

CORPORATE TAXATION – LAW 644

Professor Jonathan H. Choi

Fall 2024

Email: jonchoi@law.usc.edu
Class Meetings: Room 2
Class Location: Monday and Wednesday, 4 PM – 5:20 PM
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COURSE DESCRIPTION

Welcome to Corporate Tax. This course explores the federal taxation of corporations, including corporate formations, distributions, redemptions, liquidations, acquisitions, and reorganizations.

I. Learning Objectives

Upon successful completion of this course, you should:

- Understand how the federal tax system applies to corporate taxpayers.
- Be able to apply corporate tax law concepts to novel fact patterns.

II. Class Location

We'll usually meet in Room 2. However, some classes may be held remotely over Zoom. For those classes, we'll use the following Zoom meeting room:

<https://usc.zoom.us/j/91535443073?pwd=BO19y8OVFqwHgSHaa6TxNGDvDHFbJS.1>

Meeting ID: 915 3544 3073

Passcode: 252192

Although I'll usually try to conduct class remotely rather than adjusting the schedule, I may occasionally cancel class and schedule in-person make-up classes at a different time. I'll provide as much notice as possible if so.

For some classes (but not the first class), I'll post a short video lecture to Brightspace for you to watch asynchronously prior to class. Classes will always start at the same time, but the length of the normal in-person class will be reduced by the length of the video. For example, if the asynchronous video lecture for a class is 30 minutes long, the in-person class will end 30 minutes early.

III. Brightspace

I'll use Brightspace to post course materials, reading assignments, and other announcements. Please make sure you keep track of announcements on Brightspace (e.g. by having them sent to your email).

IV. Course Materials

The required textbook for this course is STEPHEN SCHWARZ & DANIEL J. LATHROPE, FUNDAMENTALS OF CORPORATE TAXATION (10th ed. 2019). This is the currently updated version of the text. If you decide to use an older version of the book, you're responsible for obtaining any supplemental material necessary to ensure that you are learning the most current version of the law.

You will need access to the Code and Regulations, which are available online at Westlaw, Lexis, the [Legal Information Institute](#), and elsewhere. Published copies of the Code and Regulations are available. For example, STEVEN BANK & KIRK STARK, SELECTED SECTIONS CORPORATE AND PARTNERSHIP INCOME TAX CODE AND REGULATIONS, 2023-2024). Because the hard copies are abridged, on rare occasions the assigned readings may not be included, and I'll try to point this out when it happens in the BANK & STARK book.

Please bring the textbook, assigned Code and Regulation sections, other assigned readings, and discussion problems to each class session as well as office hours.

You may also find useful STEPHEN SCHWARZ & DANIEL LATHROPE, BLACK LETTER OUTLINE ON CORPORATE TAXATION (9th ed. 2019). This outline is [available for free online](#).

Because the exam for this course will be in-person with no internet access, you will need a hard copy of any materials you want to bring to the exam, include the Code, Regulations, and any outlines (but you don't need to buy any particular copy).

V. Assignments

A list of the topics that we will cover is in the back of this syllabus, including specific assignments. If those assignments change, I will post updated assignments on Brightspace with ample time to prepare the materials prior to class.

Most assignments involve practice problems, which will either be provided in the casebook or in a separate document on Brightspace. The questions are intended to frame our conversation and help you get comfortable applying tax rules to fact patterns. I won't be collecting your answers. You should do your best to understand the problems in advance, but **don't worry if you can't answer them before class**. We'll work through them together in class—one of the primary purposes of class is to teach you how to address these problems. Unfortunately, I can't post answers to the problems online, but I'll answer any questions you may have about them during class and/or office hours, provided that we've already discussed them in class.

VI. Attendance and Class Participation

You're expected to attend class every day and to be prepared to discuss the assigned readings and problems. I'll conduct the class using the Socratic method, calling on students randomly. If you can't attend a scheduled class session at all, please email me in advance to let me know; you need not provide private or sensitive details. I'm happy to discuss any additional accommodations that might be required in light of scheduling challenges this term.

While grades will be primarily determined by the final exam, I may use your attendance and the quality of your class participation in determining your final grade in extreme (good or bad) cases. In no event will participation and attendance affect your final grade by more than one grade interval. However, repeated unexcused absences may result in dismissal from the course.

VII. Final Exam and Grading

Your grade for the course will be based on a final exam at the end of the semester. The exam date and time is posted on the USC's JD Class and Examination Schedule (mylaw2.usc.edu/portal/facultyacademics/). The exam will be a three-hour, open-book (hard-copy materials only), in-person examination. You'll be permitted to consult any hard-copy materials you'd like and to use a physical calculator, but you will not have access to the internet.

The exam will focus on topics that were discussed both in the reading and during class. I'll provide more details about the exam as it approaches. In determining your final course grade, however, the exam grade may be adjusted in accordance with the attendance and participation policy described above. This course will be graded on a numerical scale ranging from 1.9 to 4.3.

VIII. Students with Disabilities

USC welcomes students with disabilities into all of the University's educational programs. The Office of Student Accessibility Services (OSAS) is responsible for the determination of appropriate accommodations for students who encounter disability-related barriers. Once a student has completed the OSAS process (registration, initial appointment, and submitted documentation) and accommodations are determined to be reasonable and appropriate, a Letter of Accommodation (LOA) will be available to generate for each course. The LOA must be given to each course instructor by the student and followed up with a discussion. This should be done as early in the semester as possible as accommodations are not retroactive. More information can be found at osas.usc.edu. You may contact OSAS at (213) 740-0776 or via email at osasfrontdesk@usc.edu. Our Gould Student Life department can be reached at studentlife@law.usc.edu

IX. Immigration Concerns (including DACA status)

The University's [Immigration Response Team](#) can provide support, answer questions, and connect students with both campus and community resources. If you are an undocumented student and need support, email immclinic@law.usc.edu or calling 213-740-0497 to contact the director. More information can be found at the [USC Gould Immigration Clinic](#) website.

X. Office Hours

I'll hold office hours in my office (Room 468) on Monday and Wednesday, immediately before each class. Please let me know in advance if you'd like to attend. Alternatively, I'm happy to schedule an appointment at another time.

XI. Class Slides, Class Recordings, Course Content Distribution, and Synchronous

Session Recordings Policies

I'll post slides from our classes online for your reference.

I'll also record class sessions by request in the event of a student absence. Please email me at least a day in advance of class if you'll be absent and would like to request that a class be recorded. Recorded classes will be provided specifically to students with excused absences. However, you should not rely on the availability of recordings or slides in case technological problems occur.

USC has policies that prohibit recording and distribution of any synchronous and asynchronous course content outside of the learning environment.

Recording a university class without the express permission of the instructor and announcement to the class, or unless conducted pursuant to an Office of Student Accessibility Services (OSAS) accommodation. Recording can inhibit free discussion in the future, and thus infringe on the academic freedom of other students as well as the instructor. ([Living our Unifying Values: The USC Student Handbook](#), page 13).

Distribution or use of notes, recordings, exams, or other intellectual property, based on university classes or lectures without the express permission of the instructor for purposes other than individual or group study. This includes but is not limited to providing materials for distribution by services publishing course materials. This restriction on unauthorized use also applies to all information, which had been distributed to students or in any way had been displayed for use in relationship to the class, whether obtained in class, via email, on the internet, or via any other media. ([Living our Unifying Values: The USC Student Handbook](#), page 13).

XII. Academic Integrity

The University of Southern California is foremost a learning community committed to fostering successful scholars and researchers dedicated to the pursuit of knowledge and the transmission of ideas. Academic misconduct is in contrast to the university's mission to educate students through a broad array of first-rank academic, professional, and extracurricular programs and includes any act of dishonesty in the submission of academic work (either in draft or final form).

This course will follow the expectations for academic integrity as stated in the [USC Student Handbook](#). All students are expected to submit assignments that are original work and prepared specifically for the course/section in this academic term. You may not submit work written by others or "recycle" work prepared for other courses without obtaining written permission from the instructor(s). Students suspected of engaging in academic misconduct will be reported to the Office of Academic Integrity.

Other violations of academic misconduct include, but are not limited to, cheating, plagiarism, fabrication (e.g., falsifying data), knowingly assisting others in acts of academic dishonesty, and any act that gains or is intended to gain an unfair academic advantage.

The impact of academic dishonesty is far-reaching and is considered a serious offense against the university and could result in outcomes such as failure on the assignment, failure in the course, suspension, or even expulsion from the university.

For more information about academic integrity see the [student handbook](#) or the [Office of Academic Integrity's website](#), and university policies on [Research and Scholarship Misconduct](#).

XIII. Support Systems

[Counseling and Mental Health](#) - (213) 740-9355 – 24/7 on call

Free and confidential mental health treatment for students, including short-term psychotherapy, group counseling, stress fitness workshops, and crisis intervention.

[988 Suicide and Crisis Lifeline](#) - 988 for both calls and text messages – 24/7 on call

The 988 Suicide and Crisis Lifeline (formerly known as the National Suicide Prevention Lifeline) provides free and confidential emotional support to people in suicidal crisis or emotional distress 24 hours a day, 7 days a week, across the United States. The Lifeline is comprised of a national network of over 200 local crisis centers, combining custom local care and resources with national standards and best practices. The new, shorter phone number makes it easier for people to remember and access mental health crisis services (though the previous 1 (800) 273-8255 number will continue to function indefinitely) and represents a continued commitment to those in crisis.

[Relationship and Sexual Violence Prevention Services \(RSVP\)](#) - (213) 740-9355(WELL) – 24/7 on call

Free and confidential therapy services, workshops, and training for situations related to gender- and power-based harm (including sexual assault, intimate partner violence, and stalking).

[Office for Equity, Equal Opportunity, and Title IX \(EEO-TIX\)](#) - (213) 740-5086

Information about how to get help or help someone affected by harassment or discrimination, rights of protected classes, reporting options, and additional resources for students, faculty, staff, visitors, and applicants.

[Reporting Incidents of Bias or Harassment](#) - (213) 740-5086 or (213) 821-8298

Avenue to report incidents of bias, hate crimes, and microaggressions to the Office for Equity, Equal Opportunity, and Title for appropriate investigation, supportive measures, and response.

[The Office of Student Accessibility Services \(OSAS\)](#) - (213) 740-0776

OSAS ensures equal access for students with disabilities through providing academic accommodations and auxiliary aids in accordance with federal laws and university policy.

[USC Campus Support and Intervention](#) - (213) 740-0411

Assists students and families in resolving complex personal, financial, and academic issues adversely affecting their success as a student.

[Diversity, Equity and Inclusion](#) - (213) 740-2101

Information on events, programs and training, the Provost's Diversity and Inclusion Council, Diversity Liaisons for each academic school, chronology, participation, and various resources for students.

[USC Emergency](#) - UPC: (213) 740-4321, HSC: (323) 442-1000 – 24/7 on call

Emergency assistance and avenue to report a crime. Latest updates regarding safety, including ways in which instruction will be continued if an officially declared emergency makes travel to campus infeasible.

[USC Department of Public Safety](#) - UPC: (213) 740-6000, HSC: (323) 442-1200 – 24/7 on call

Non-emergency assistance or information.

[Office of the Ombuds](#) - (213) 821-9556 (UPC) / (323-442-0382 (HSC)

A safe and confidential place to share your USC-related issues with a University Ombuds who will work with you to explore options or paths to manage your concern.

[Occupational Therapy Faculty Practice](#) - (323) 442-2850 or otfp@med.usc.edu

Confidential Lifestyle Redesign services for USC students to support health promoting habits and routines that enhance quality of life and academic performance.

TOPICS

- I. Introduction and Choice of Entity**
 - A. Introduction to Corporate Tax
 - B. Choice of Entity

- II. Corporate Formation: § 351**
 - A. Incorporations of Assets
 - B. Boot and Liabilities
 - C. Incorporation of a Going Business

- III. Distributions: § 301**
 - A. Cash Distributions
 - B. Non-Cash Distributions
 - C. Constructive Distributions
 - D. Dividends Received Deduction

- IV. Redemptions: §§ 302, 304**
 - A. “Not Essentially Equivalent to a Dividend” and “Substantially Disproportionate”
 - B. Attribution and Complete Terminations
 - C. Redemptions Through Related Corporations

- V. Distributions of Stock: § 305**

- VI. Liquidations: §§ 331, 332**
 - A. Taxable Liquidations
 - B. Parent-Subsidiary Liquidations

- VII. Taxable Acquisitions: §§ 1001, 338**
 - A. Asset Acquisitions
 - B. Stock Acquisitions and Elections under § 338

- VIII. Tax-Free Reorganizations: § 368**
 - A. Type A: Mergers
 - B. Type B: Stock-for-Stock and Type C: Assets-for-Stock
 - C. Triangular Reorganizations and Multi-Step Acquisitions
 - D. Consequences of Reorganizations

List of Assignments

I. Introduction and Choice of Entity

1A: Introduction to Corporate Tax

- Read S&L Ch. 1, Parts A – D (1-27, but skip the section on 25-27 titled *Taxable Year and Accounting Method*)
- Read Code §§ 11; 7701(a)(1)-(5)
- Prepare Problems at S&L p. 28, parts (a)-(c), and also consider the following questions:

Joe and Jane want to start businesses, and they come to you for advice about what business entity tax classification to choose. **What advice would you give under each of the scenarios below? What other information would you want to know?**

a. Joe wants to start a public relations firm. Since it will be a service firm, he will not have significant capital expenses, and does not expect to hire employees for the first several years.

b. Jane recently sold a startup business for \$50,000,000. She decides to invest her gain by starting a company that engages in high-risk research projects—like curing cancer, traveling at the speed of light, and so forth. She expects that the business will have significant losses for the foreseeable future. She may also wish to publicly trade shares in the company in the near future.

1B: Choice of Entity

- Read S&L Ch. 1, Part E(1)-(2) (28-34) (stop before “Corporations vs. Trusts”)
- Read Code §§ 7701(a)(3); 7704(a)–(c)(2), (d)(1)
- Read Regs §§ 301.7701-2(a)–(b)(8); 301.7701-3(a)-(b)(2)(ii), (c)(1)(i), (c)(1)(iii)-(iv)
- Prepare Problem Set 1B

II. Corporate Formations

Unit 2A: Incorporation of Assets

Part 1: Consequence of Contributions

- Read S&L Ch. 2, Parts A (pp. 55-59)
- Read Code §§ 351(a), (d); 358(a)(1); 362(a), (e)(2); 1032(a) (first sentence), 1223(1)-(2)
- Read Regs §§ 1.351-1(a); 1.1032-1(a)

- Prepare Problems at S&L p. 59, parts (a)-(b) except you do not need to answer part (a) as to individual E.

Part 2: Control Requirement

- Read S&L Ch. 2, Parts B (pp. 60-66)
- Code §§ 351(a); 368(c)
- Prepare Problems at S&L p. 66, parts (a)-(b)

Unit 2B: Boot

- Read S&L Ch. 2, Part C.1 (pp. 71-76),
- Read Code §§ 351(b), (g)(1)-(2); 358(a); 362(a)
- Read Reg §§ 1.358-2(b)
- Prepare Problems at S&L p. 79, part (a) except do not address individual C
 - **NOTE:** Assume that the preferred stock that A receives is not “nonqualified preferred stock” as defined in § 351(g)(2).
 - I will post a document titled *Unit 2B Technical Issues_Boot*, to help you in answering this question. It provides instructions for several mechanical steps necessary to answering the questions.

Unit 2C: Liabilities

- Read S&L Ch. 2, Part D (pp. 80-94)
- Read Code §§ 357(a)-(c); 358(d); 362(d)(1)
- Prepare Problems at S&L p. 98, parts 1(a), (b) and (d)

Unit 2D: Incorporation of a Going Business

- Read S&L Ch. 2, Part E (pp. 99-108) (skim Note on 107-08 titled “*Tax Benefit Rule*”)
- Read helpful term definitions (below)
- Read Code §§ 357(c)(3); 358(d)(2); 482
- Prepare Problems at S&L p. 108-09, parts (a)-(d)

NOTE: Ignore the consequences of the transfer of the Supplies.

2D Definitions:

- **Account receivable:** An account reflecting a balance owed by a debtor; a debt owed by a customer to an enterprise for goods or services. Often shortened to receivable(s).
- **Account payable:** An account reflecting a balance owed to a creditor; a debt owed by an enterprise in the normal course of business dealing. Often shortened to payable(s).
- **Cash basis accounting:** The cash basis is a method of recording transactions for revenue and expenses only when the corresponding cash is received or payments are made. Thus, a cash basis business records revenue only when a customer pays for a billed product or service, and it records a payable only when it is actually paid.
- **Accrual basis accounting:** The accrual basis of accounting is the concept of recording revenues when earned and expenses as incurred. Accrual basis accounting is the standard approach to recording transactions for all larger businesses.

III. Nonliquidating Distributions

3A: Cash Distributions

- Read S&L Ch. 4, Part A.1-2 (153-57), *skim* Part B (160-63), and read Part C (163-68)
- Read Code §§ 1(h)(11)(A)-(B)(i), (iii), 301(a)-(d); 312(a); 316(a); 317(a)
- Read Regs §§ 1.316-1(a)(1), (e) Ex. 1; 1.316-2(a)-(c)
- Prepare problems at S&L p. 168, plus additional question below
- **Optional:** Additional Cash Distribution Problems
 - These practice problems are intended to help you get comfortable with the tax treatment of cash distributions. We will not review them in class.

Additional Question:

Ann decides to diversify her portfolio and on January 1, 2018 purchases 100 shares of stock in Seagull Corporation, a Delaware Corporation, for a total cost of \$10,000. Several weeks later, Seagull Corporation declares a dividend, with an ex-dividend date of January 15, 2018. Ann receives a dividend of \$500. Soon thereafter, Ann decides she no longer cares to have a diversified portfolio and on January 30, 2018, she sells her 100 shares for \$9,500. Assume that Ann's ordinary income tax rate is 35%, and her preferential capital gains and qualified dividend rate is 20%. What are the tax consequences to Ann of these investment activities?

3B: Non-Cash Distributions

- Read S&L Ch. 4, Part D (168-73)

- Read Code §§ 301(d), 311(a)–(b)(2); 312(a)–(c), (f)(1); 336(b)
- Read Reg § 1.312-3
- Prepare Problems at S&L p. 173 parts (a)-(d)

3C: Constructive Dividends

- Read S&L Ch. 4, Part E (173-78) (stop after *Nicholls* case)

3D: Dividends Received Deduction

- Read S&L Ch. 4, Part F.1-3 (180-84)
- Read Code §§ 243(a), (b)(1), (c); 246(c); 1059(a)–(d), (e)(2);
- Prepare Problems at S&L p. 187, parts (a)-(d)

NOTE: For question **(c)**, see § 1059(c)(3)

IV: Redemptions

4A: “Not Essentially Equivalent to a Dividend” and “Substantially Disproportionate”

Part 1: “Substantially Disproportionate” Safe-Harbor

- Read S&L Ch. 5, Parts A (201-04), C.1 (207-11), E.1-2 (249-52)
- Read Code §§ 302(a), (b)(2), (d); 312(n)(7); 317(b)
- Read Regs §§ 1.302-1(a); 1.302-3
- Prepare Problem Set 4A, Question 1 only

Part 2: “Not Essentially Equivalent to a Dividend”

- Read S&L Ch. 5, Part C.3 (230-43)
 - **NOTE**, the *Davis* case discusses the attribution rules in Code § 318, which we will review in detail in the next assignment. You can disregard that discussion, at p. 232. To understand the *Davis* holding, you merely need to know that stock ownership will be attributed to a shareholder if it is owned by certain family members of the shareholder. For example, stock owned by a husband will be attributed to his wife. In *Davis*, where all of the corporation’s stock was held by the taxpayer, his wife, and his children, the taxpayer was deemed to be the sole shareholder.
- Read S&L Ch. 1, Part F (35-38)

- Read Code §§ 302(a), (b)(1)
- Read Reg §§ 1.302-2(a), (b)(1), (c)
- Prepare Problem Set 4A, Questions 2-4

4B: Attribution & Complete Termination

Part 1: Attribution Rules

- Read S&L Ch. 5, Part B (205-07)
- Read Code § 318(a)
- Read Regs §§ 1.318-1(b); 1.318-2(a)-(b), (c) Ex. 1 & 4; 1.318-3(c)
- Prepare Problems at S&L p. 206-07

Part 2: Complete Terminations

- Read S&L Ch. 5, Part C.2 (211-28)
- Read Code §§ 302(b)(3), (c)
- Prepare Problem Set 4B

4C: Redemptions Through Related Corporations

- Read S&L Ch. 5, Part G (pp. 280-85) (stop at *Niedermeyer*)
- Read Code §§ 304(a), (b)(1)–(3)(A), (c); 318(a)
- Read Regs §§ 1.302-2(c); 1.304-2(a), (c) Ex. 1 & 3

NOTE: Reg. § 1.304-2(c) Ex. 3 should state that A owns half of both Corporation X and Corporation Y.

- Prepare Problems at S&L p. 293, parts 2 (a)-(b)

Optional Reading (may be helpful for completing the problems)

- Prop. Reg. § 1.304-2 (on Brightspace)
- Block E&E, pp. 218-24 (on Brightspace)

V. Stock Distributions

Unit 5: Stock Dividends

- Read S&L Ch. 6, Parts A & B (pp. 297-311)
- Read Code §§ 305(a)–(d); 307(a); 311(a)(1); 312(d); 317(a); 1223(4)
- Read Regs §§ 1.305-2(a); 1.305-3(a), (b)(1), (b)(3), (e) Ex. 1–3; 1.305-4; 1.305-7(a); 1.307-1
- Word Doc, Apportioning Basis for Stock Dividends (on Brightspace)
- Prepare Problems at S&L p. 310-11, Question 1(a)-(c) and Question 2
 - NOTE: For parts (a)-(b), please also consider Frank's basis in his new stock (see § 307), using the following numbers:
 - (a) Several years ago, Frank purchased his Hill Class A common stock for \$10/share, taking cost basis of \$10/share in the stock. As described on p. 310, he receives 1 share of nonconvertible preferred stock for each share of common stock, with a value of \$15/share. At the time of the distribution of the preferred stock, his Class A common stock is worth \$12/share.
 - (b) Same as above, except that instead of preferred stock, now Frank receives 100 shares of Class A common stock worth \$12/share.

VI: Liquidations

Unit 6A: Taxable Liquidations

- Read S&L Ch. 7, Parts A, B.1, B.2 (pp. 325-42)
- Read Code §§ 267(a)(1), (b)(2); 331; 334(a); 336(a)–(b), (d)(1)-(2); 346(a)
- Read Reg § 1.332-2(c)
- Prepare Problems at S&L pp. 329, part (a) only
- Prepare Problems at S&L pp. 342-43, Part 1(a)-(e)

NOTE: Because the property is distributed proportionately to both Ivan and Flo, you must allocate Gainacre and Lossacre FMV and basis proportionately between them to determine the tax consequences to X Corporation. There are two separate distributions: 1) 60% of each property to Ivan, and 2) 40% of each property to Flo.

Unit 6B: Parent-Subsidiary Liquidations

- Read S&L Ch. 7, Part C (pp. 343-54)
- Read Code §§ 332(a)-(b); 334(b); 336(d)(3); 337(a), (b)(1), (c); 381(a), (c)(2); 1504(a)(2)

- Read Reg § 1.332-5
- Prepare Problems at S&L pp. 354-56, Part 1(a)-(d) and 3

NOTE: In Part 1(a), assume that P's stock in S has FMV = \$9,000, and I's stock has FMV = \$1,000.

VII: Taxable Acquisitions

Unit 7A: Asset Acquisitions

- Read S&L Ch. 8, Part A, *skim* Part B (pp. 357-65)
- Read Code §§ 331(a); 336(a)
- Prepare Problems S&L pp. 382-83, Parts 1(a)-(b)

NOTE: Do NOT worry about calculating specific amounts of realized gains or losses for each asset. Rather, consider the tax consequences and rules, and the tax results in the aggregate, but do not worry about calculating the specific amount for each asset.

Unit 7B: Taxable Stock Acquisitions and § 338 Elections

- Read S&L Ch. 8, Parts C, D (pp. 365-82, *but skim* p. 371-75 starting at title "*Aggregate Deemed Sale Price*" through end of C.2)
- Read Code §§ 332(b); 334(a); 336(e); 338(a)-(d), (g), (h)(10); 1504(a)(2)
- Prepare Problems at S&L pp. 382-83, parts 1(e)-(j)

NOTE: As in 7A, do NOT worry about doing specific calculations for these problems. For example, I don't expect you to calculate the exact gain/loss on T's deemed asset sale under § 338. Do, however, think through each step of the transaction and the aggregate tax consequence of each step.

VIII: Reorganizations

Unit 8A: Intro and Type-A Mergers

- Read S&L Ch. 9, Parts A, B.1 (389-406) (stop at Subpart (e))
- Read Code §§ 368(a)(1)(A), (a)(2)(C), (c)
- Read Regs §§ 1.368-1(b), (e)(1)(i), (e)(2)(v) Ex. 1, (e)(8) Ex. 1, 4(i)
- Prepare Problems at S&L pp. 432-34, Part 1(a), (d)

Unit 8B: Type-B (Stock-for-Stock) and Type-C (Assets-for-Stock)

- Read S&L Ch. 9, Part B.2, B.3 (412-19)
- Read Code §§ 368(a)(1)(B)-(C), (a)(2)(B)-(C), (a)(2)(G), (b), (c)
- Read Regs §§ 1.368-2(c), (d)(1)-(3)
- Prepare Problems S&L pp. 432-34, Part 1(f)-(i)

Unit 8C: Triangular Reorganizations and Multi-Step Acquisitions

- Read S&L Ch. 9, Part B.4, B.5 (419-32)
- Read helpful term definitions (below)
- Read Code §§ 368(a)(1)(B), (a)(1)(C), (a)(2)(D), (a)(2)(E), (b)
- Read Regs §§ 1.368-2(b)(2), (j)(1), (3)–(6) Ex. 1, 2 & 4
- Prepare Problems at S&L pp. 432-34, Part 2(a) and (c)

8C Definitions:

- **Tender Offer:** A public offer to buy a minimum number of shares directly from a corporation's shareholders at a fixed price, typically subject to the tendering of a specific minimum (and possibly maximum) number of shares. The offer is usually at a substantial premium over the market price, since it is done in an effort to take control of the corporation.
- **Upstream Merger:** Merger of a subsidiary into the parent firm.

Unit 8D: Consequences of Reorganizations

- Read S&L Ch. 9, Part C (pp. 435-46)
- Read the following Code sections, divided by affected party:
 - Shareholders – §§ 354(a)(1)-(a)(2)(A), (a)(2)(C)(i); 356(a), (c), (d); 358(a), (b)(1)
 - Target Corp – §§ 357(a)–(b)(1); 361(a), (c)(1)
 - Acquiring Corp – §§ 362(b); 381(a); 1032(a)
- Read Regs §§ 1.356-1(d) Ex. 1–2; 1.358-2(a)(2)(i)
- Prepare Problems at S&L pp. 446-47, Part 1(a), (e), (g)