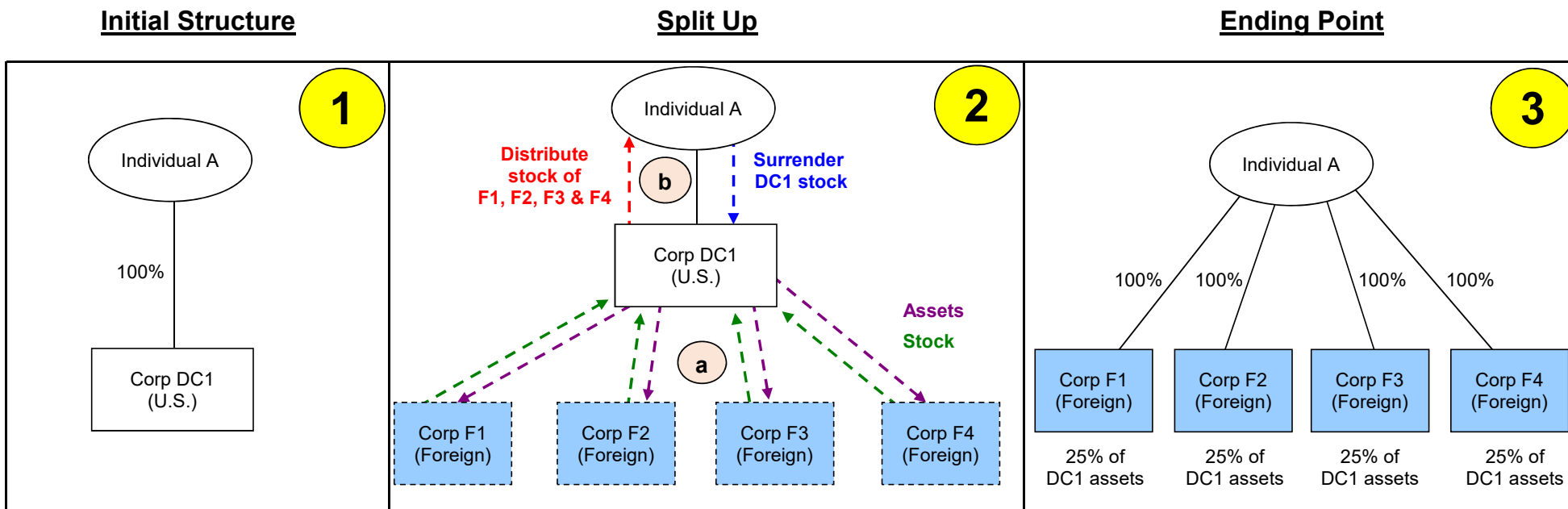


**Direct Asset Acquisition
by Multiple Foreign Corps**



DC1 is a domestic corporation. Individual A wholly owns DC1. DC1 forms F1, F2, F3, and F4, all foreign corporations, and transfers an equal portion of its properties to each corporation in exchange solely for stock of the corporation. Pursuant to the same plan DC1 then distributes the stock of each foreign corporation to individual A.

Because pursuant to the same plan F1, F2, F3 and F4 acquired, in the aggregate, substantially all of the properties held by DC1, F1, F2, F3, and F4 are each treated as acquiring substantially all of the properties held by DC1 for purposes of determining whether each foreign corporation shall be treated as a surrogate foreign corporation.