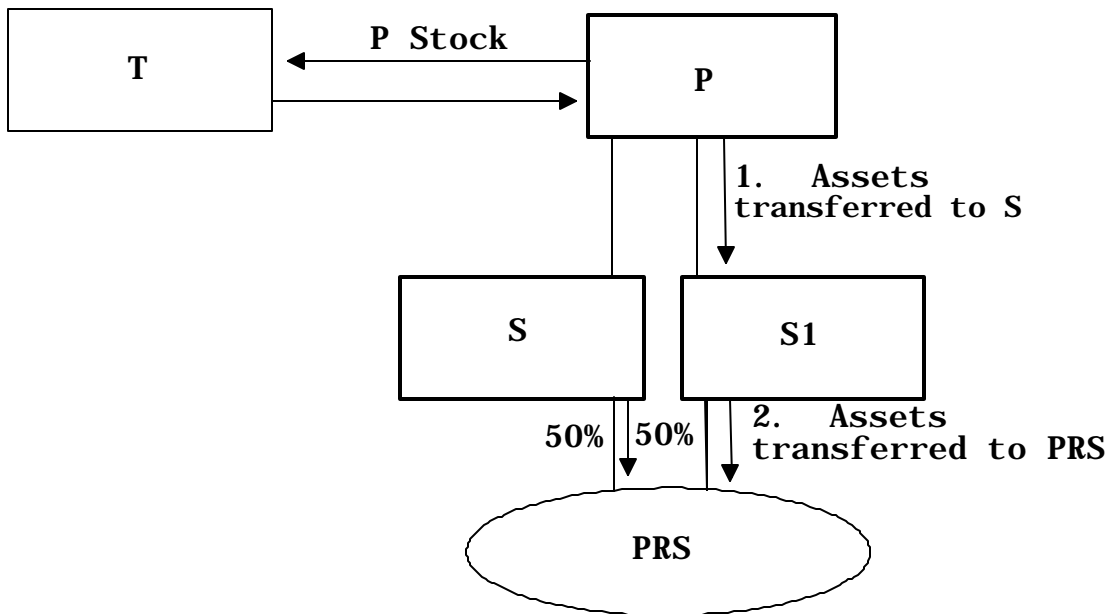
Example 2 -- Remote Continuity and Continuity of Business Enterprise (New Rules) (p. 65)



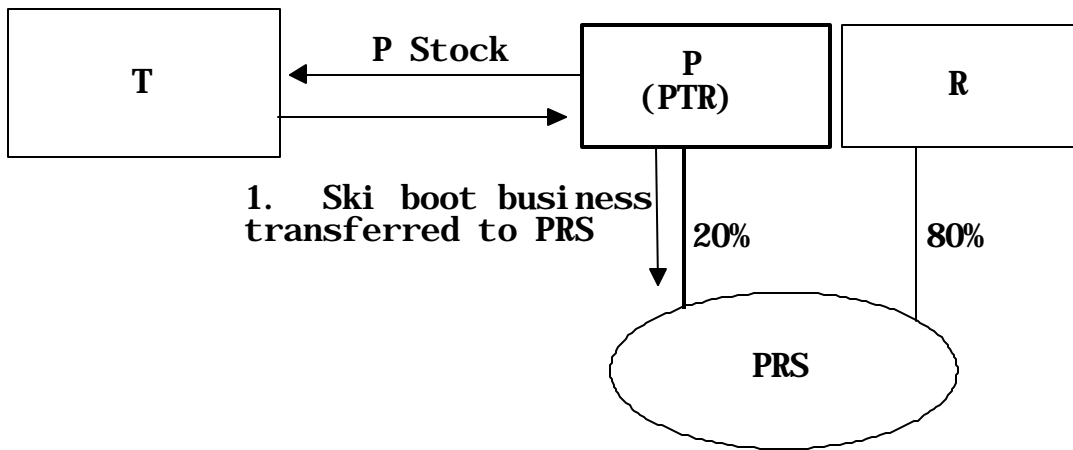
Example 3 -- Remote Continuity and Continuity of Business Enterprise (New Rules) (p. 66)



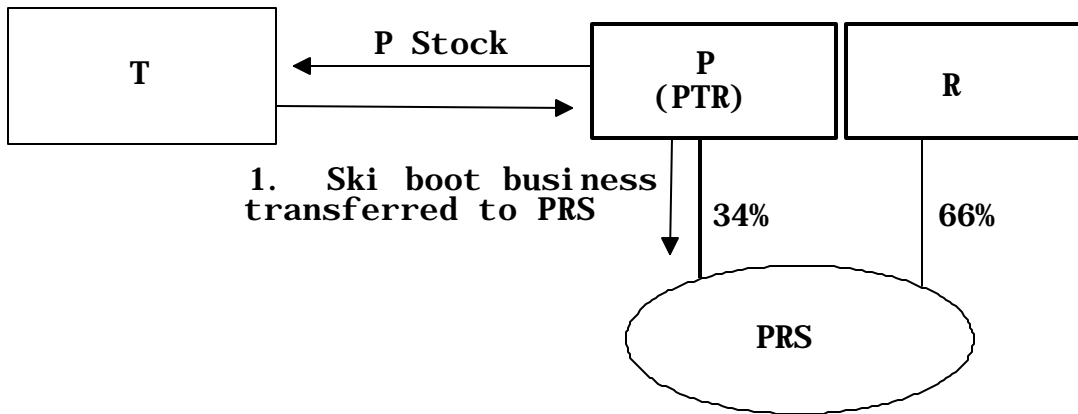
**Example 4 -- Transfers to Partnerships
(Current Law) (p. 67)**



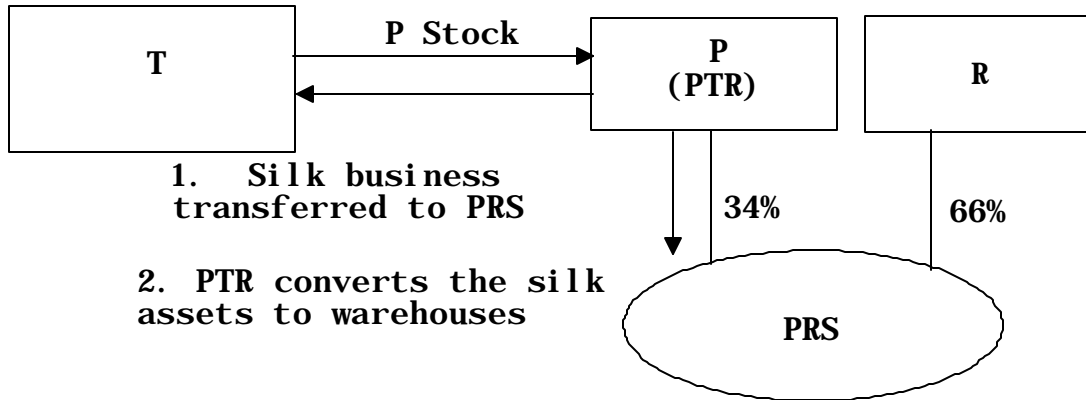
**Example 5 -- Transfers to Partnerships
(New Law) (p. 70)**



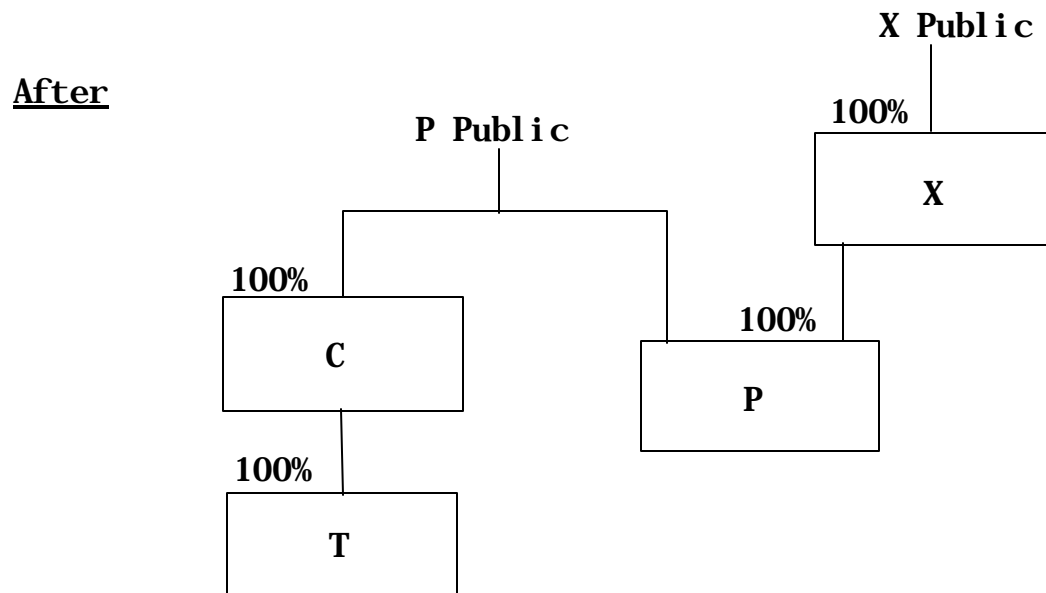
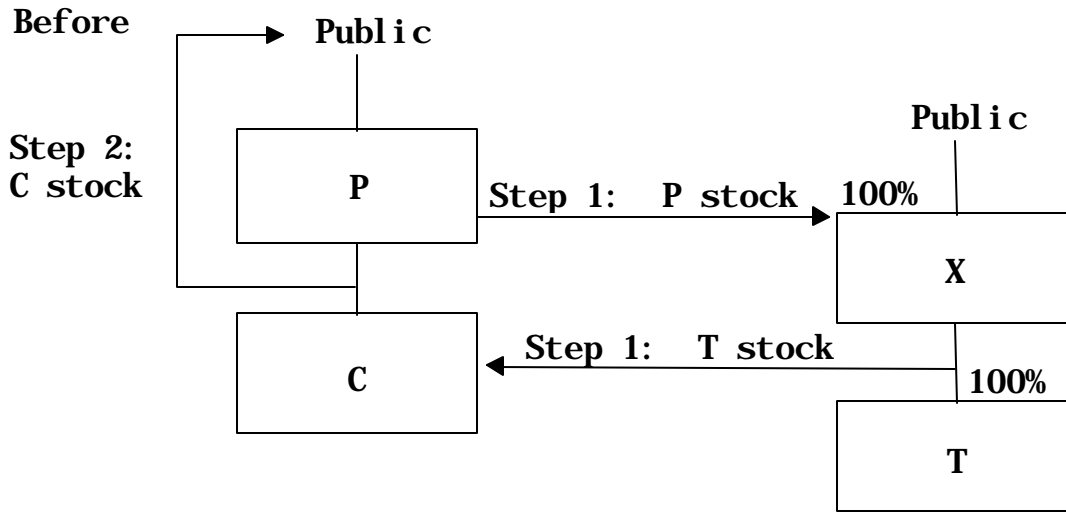
**Example 6 -- Transfers to Partnerships
(New Law) (p. 71)**



**Example 7 -- Transfers to Partnerships
(New Law) (p. 72)**

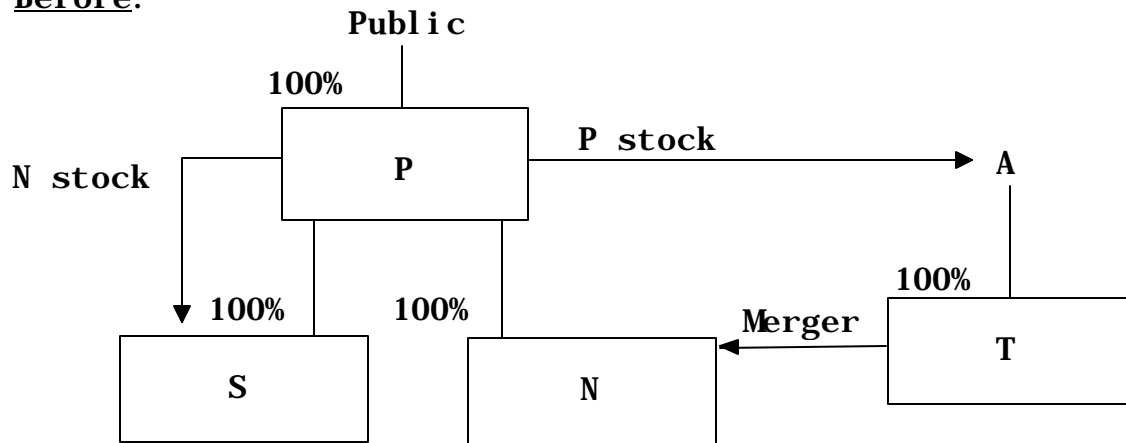


Example 1 -- Control Issues (p. 73)

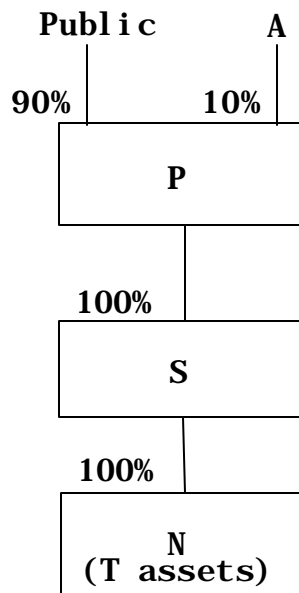


Example 2 -- Control Issues (p. 76)

Before:

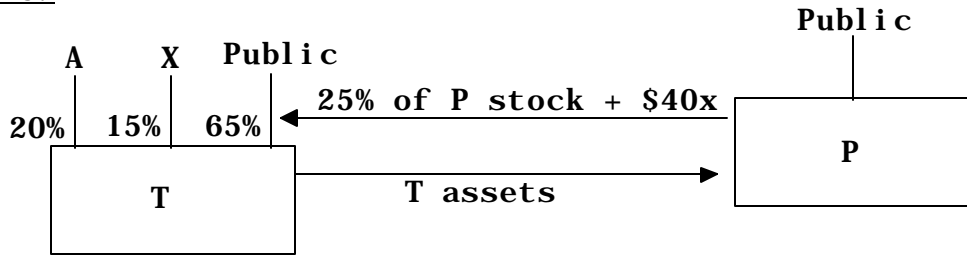


After:

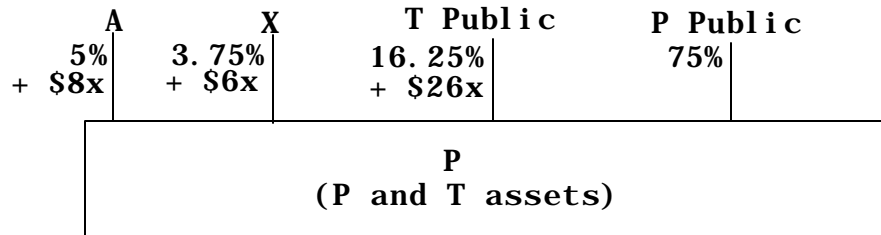


**Boot in a Reorganization
Example 1 (p. 78)**

Before:

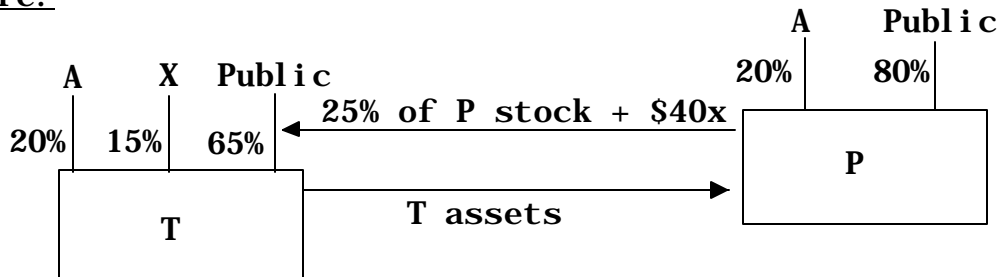


After:

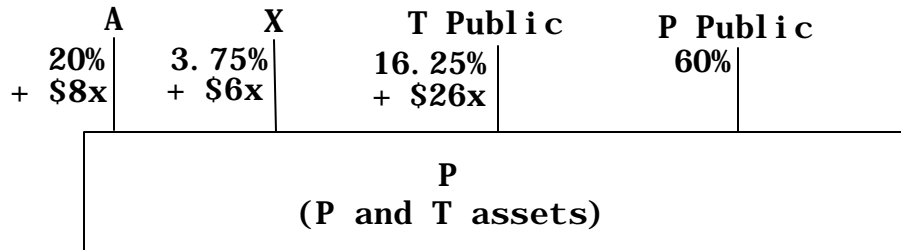


(p. 82)

Before:

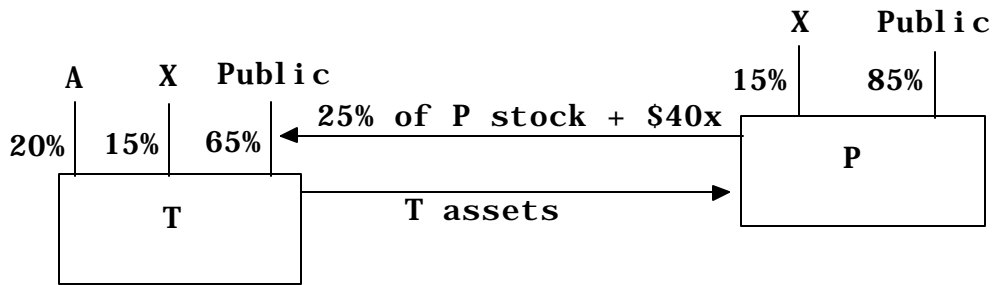


After:

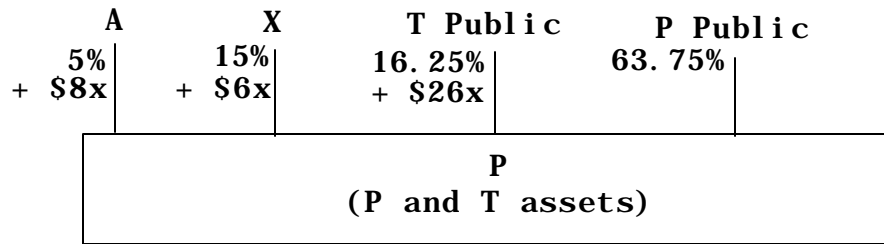


(p. 83)

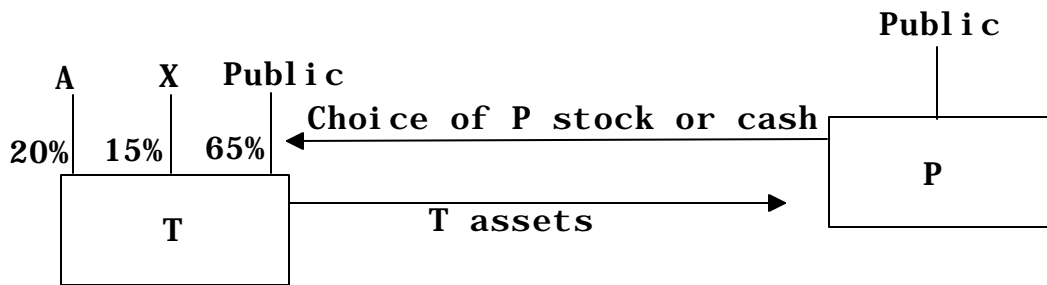
Before:



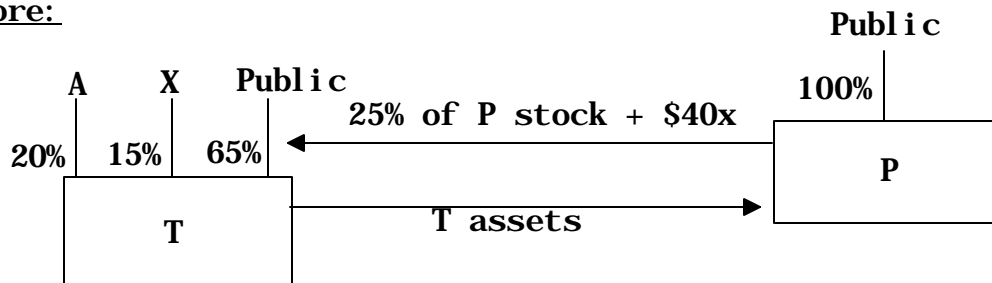
After:



(p. 84)

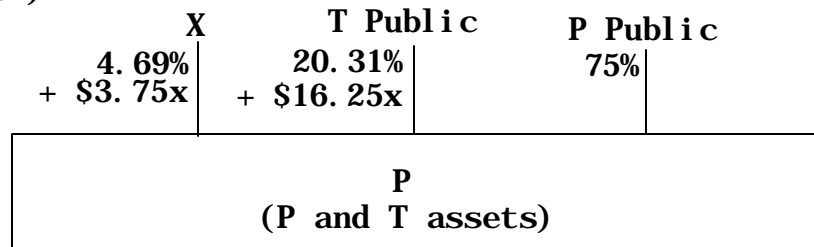


Before:

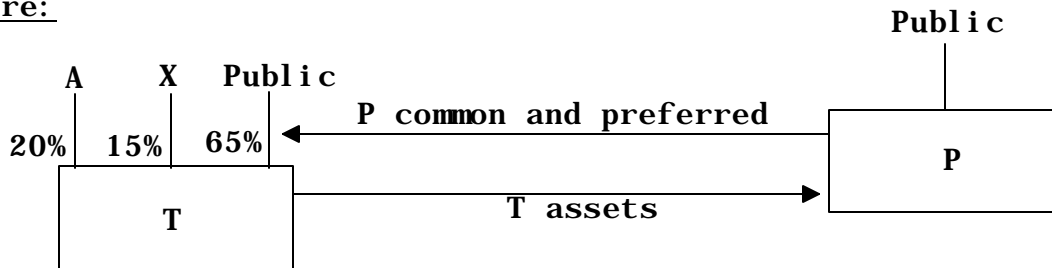


After:

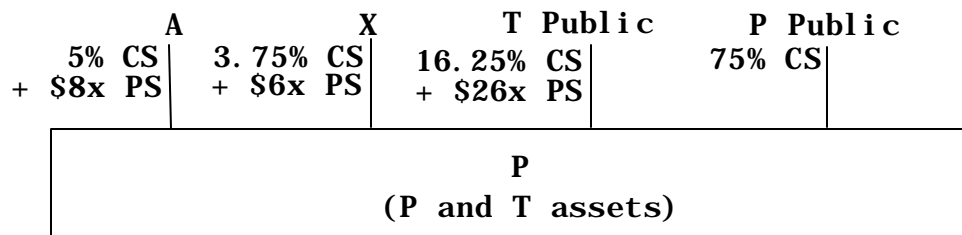
A (\$20x cash)



Before:

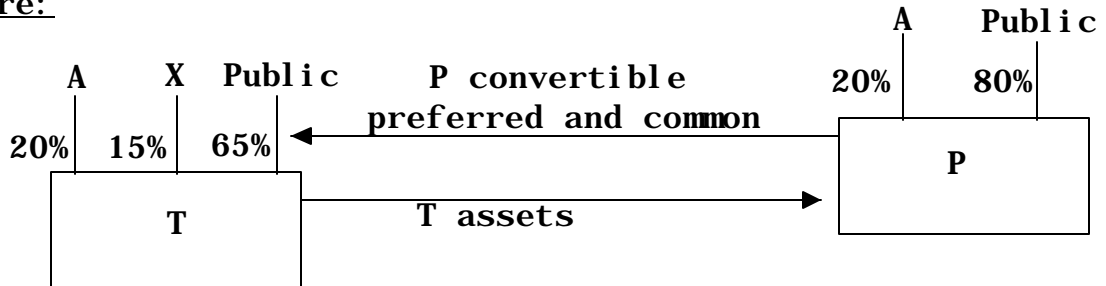


After:

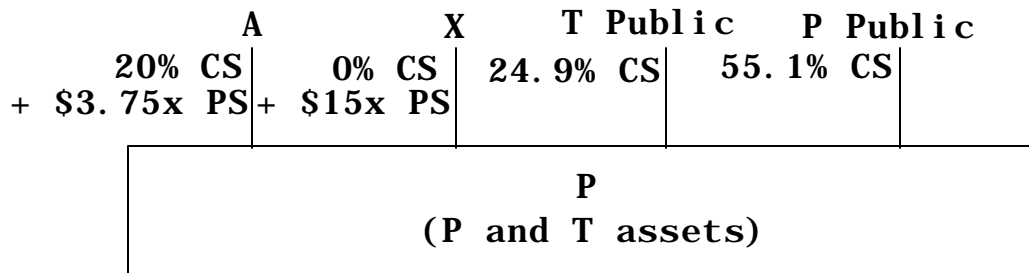


(pp. 92 & 93)

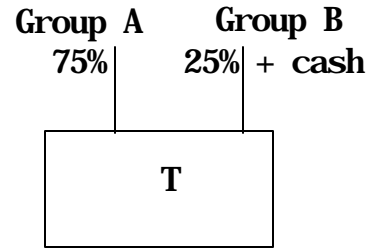
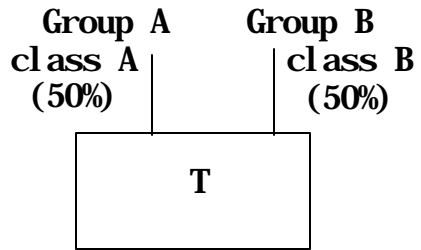
Before:



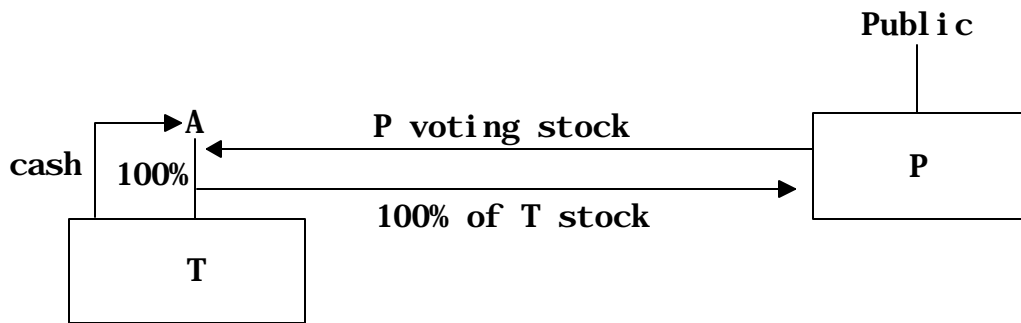
After:



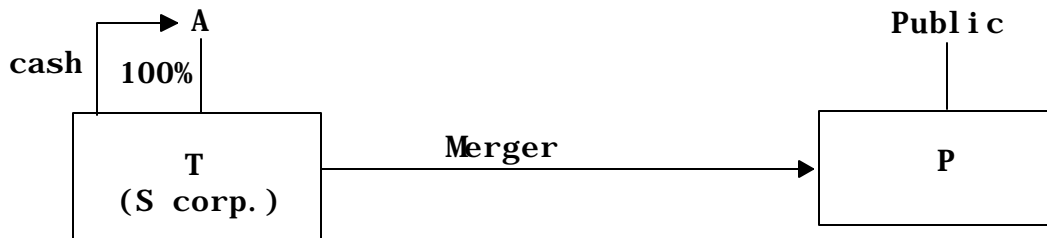
Example 2 (p. 97)



Example 3 (p. 99)

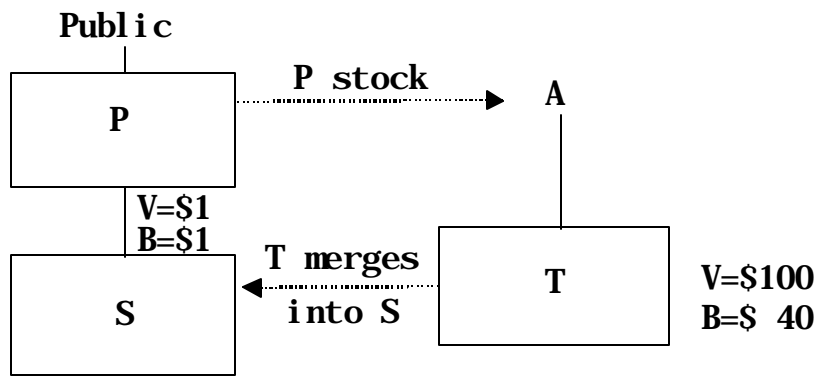


(p. 101)

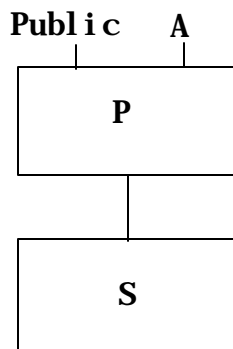


Basis Issues in Triangular Reorganizations
Example 1 (p. 102)

Before:

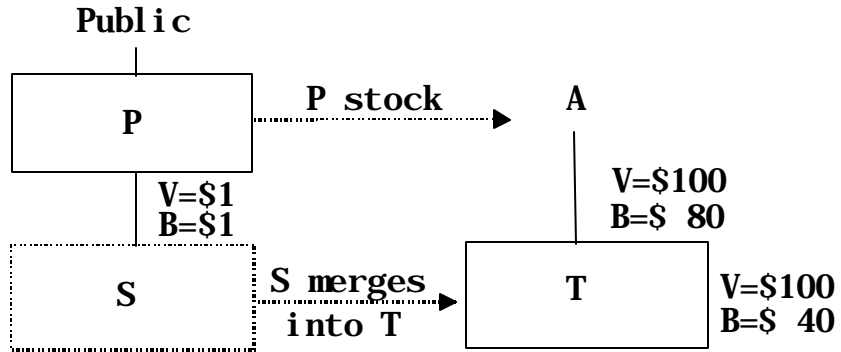


After:

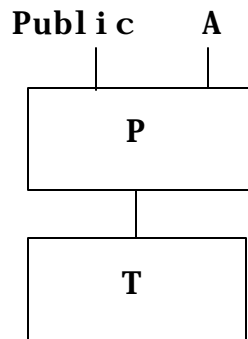


Example 2 (p. 104)

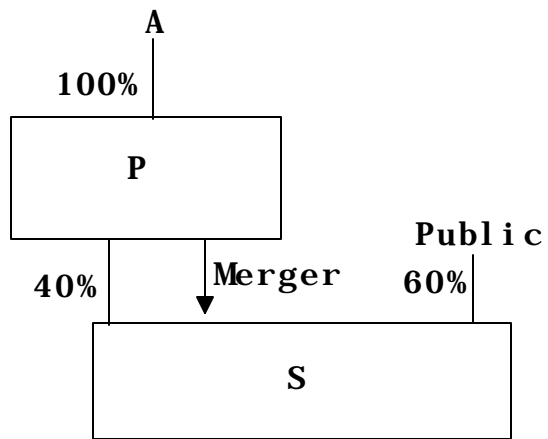
Before:



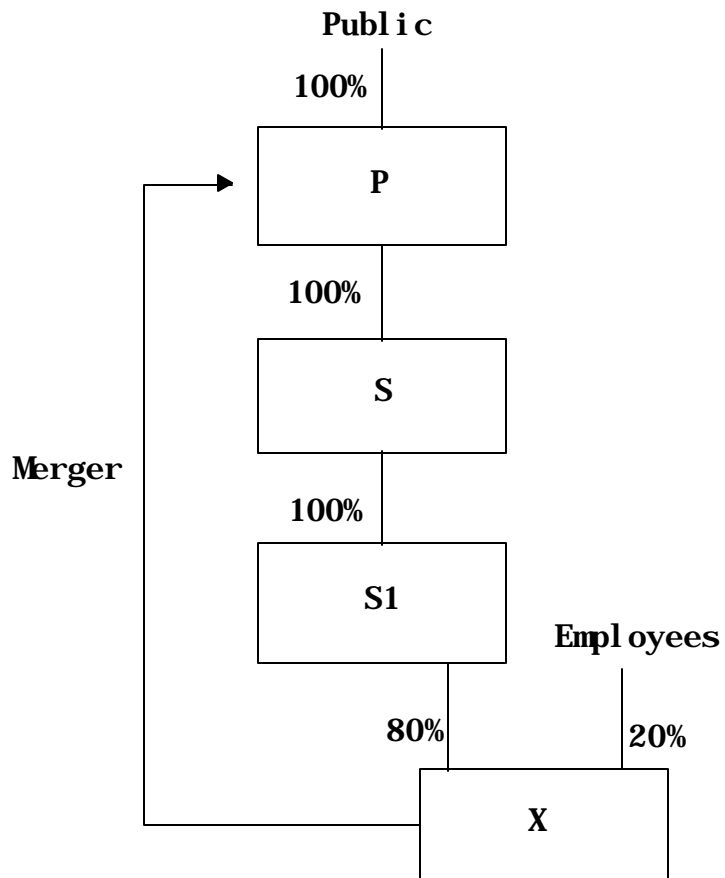
After:



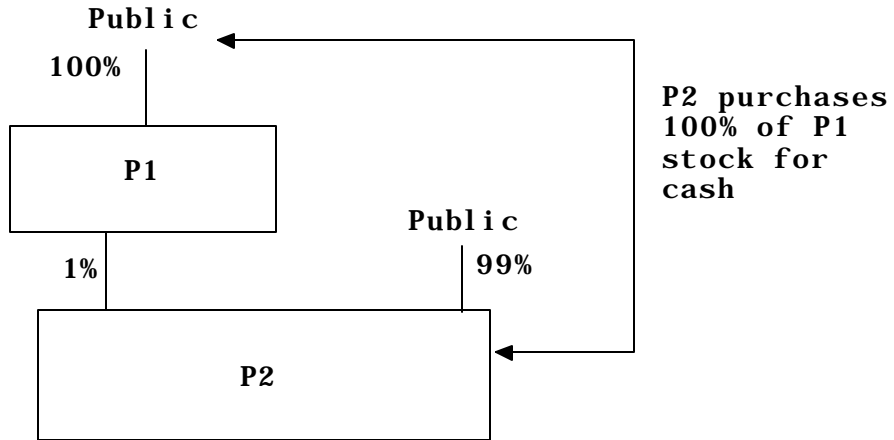
**Downstream Mergers and Group Inversions
After General Utilities
Example 1 (p. 107)**



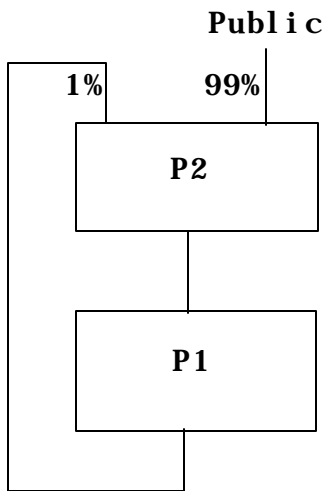
Example 2 (p. 109)



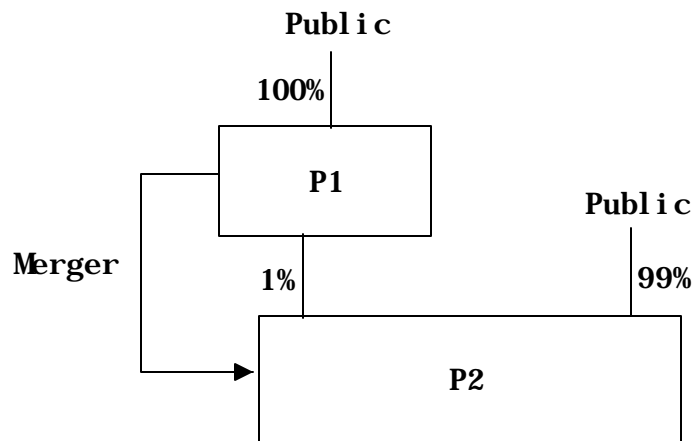
Before:



After:

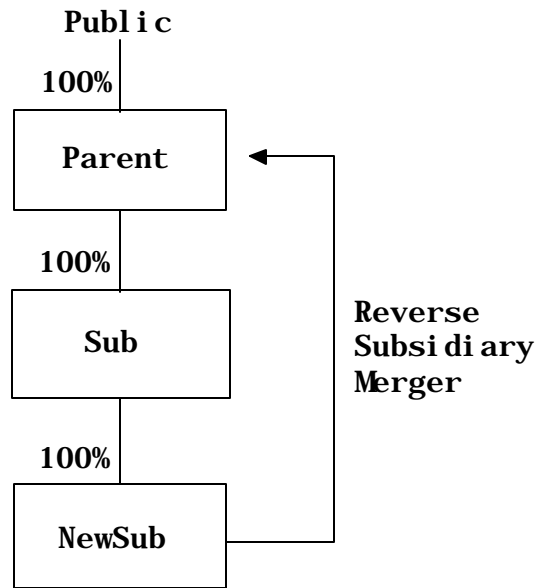


(p. 112)

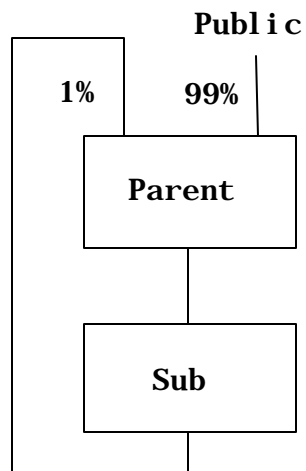


Example 3 (p. 112)

Before

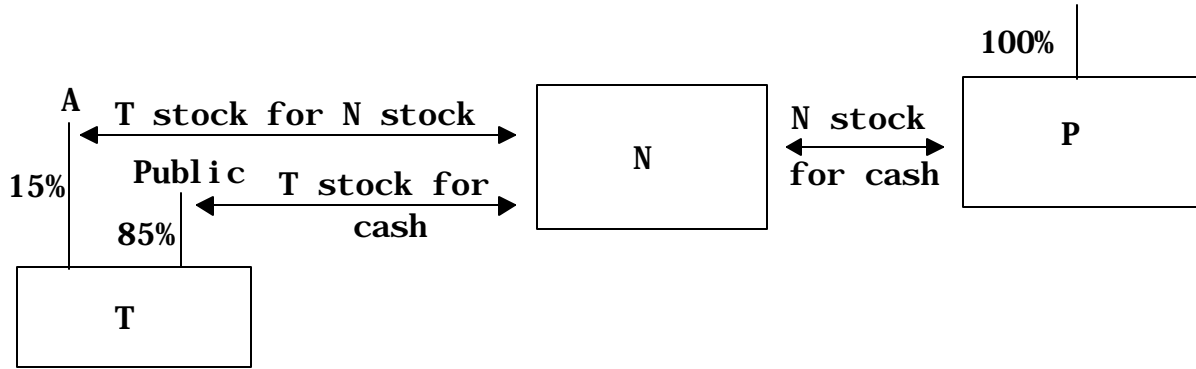


After

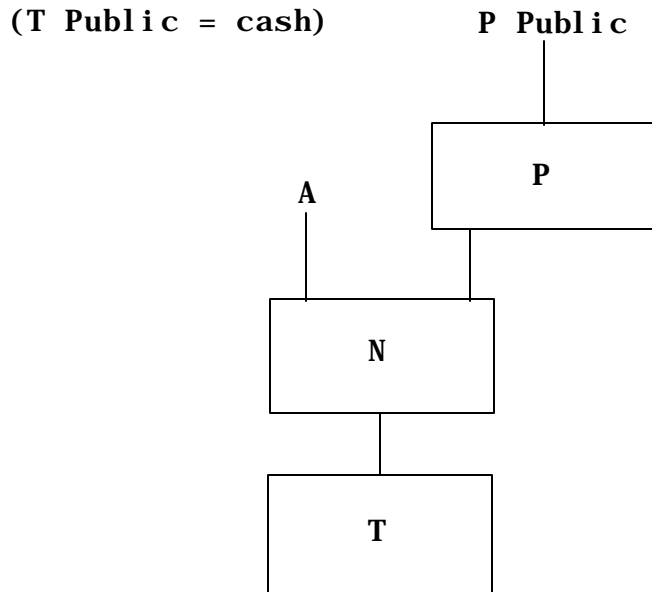


Section 351 As An Alternative to Section 368
 Example 1 (p. 114)

Before:

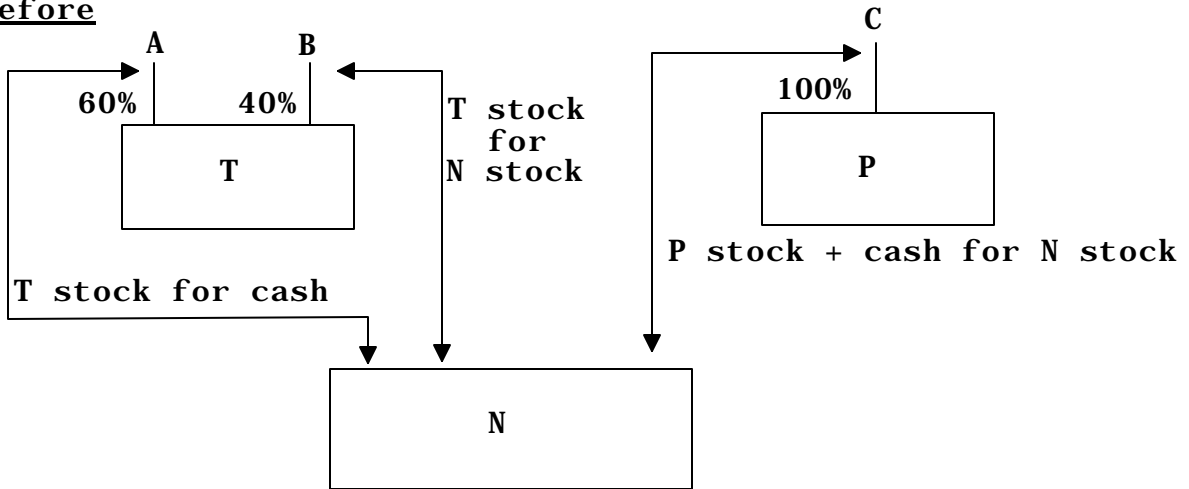


After:

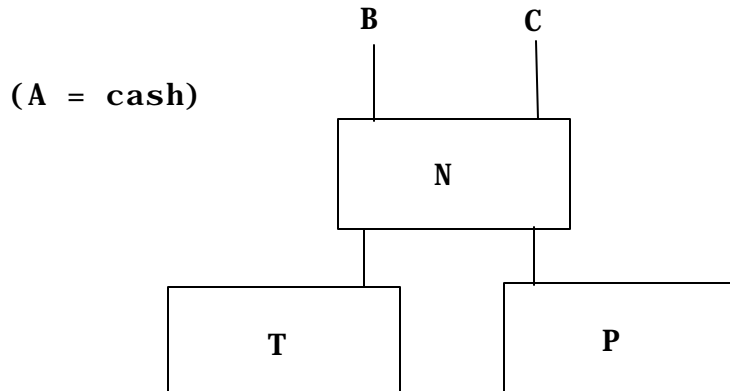


Example 2 (p. 119)

Before



After

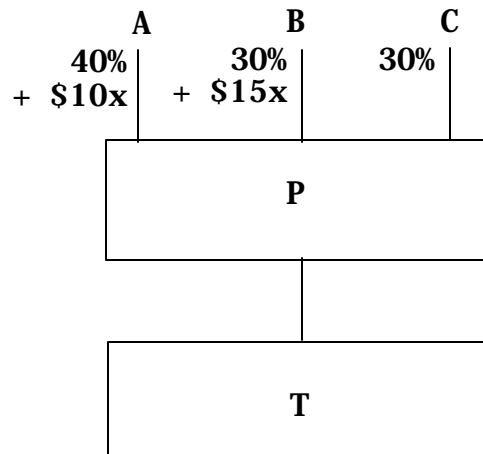


Example 3 (p. 121)

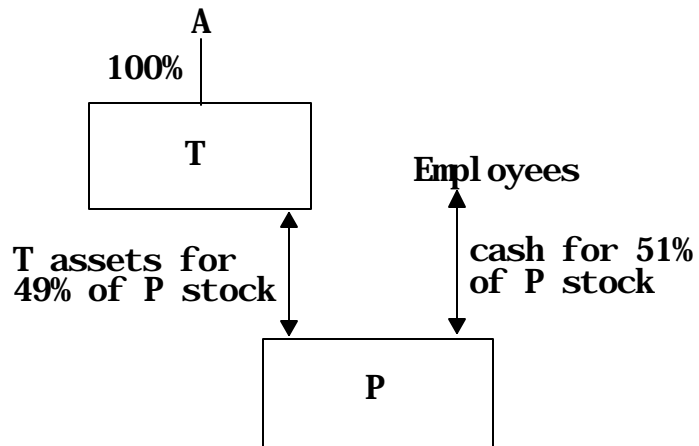
Before:



After:

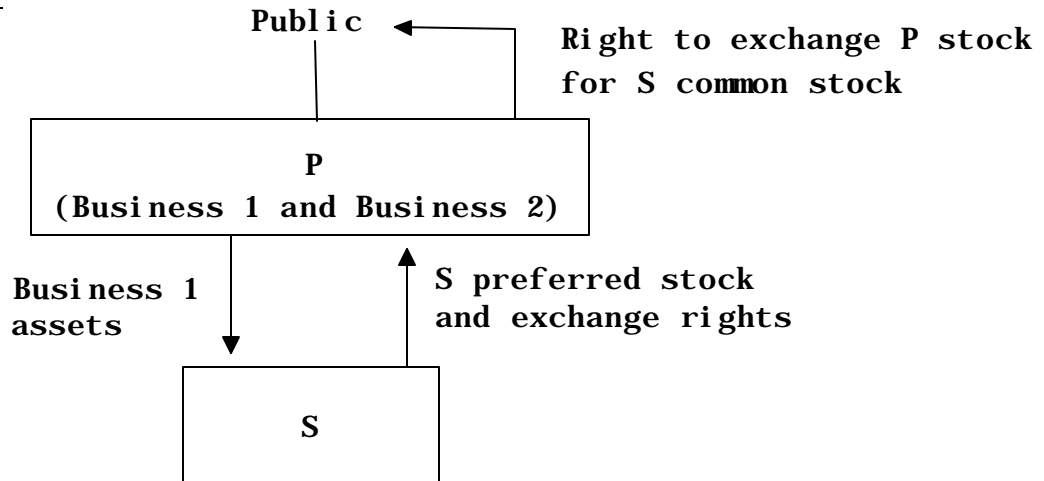


Example 4 (p. 124)

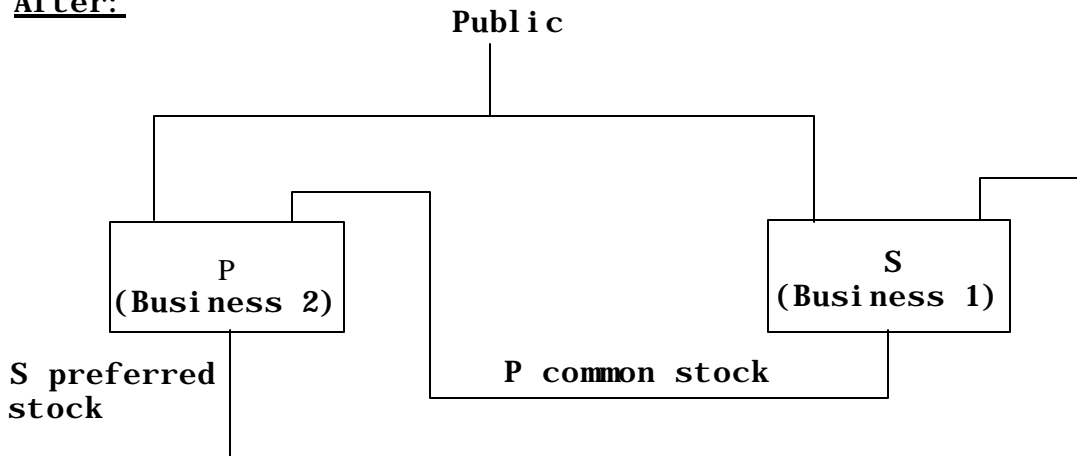


Example 5 (p. 125)

Before:

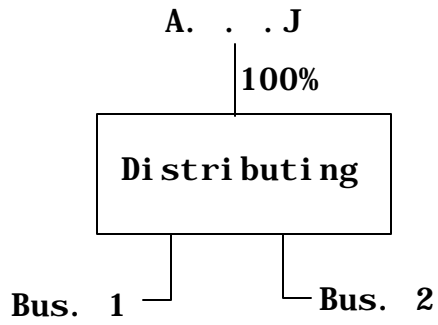


After:

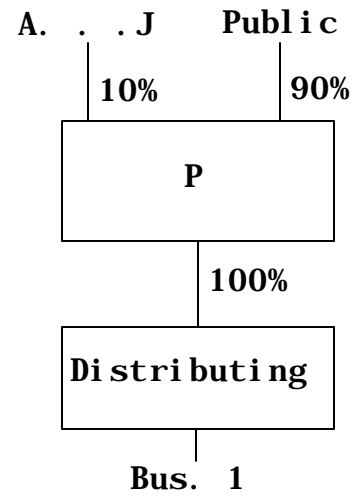
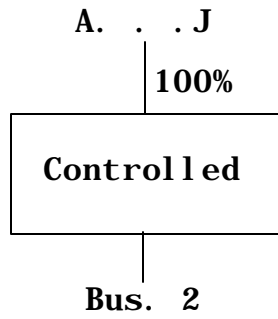


Issues Specific to "D" Reorganizations
Example 1 (p. 130)

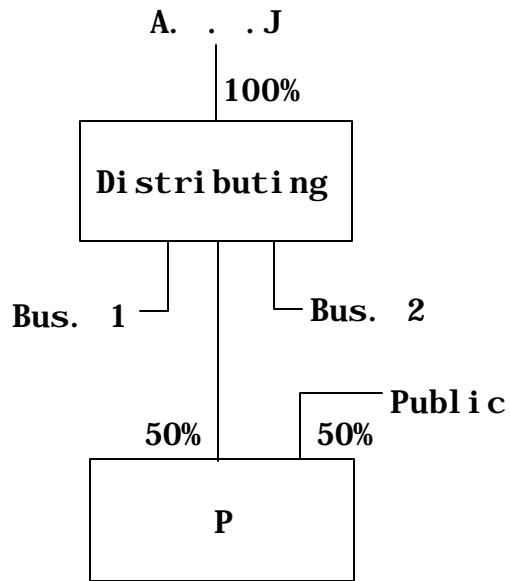
Before:



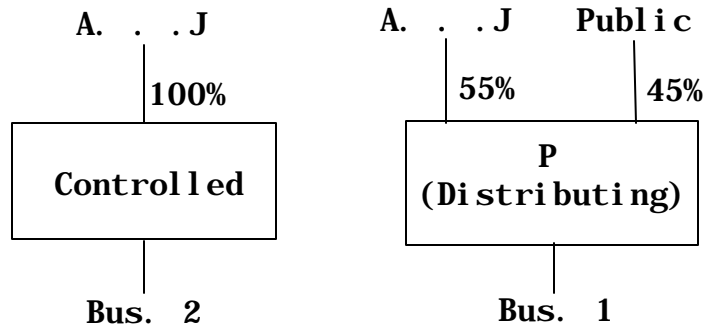
After:



Before:

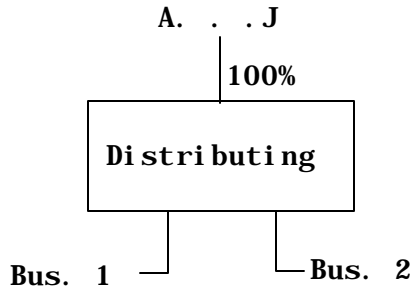


After:

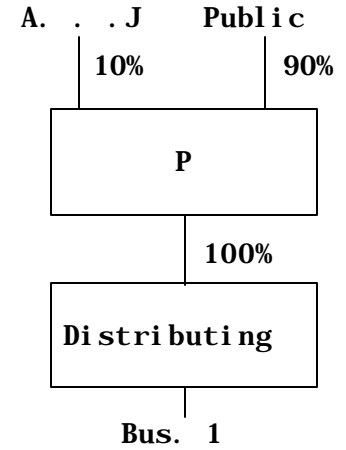
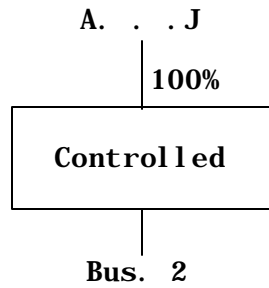


Example 2 -- Morris Trust Legislation: TRA 1997 (p. 133)

Before

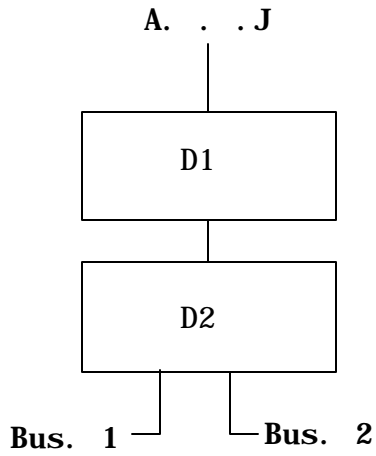


After

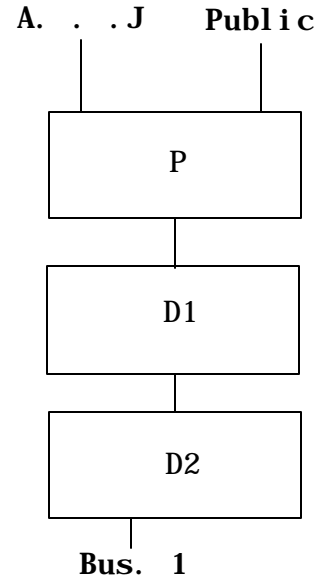
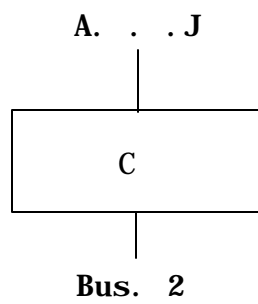


Example 3 -- Intragroup Spinoff / Morris Trust Legislation: TRA 1997 (p. 138)

Before

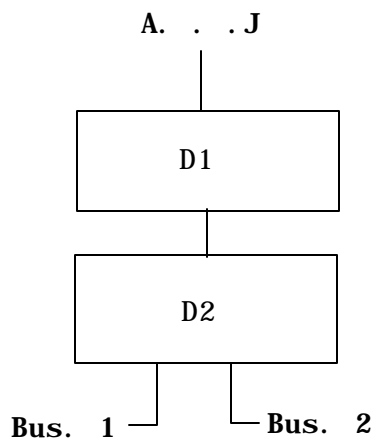


After

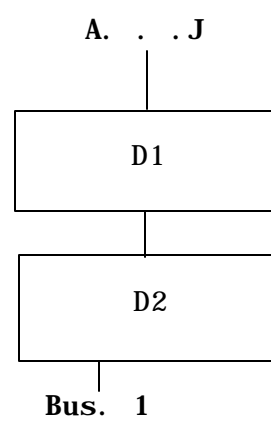
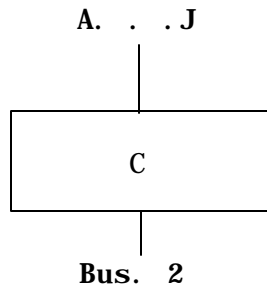


**Example 4 -- Intragroup Spinoffs Without Morris Trust
Transactions: TRA 1997 (p. 140)**

Before

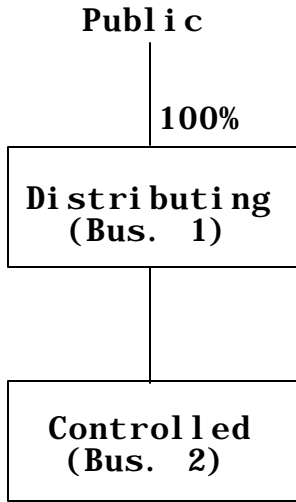


After

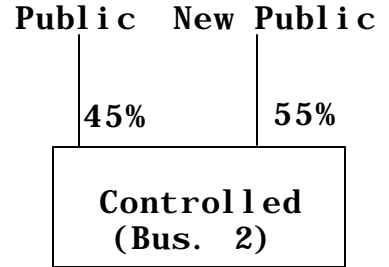
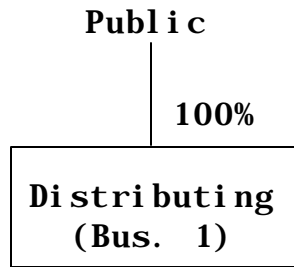


Example 5 -- IPO by Controlled (p. 143)

Before:

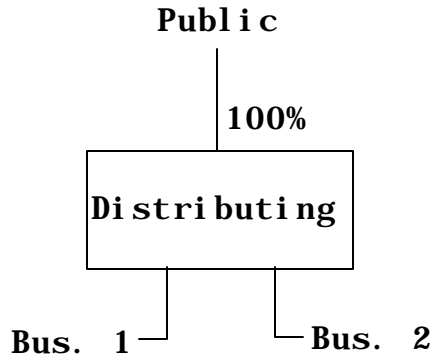


After:

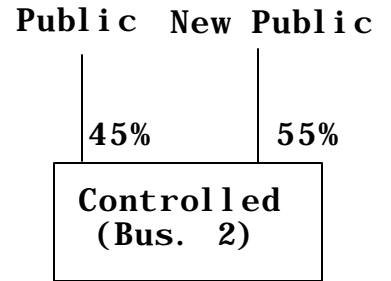
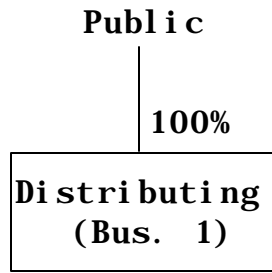


(p. 144)

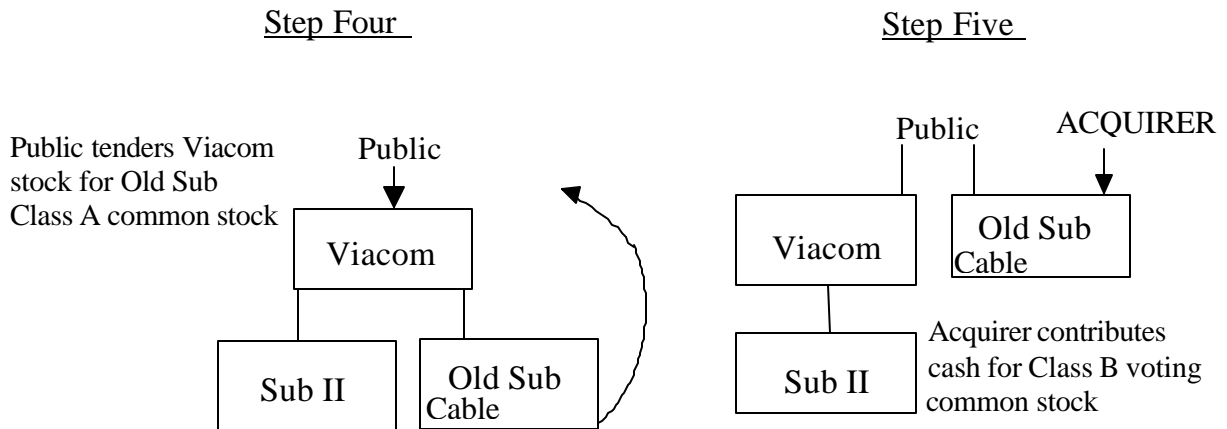
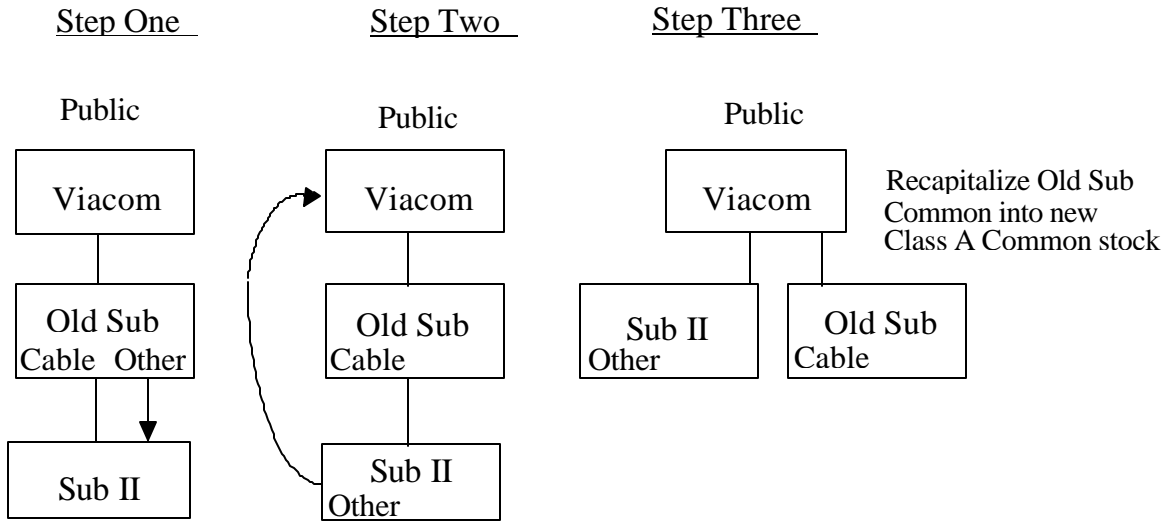
Before:



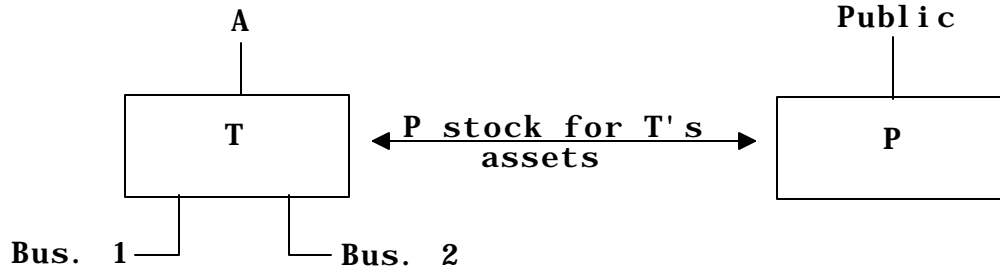
After:



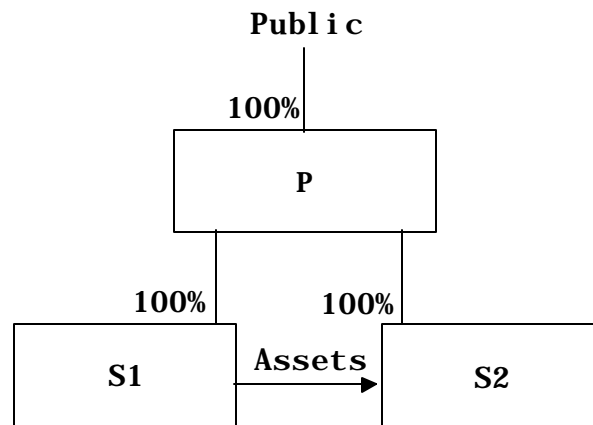
Example 6 -- Viacom (p. 146)



The "Substantially All" Requirement
Example 1 (p. 149)



Reorganizations with a Consolidated Group
Example 1 (p. 151)



Example 2 (p. 154)

