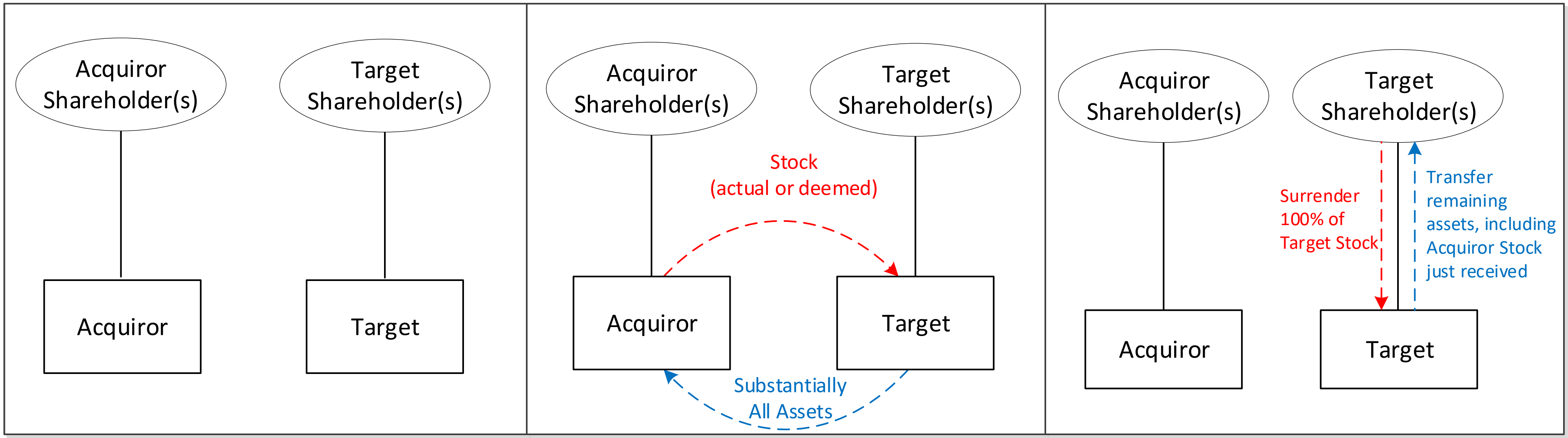
368(a)(1)(D) - Acquisitive D

D Reorganization

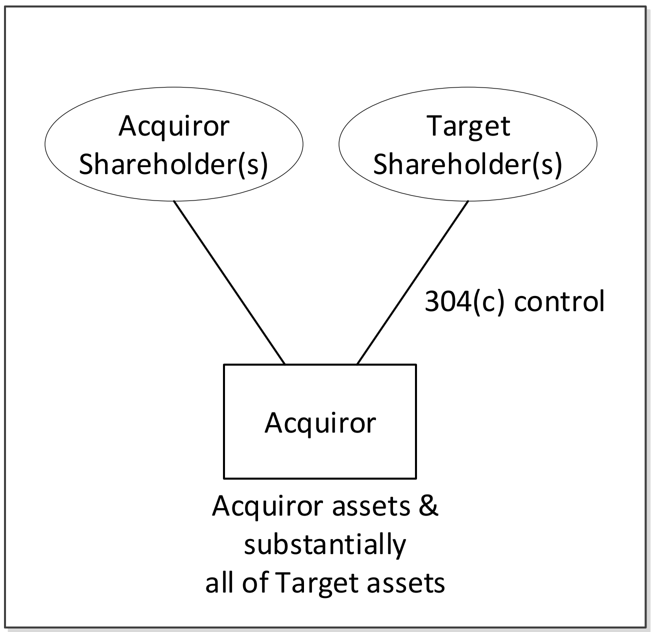
1 Initial Structure

2 Target Asset Transfer

3 Target Liquidation



4 Ending Point



A D reorganization is defined as “a transfer by a corporation of all or a part of its assets to another corporation if immediately after the transfer the transferor, or one or more of its shareholders (including persons who were shareholders immediately before the transfer), or any combination thereof, is in control of the corporation to which the assets are transferred; but only if, in pursuance of the plan, stock or securities of the corporation to which the assets are transferred are distributed in a transaction which qualifies under section 354, 355, or 356” IRC §368(a)(1)(D)

In addition to satisfying the definition of a D reorganization, there must be a business purpose, continuity of proprietary interest, and continuity of business enterprise to qualify for tax-free treatment.

The Code sections that provide non-recognition treatment are as follows:

Acquiror - § 1032
Target - §§ 361(a) & 361(c)
Shareholders - § 354(a)(1)