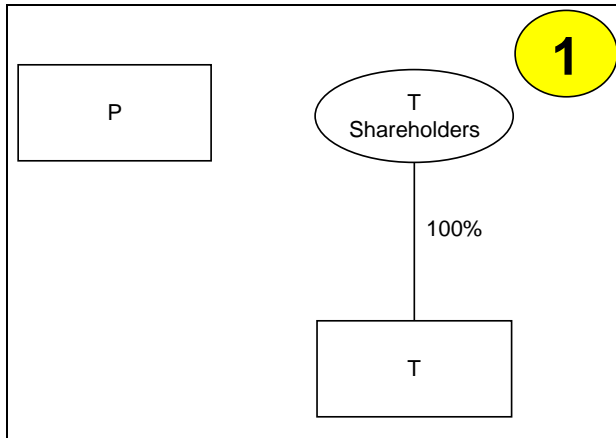
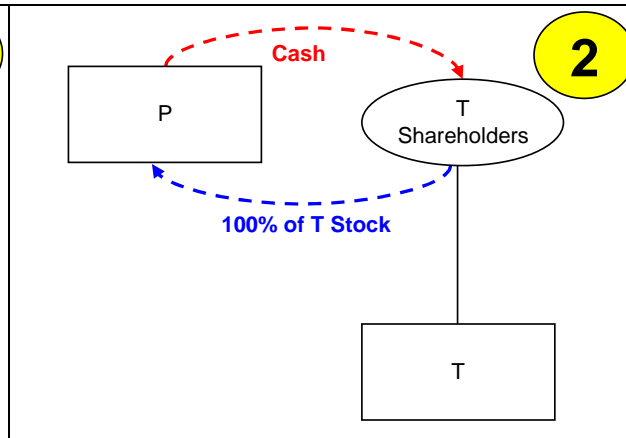


Purchase & Sale of Target

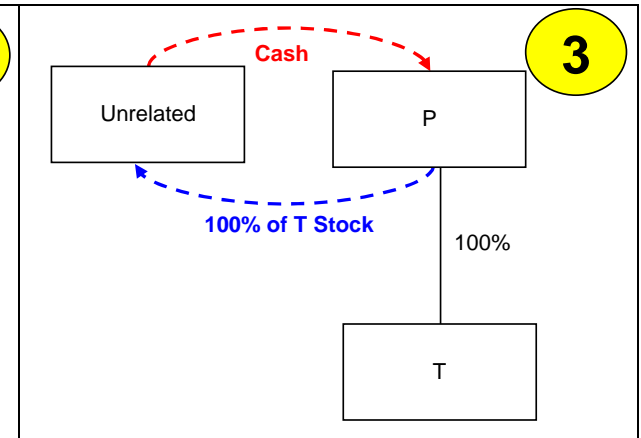
Initial Structure



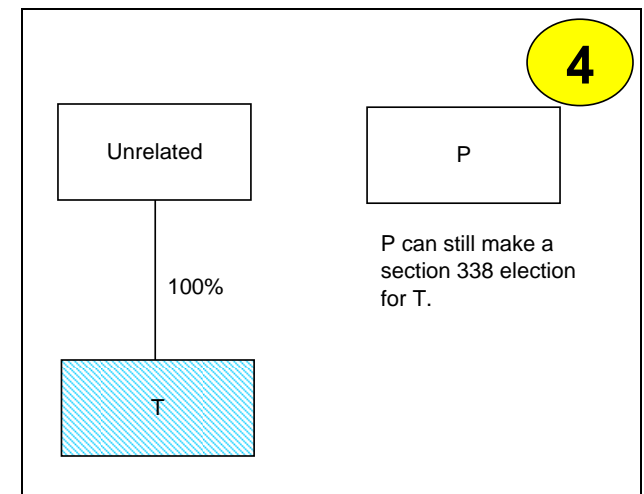
Purchase (Jan. 1, Year 1)



Sale of T (June 1, Year 1)



Ending Point



On January 1 of Year 1, P purchases 100% of the outstanding common stock of T. On June 1 of Year 1, P sells the T stock to an unrelated person. **Assuming that P is considered for tax purposes as the purchaser of the T stock**, P remains eligible, after June 1 of Year 1, to make a section 338 election for T that results in a deemed asset sale of T's assets on January 1 of Year 1.