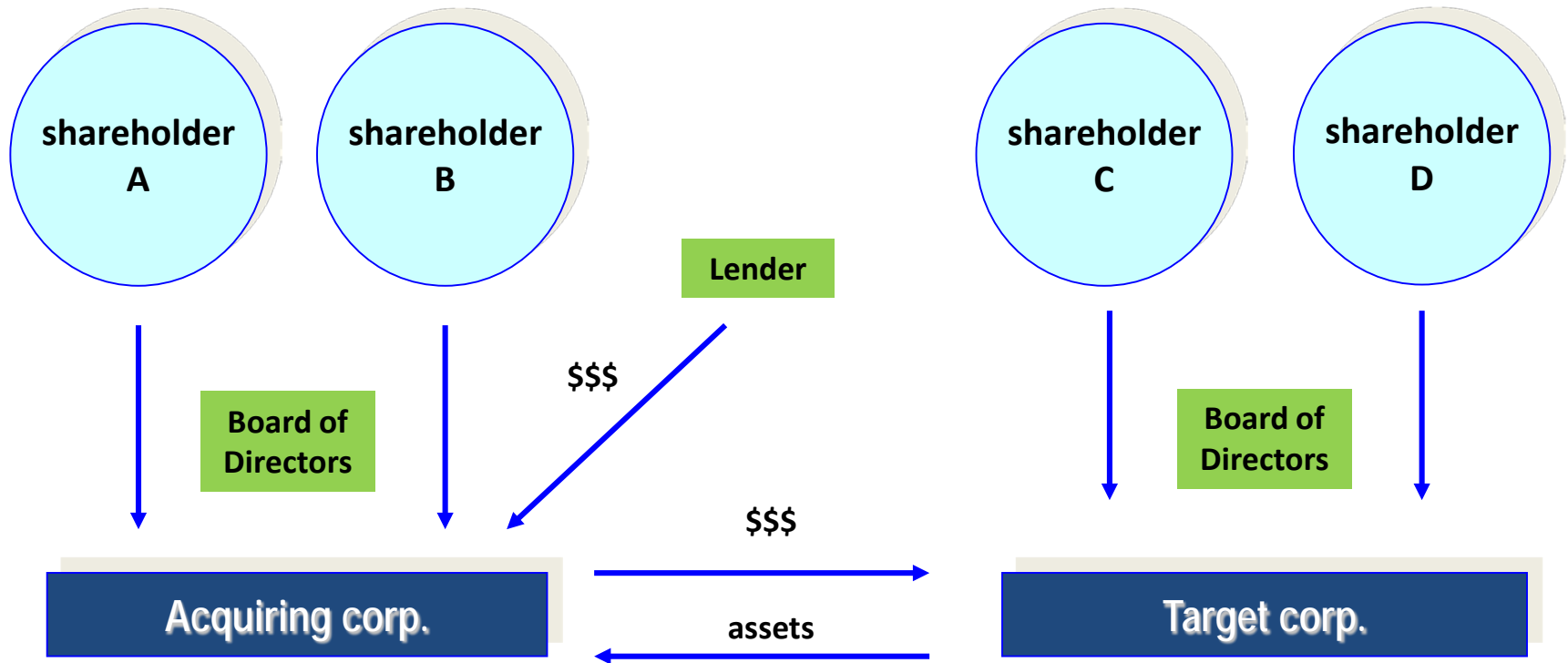
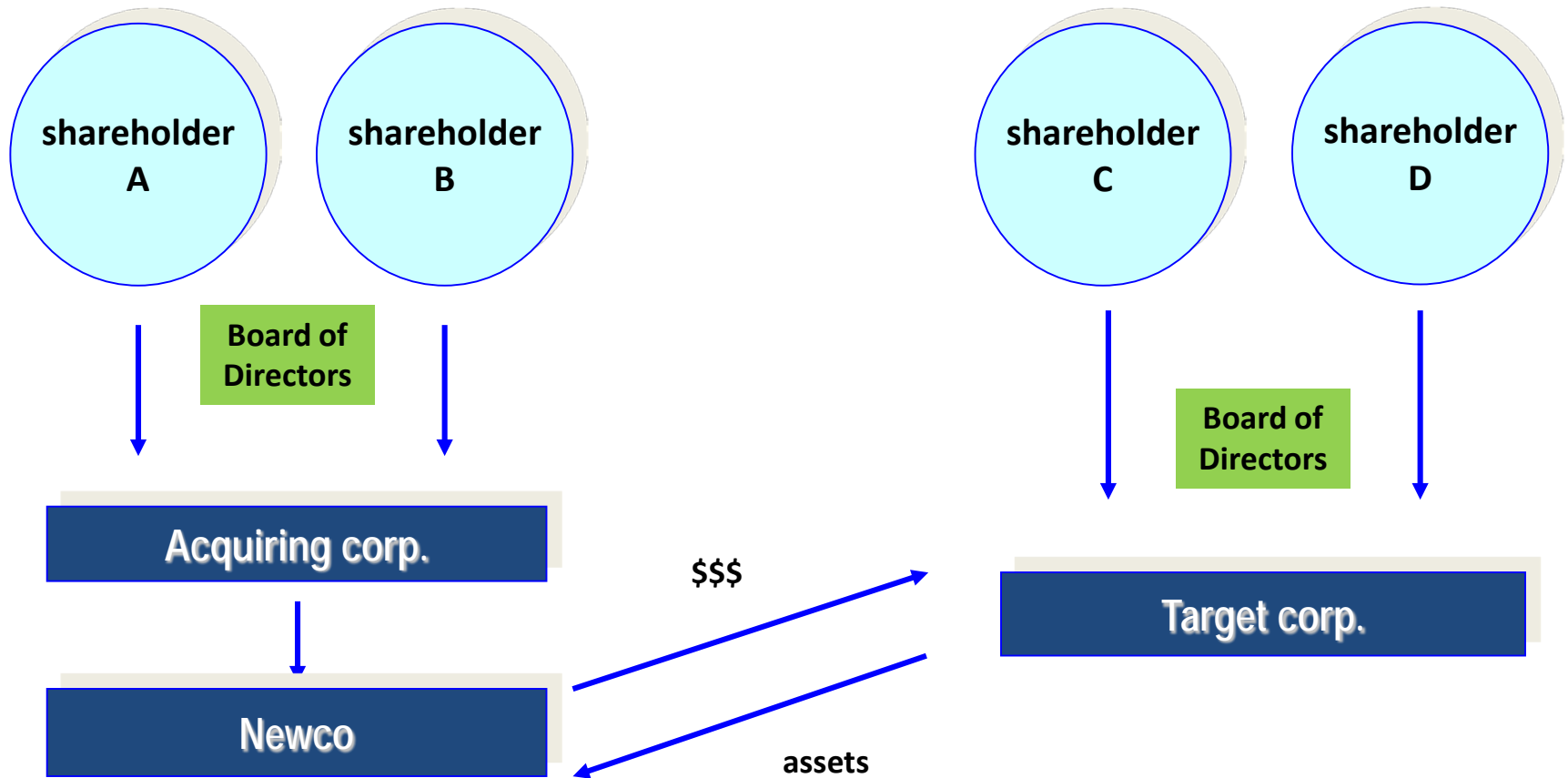


Asset Acquisition: Acquiring purchases all or substantially all assets of Target



- Board and shareholder approval of Target
- Board (and maybe shareholder) approval of Acquiring
 - assets of Target sold for \$\$\$

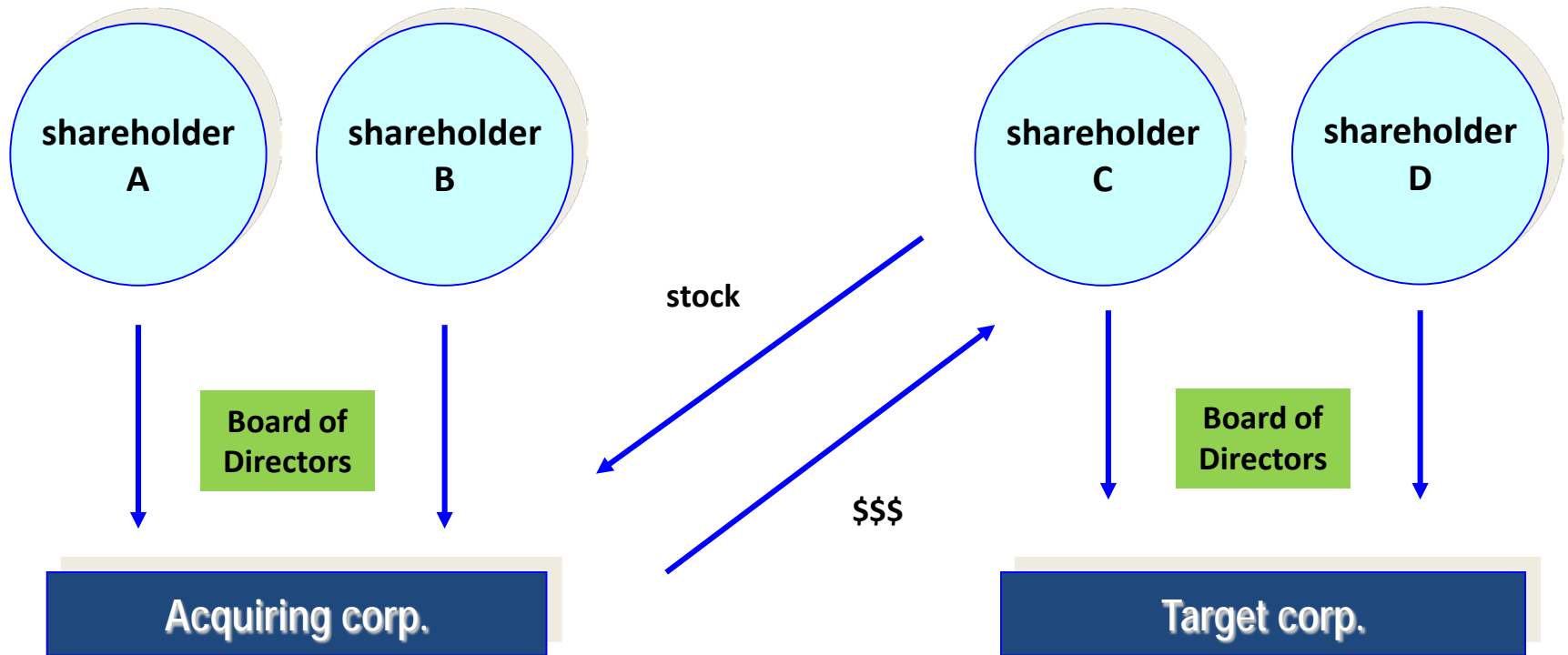
Asset Acquisition: Acquiring purchases all or substantially all assets of Target



Alternate:

- use Newco subsidiary to acquire assets of Target

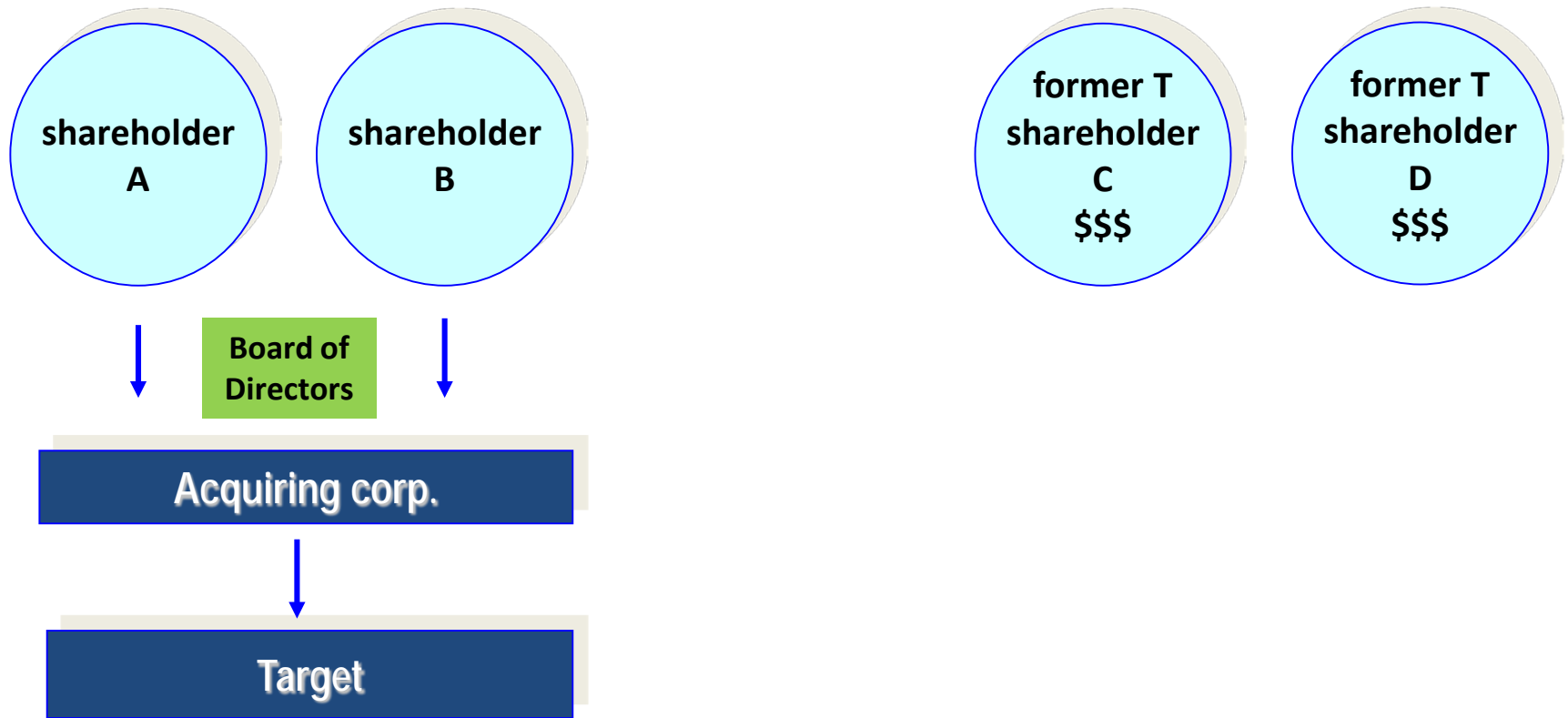
Stock Purchase: Target becomes subsidiary of Acquiring



Step #1:

- Acquiring buys stock of Target from shareholders

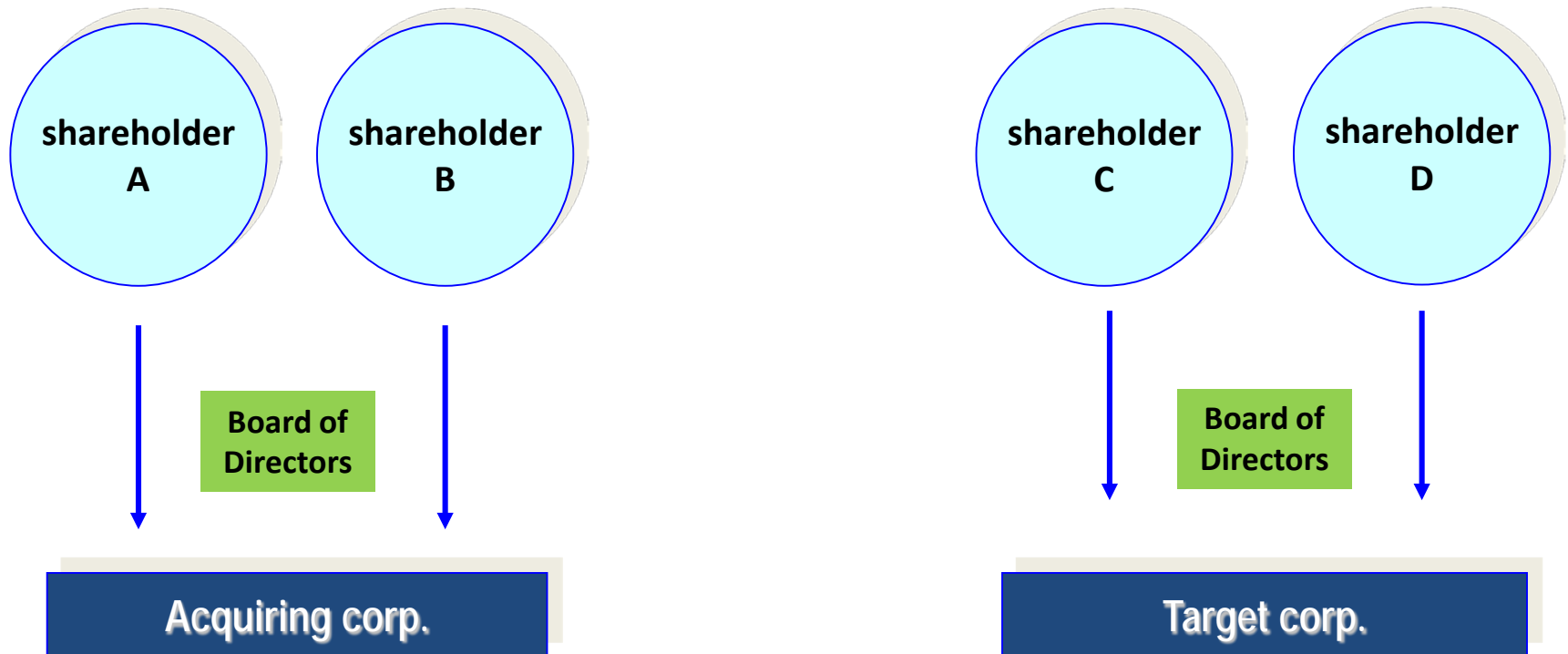
Stock Purchase: Target becomes Subsidiary of Acquiring



Step #2:

- Target becomes subsidiary of Acquiring

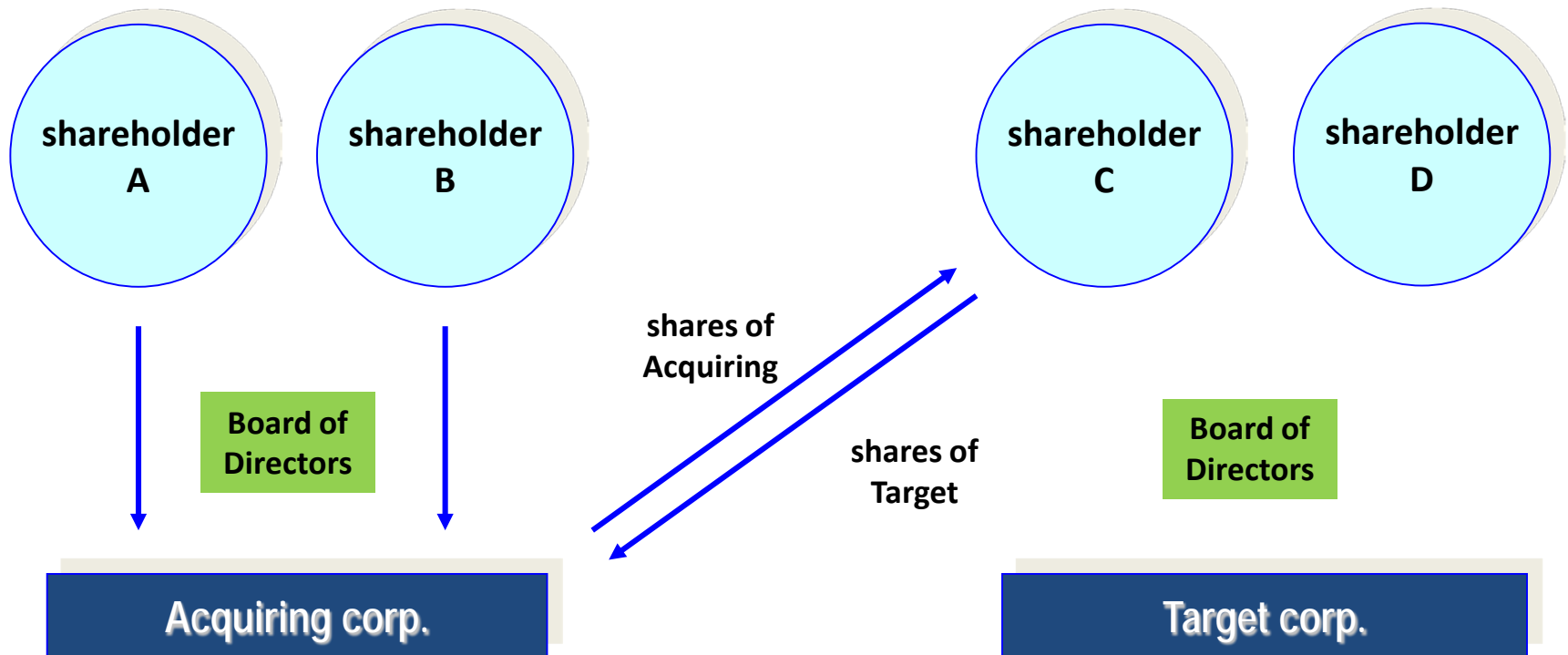
Share Exchange: Acquiring buys Target with its stock



Step #1:

- Board and shareholder approval of Target
- Board (and maybe shareholder) approval of Acquiring

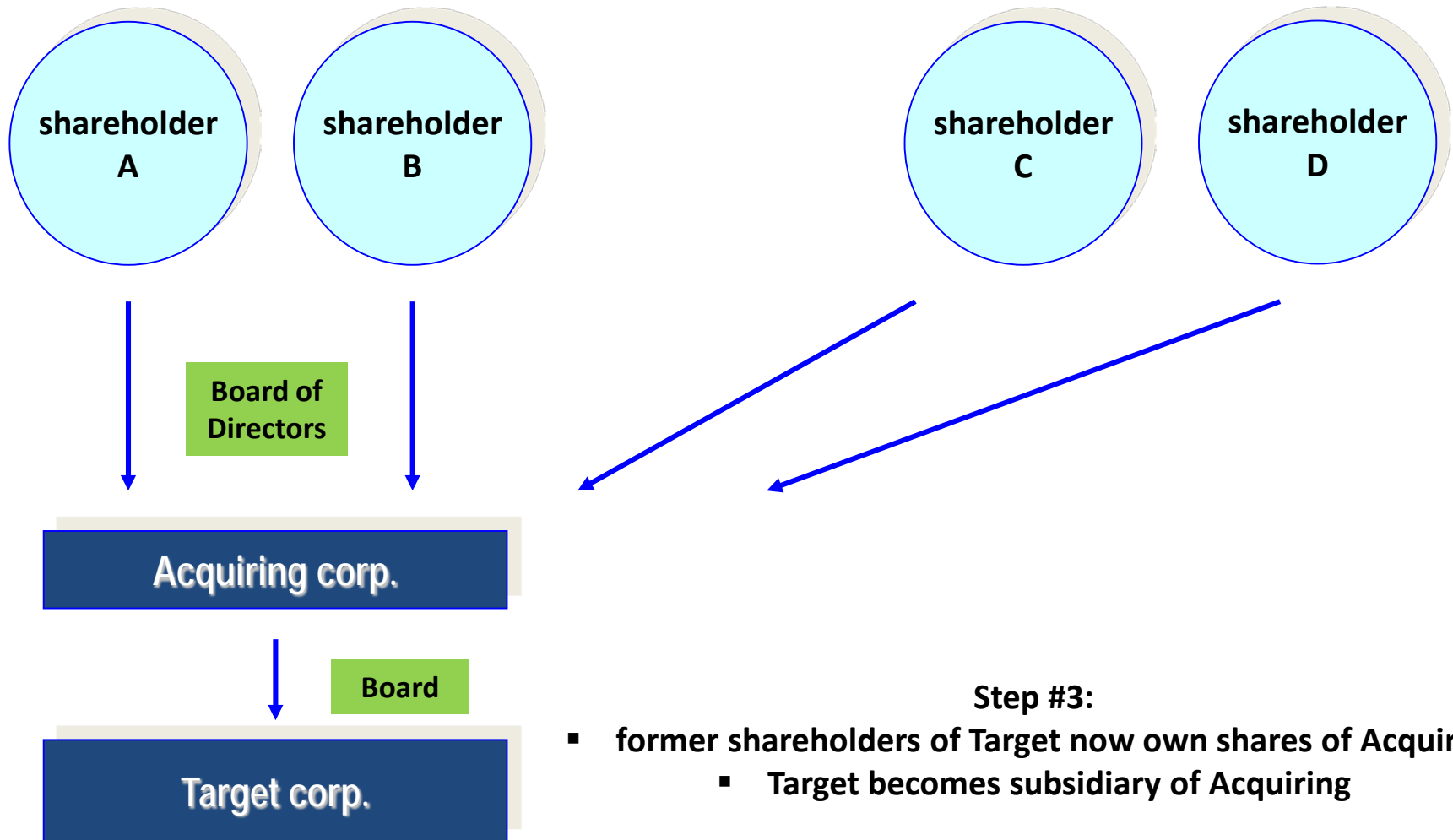
Share Exchange: Acquiring buys Target with its stock



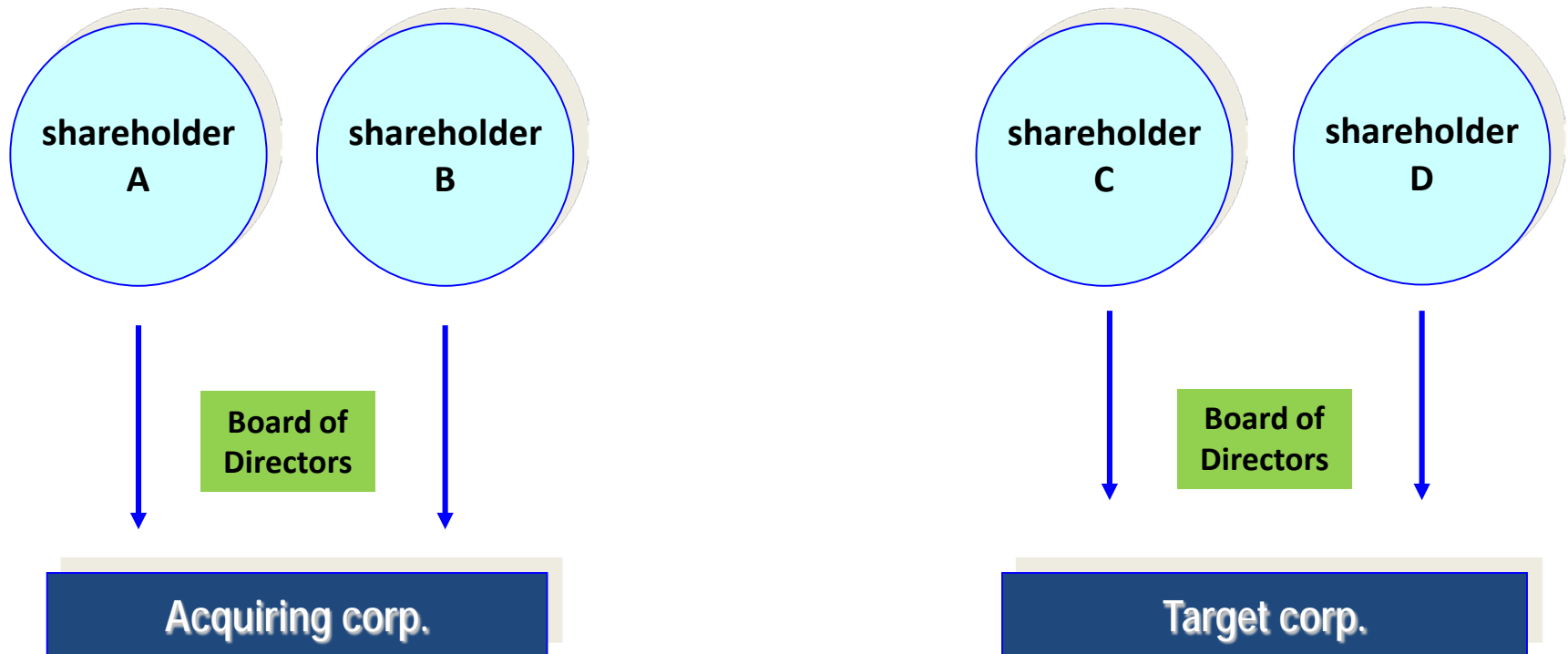
Step #2:

- Shareholders of Target exchange their shares of Target for shares of Acquiring
 - Acquiring owns Target shares

Stock Exchange: Acquiring buys Target with its stock



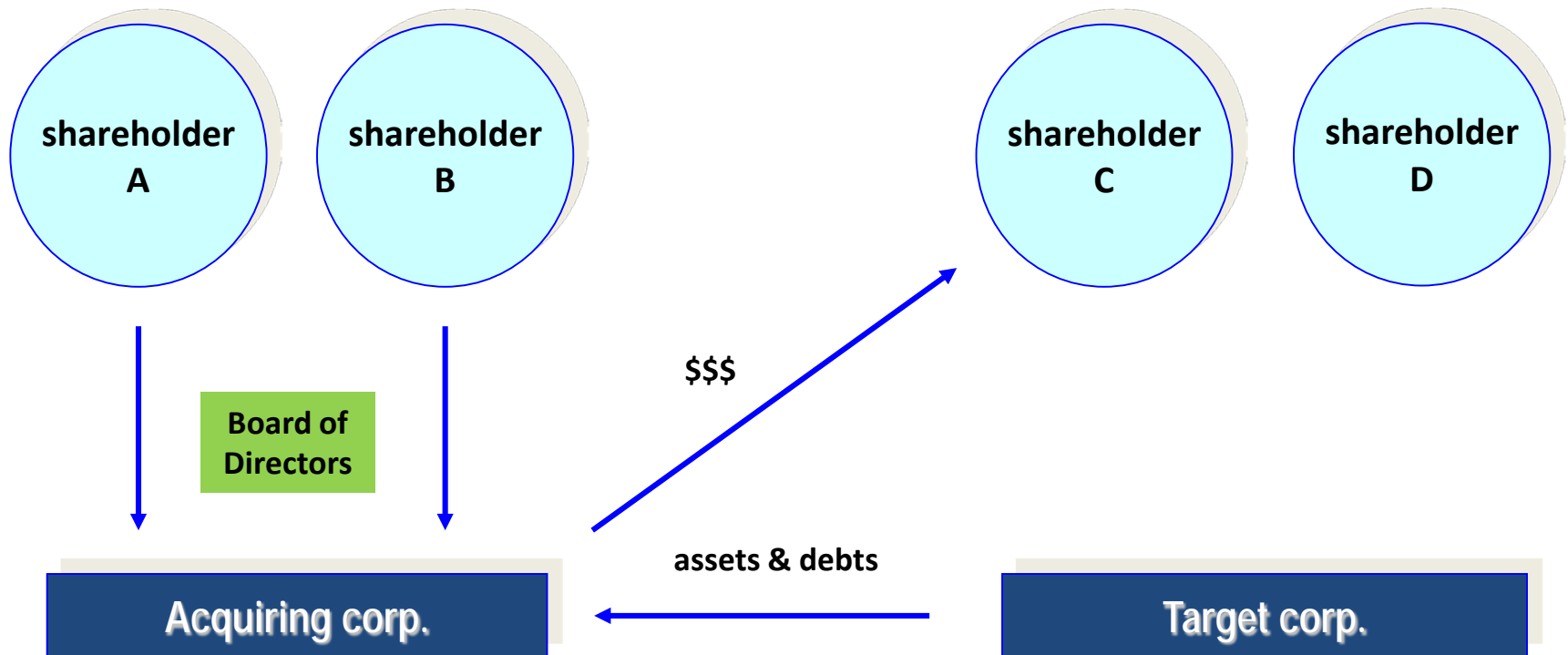
Corporate Merger: Target into Acquiring



Step #1:

- Board and shareholder approval of Target
- Board (and maybe shareholder) approval of Acquiring

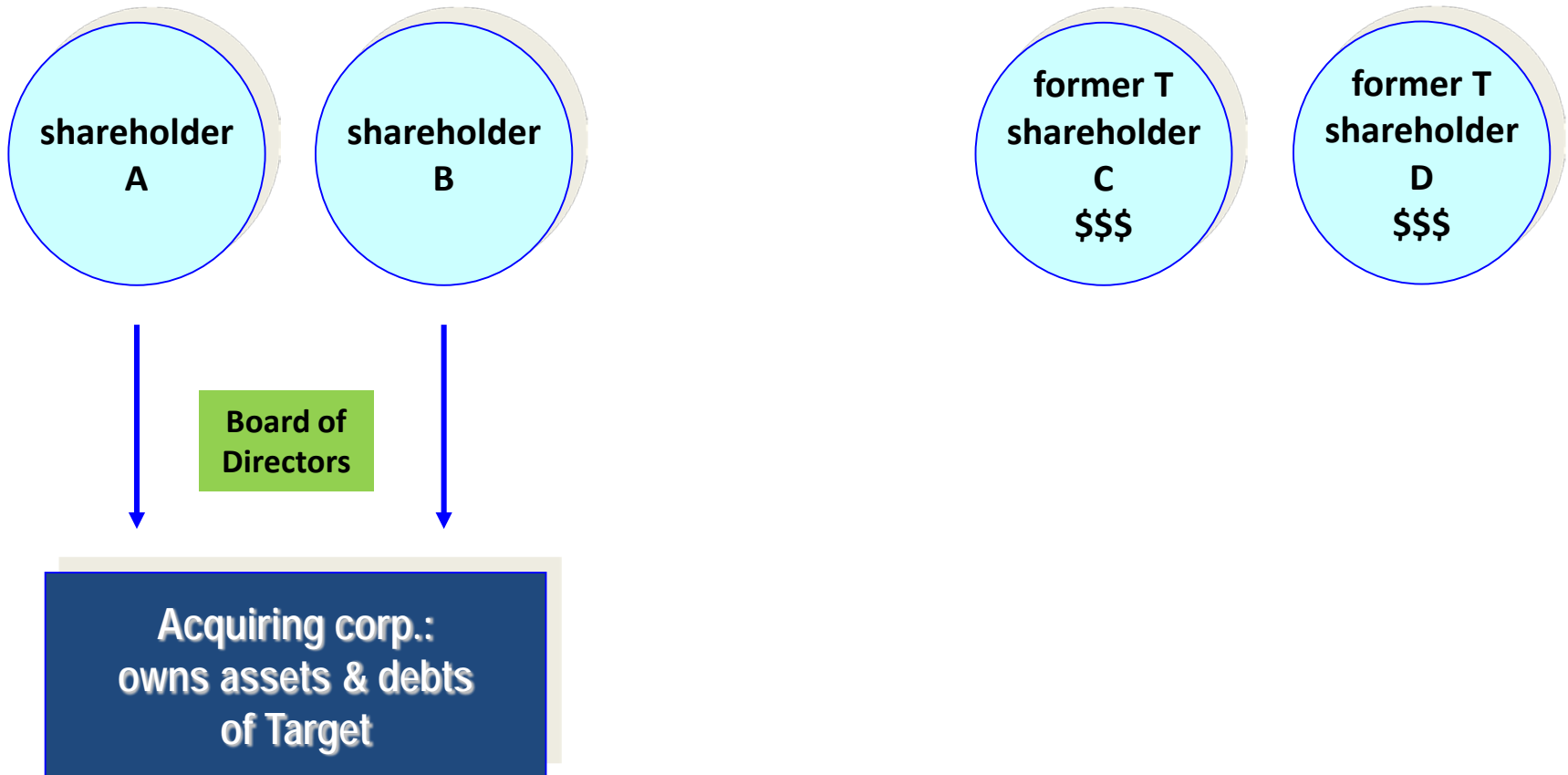
Corporate Merger: Target into Acquiring



Step #2:

- Target merges into Acquiring under Corp. statute
- Shareholders of Target get cash for shares of Target

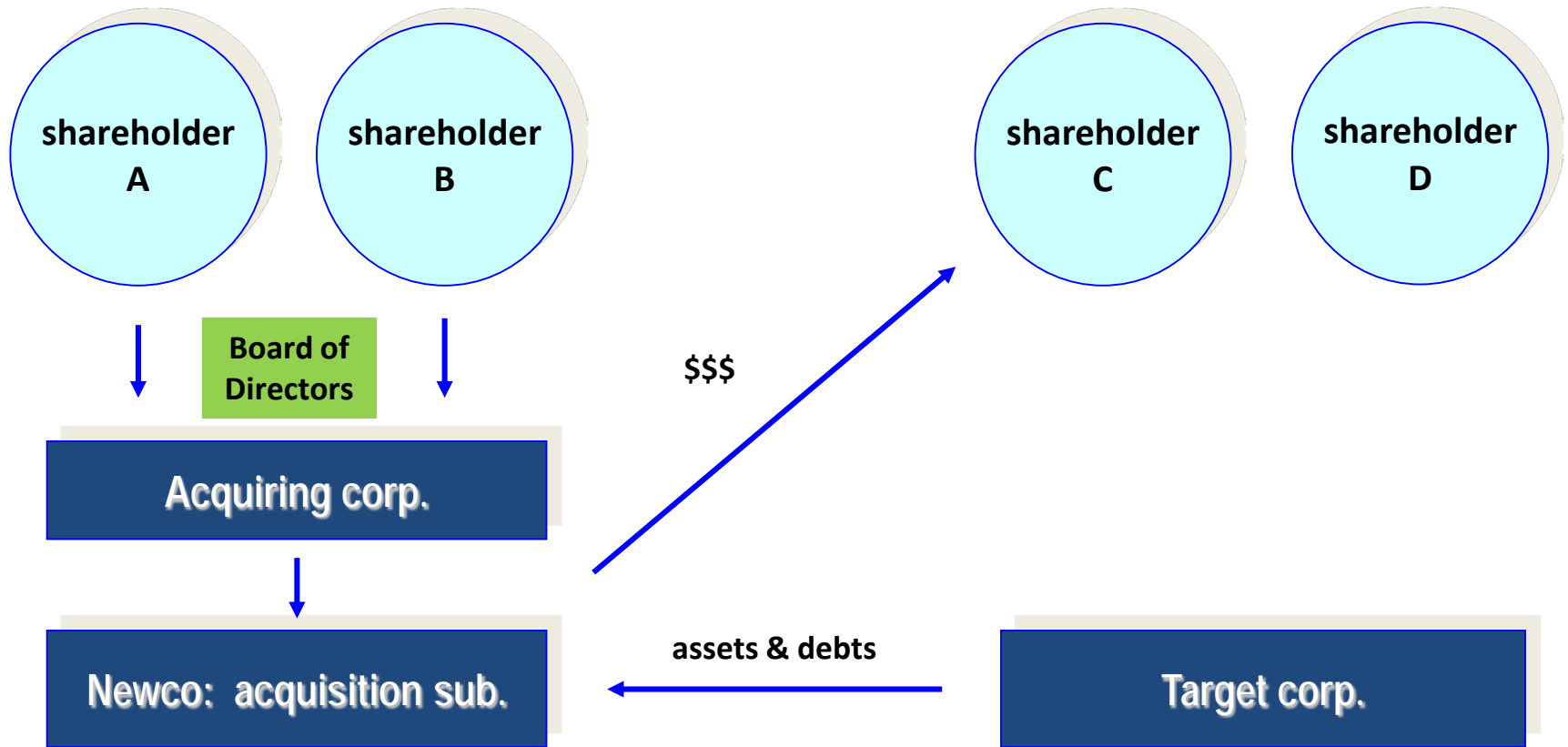
Corporate Merger: Target into Acquiring



Step #3:

- shareholders of Target cashed out
- Acquiring takes assets & debts (and tax attributes) of Target

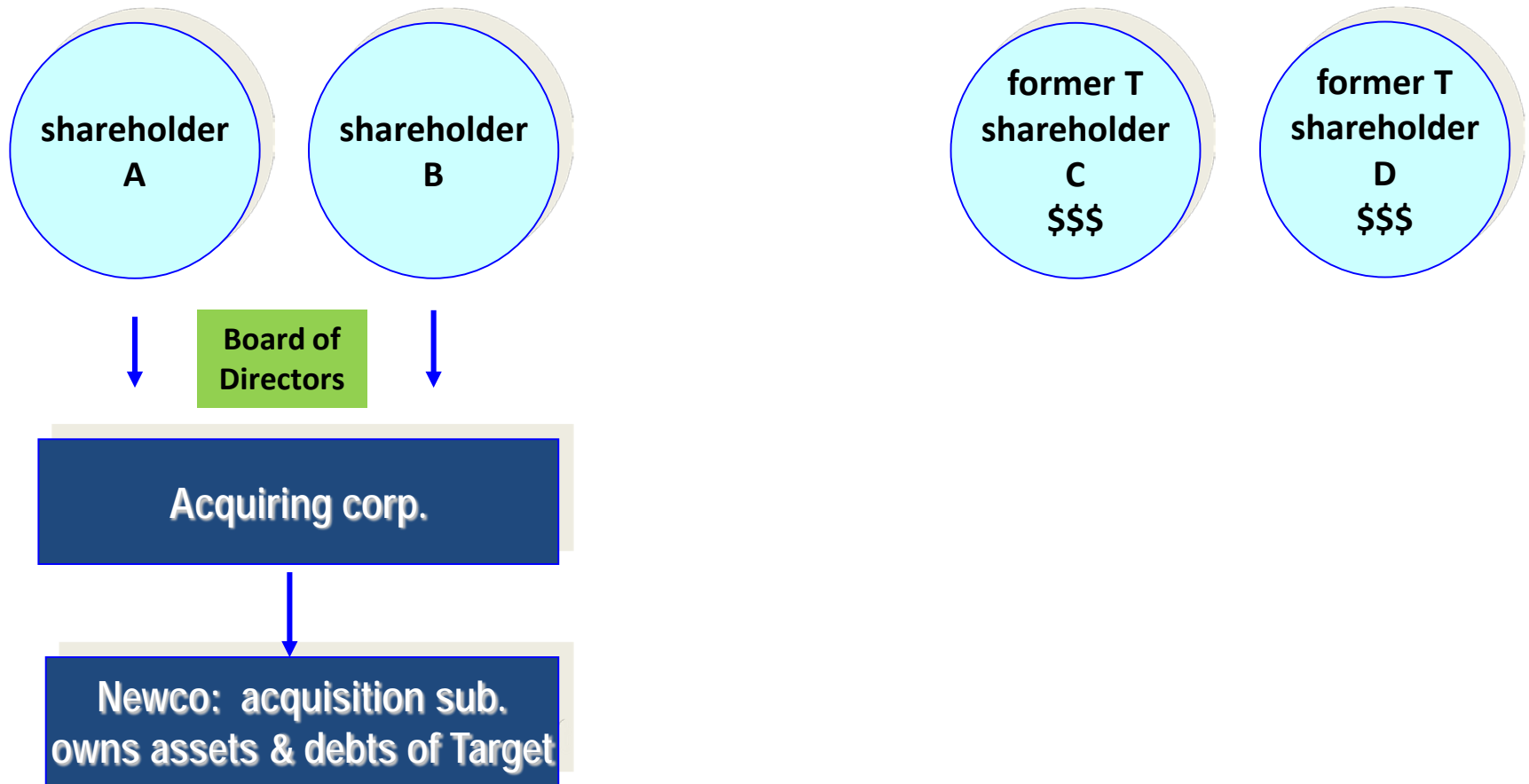
Corporate Merger: Target into Acquisition Subsidiary



Alternate Step #2:

- Target merges into Newco acquisition sub
- Shareholders of Target get cash for shares of Target

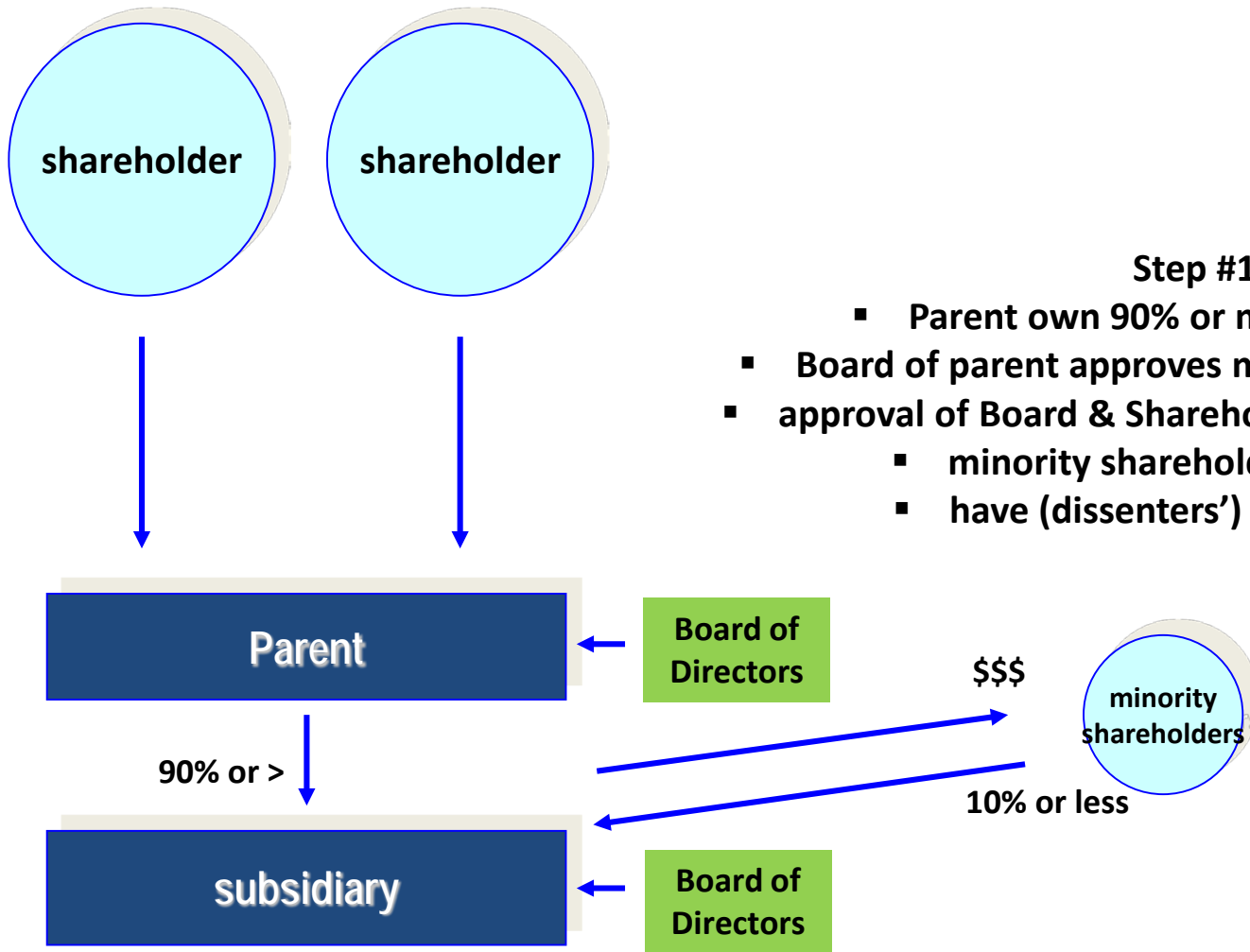
Corporate Merger: Target into Acquisition Subsidiary



Alternate Step #3:

- Newco acquisition Sub owns assets of Target
 - old shareholders of Target cashed out

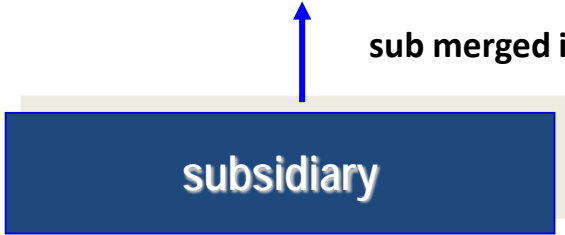
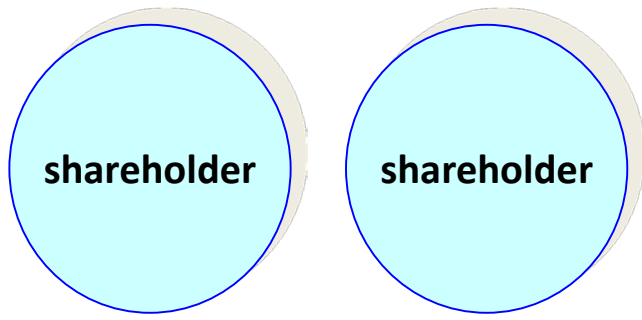
Statutory Merger (“short-form” merger)



Step #1:

- Parent own 90% or more of Subsidiary
- Board of parent approves merger of Sub into Parent
- approval of Board & Shareholders of Sub not required
 - minority shareholders cashed out
 - have (dissenters’) appraisal rights

Statutory Merger (“short-form” merger)



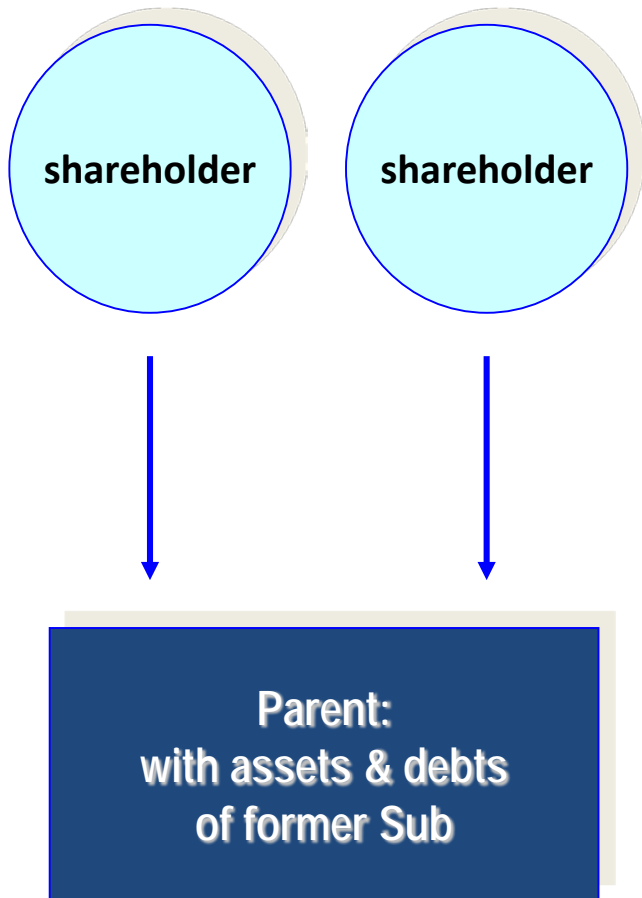
sub merged into parent

Step #2:

- Sub merged into Parent
- Parent acquires assets and debts of former Sub



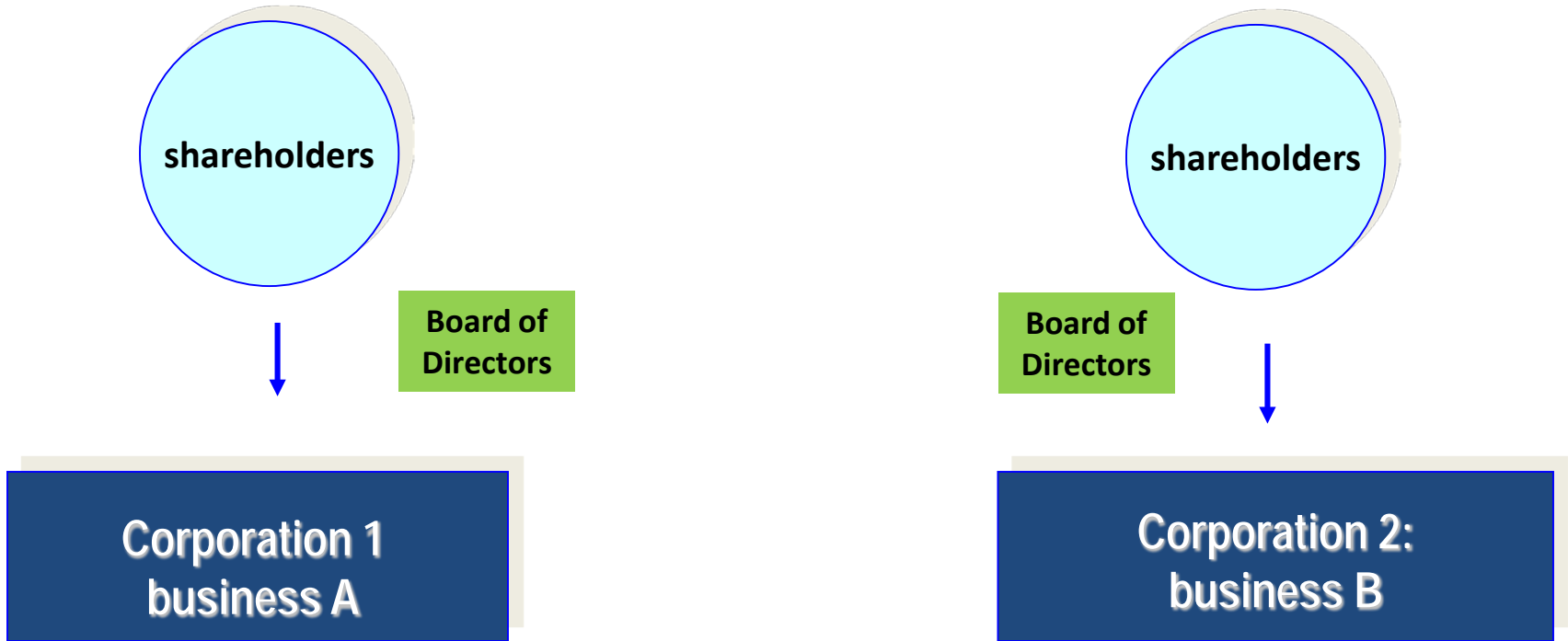
Statutory Merger (“short-form” merger)



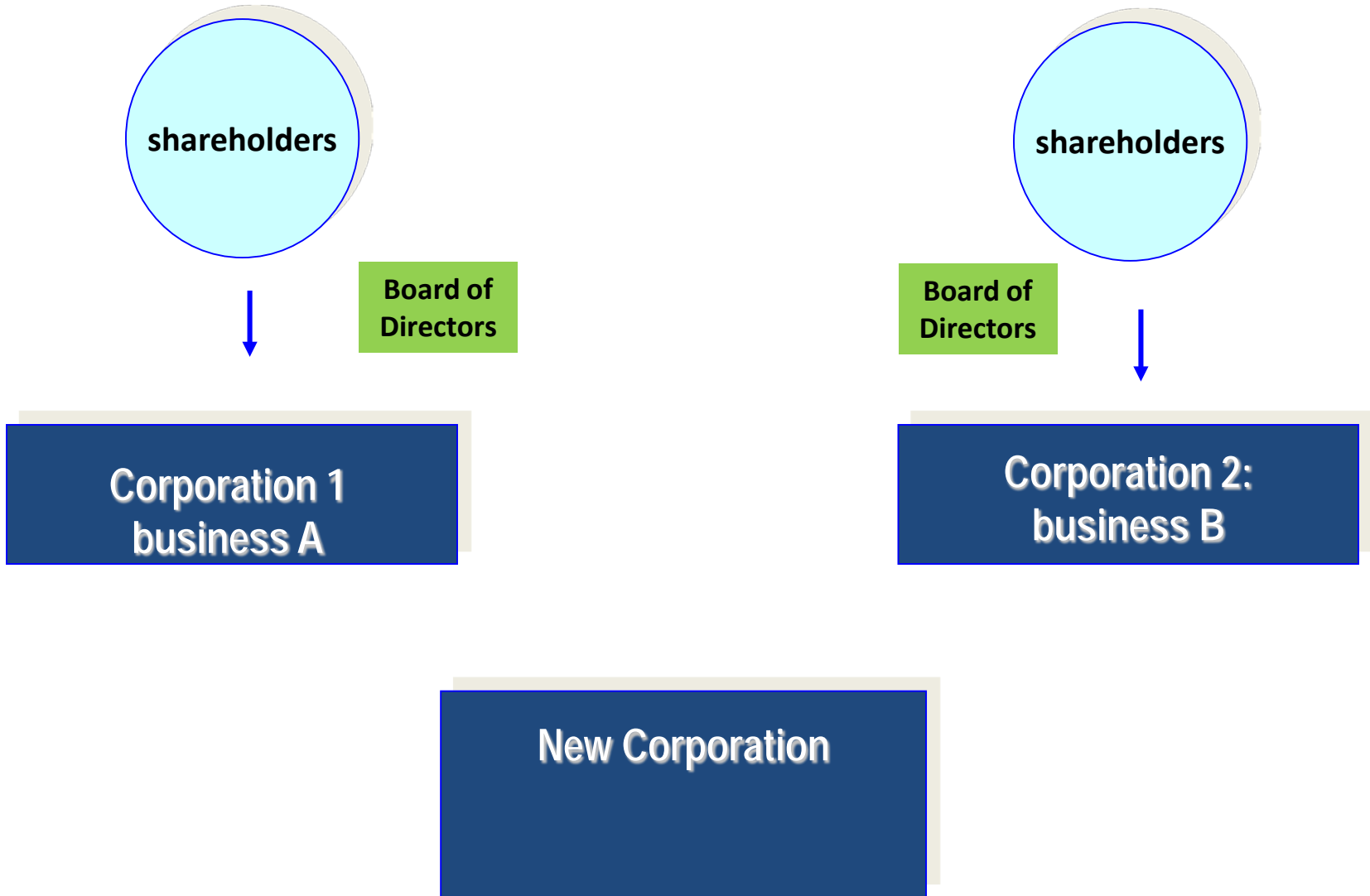
Step #3:

- Parent owns assets and debts of former Sub

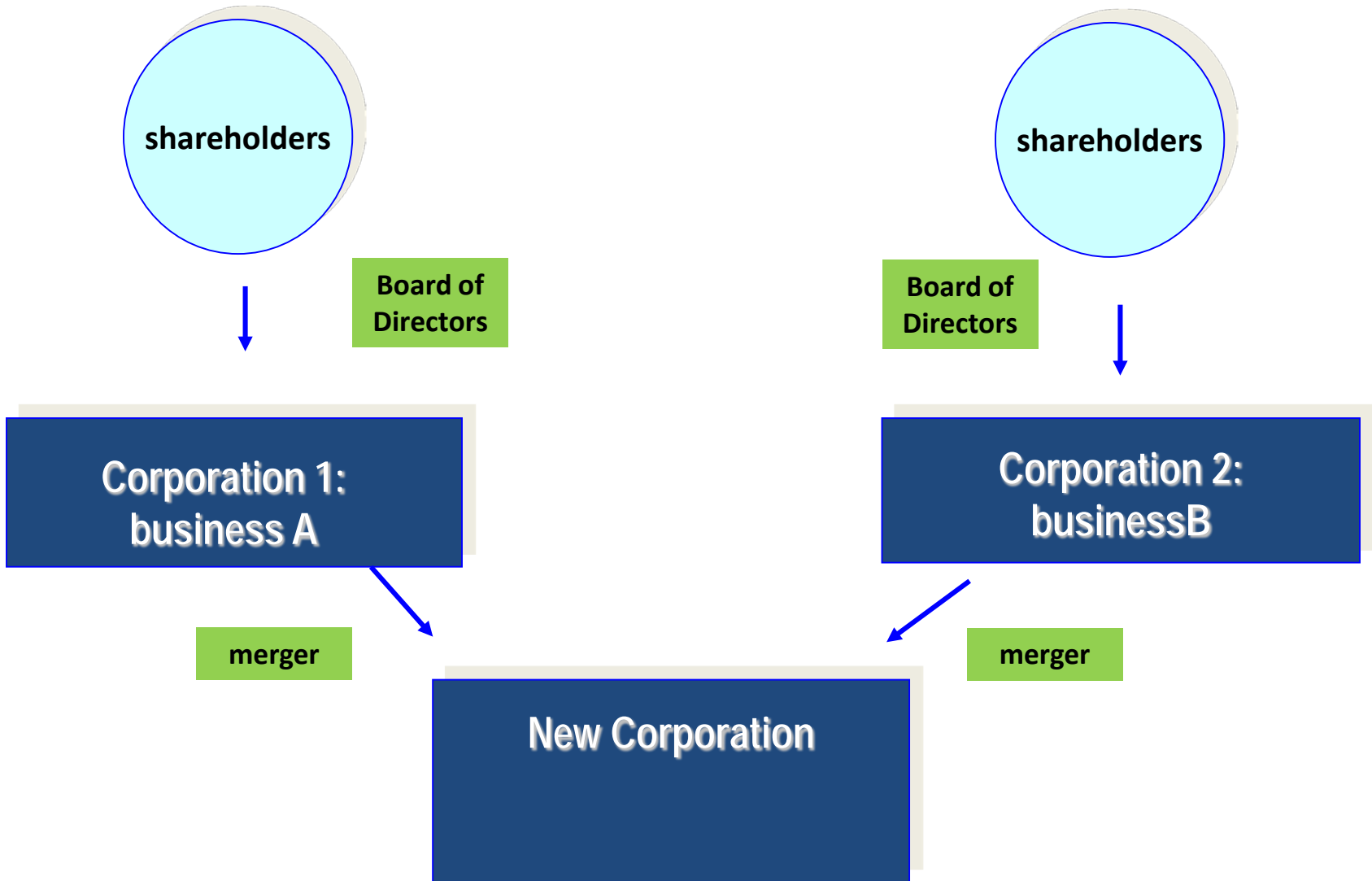
Consolidation



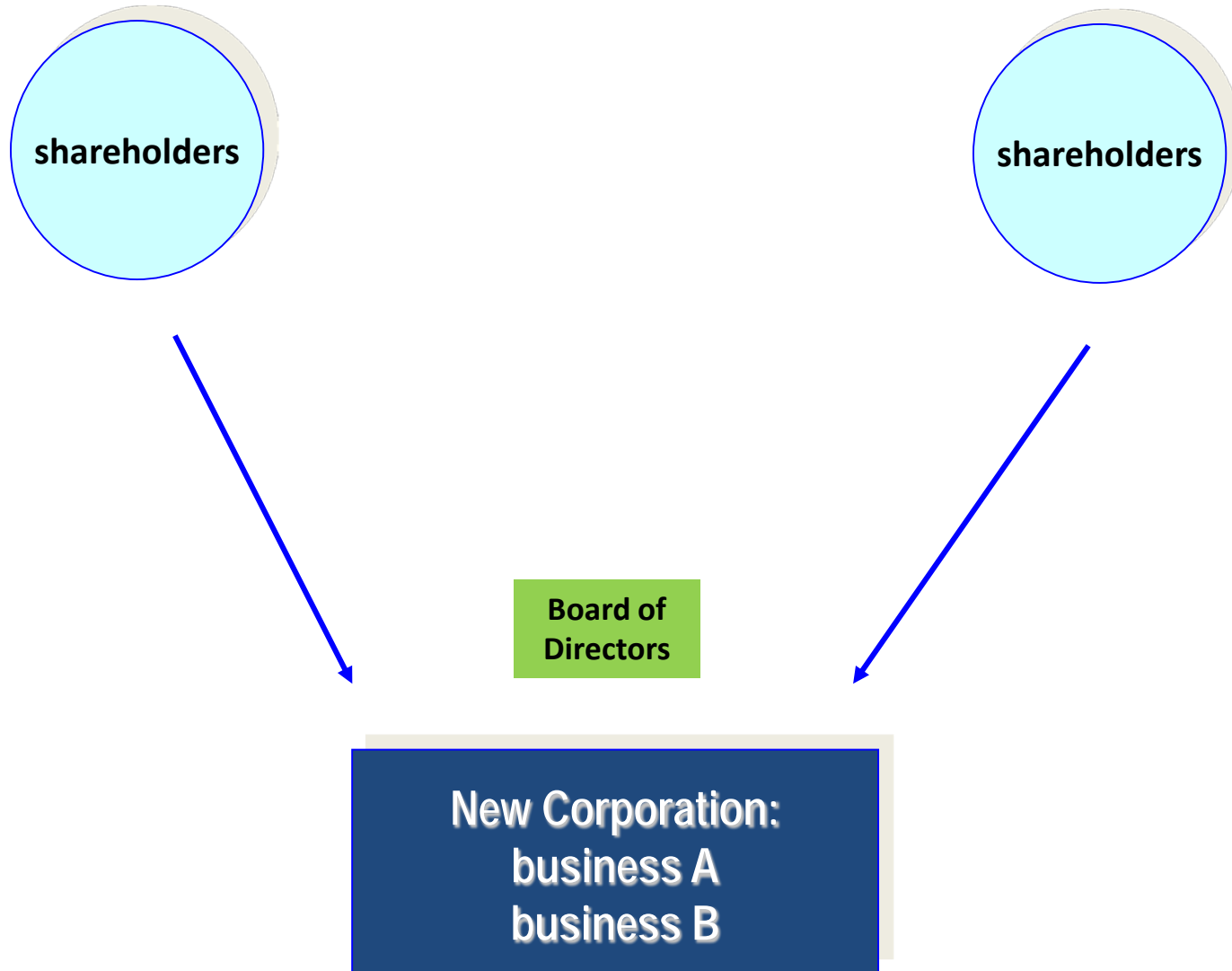
Consolidation



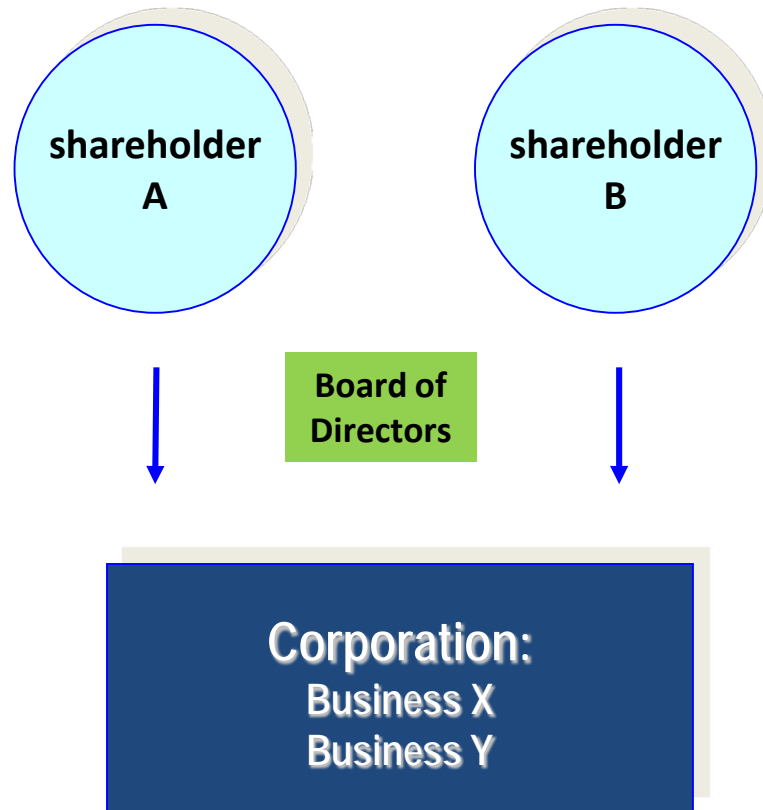
Consolidation



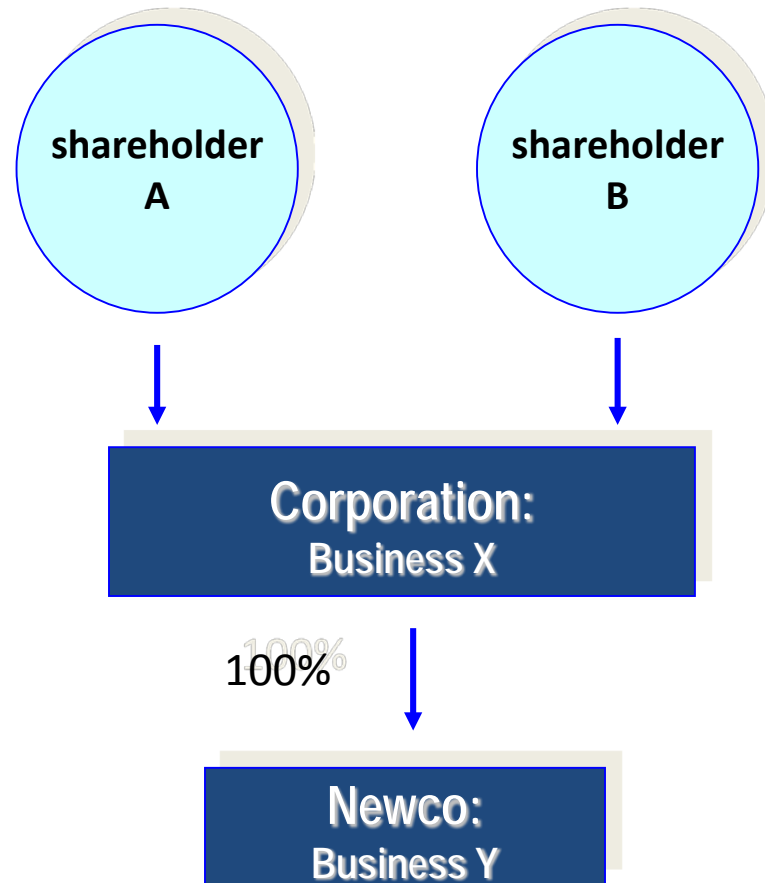
Consolidation



Divisive Reorganization: Spin-Off



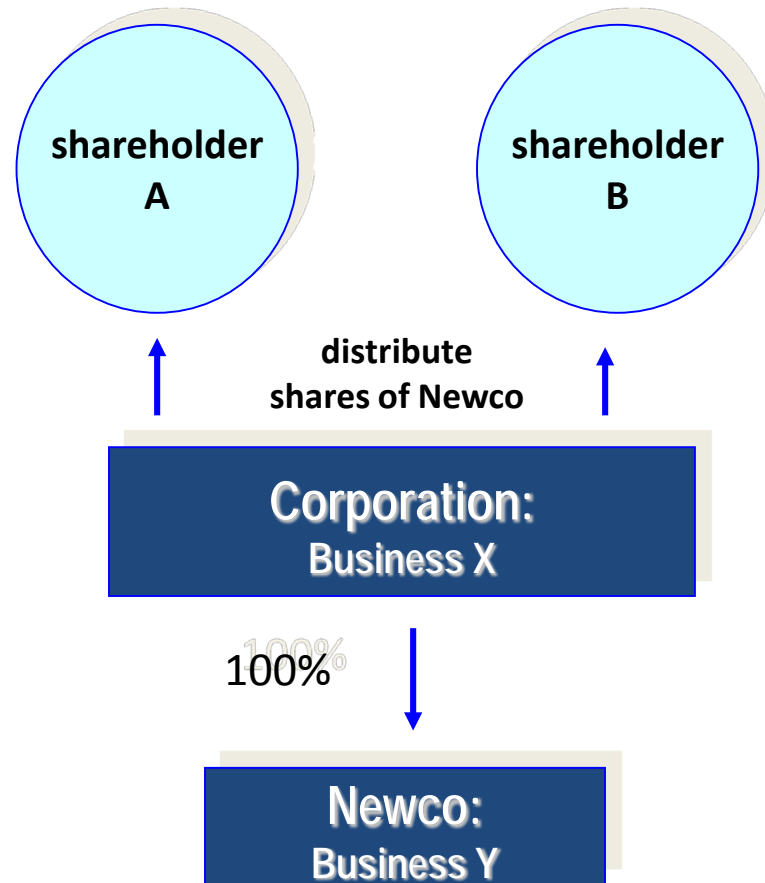
Divisive Reorganization: Spin-Off



Step #1:

- drop business Y into new subsidiary

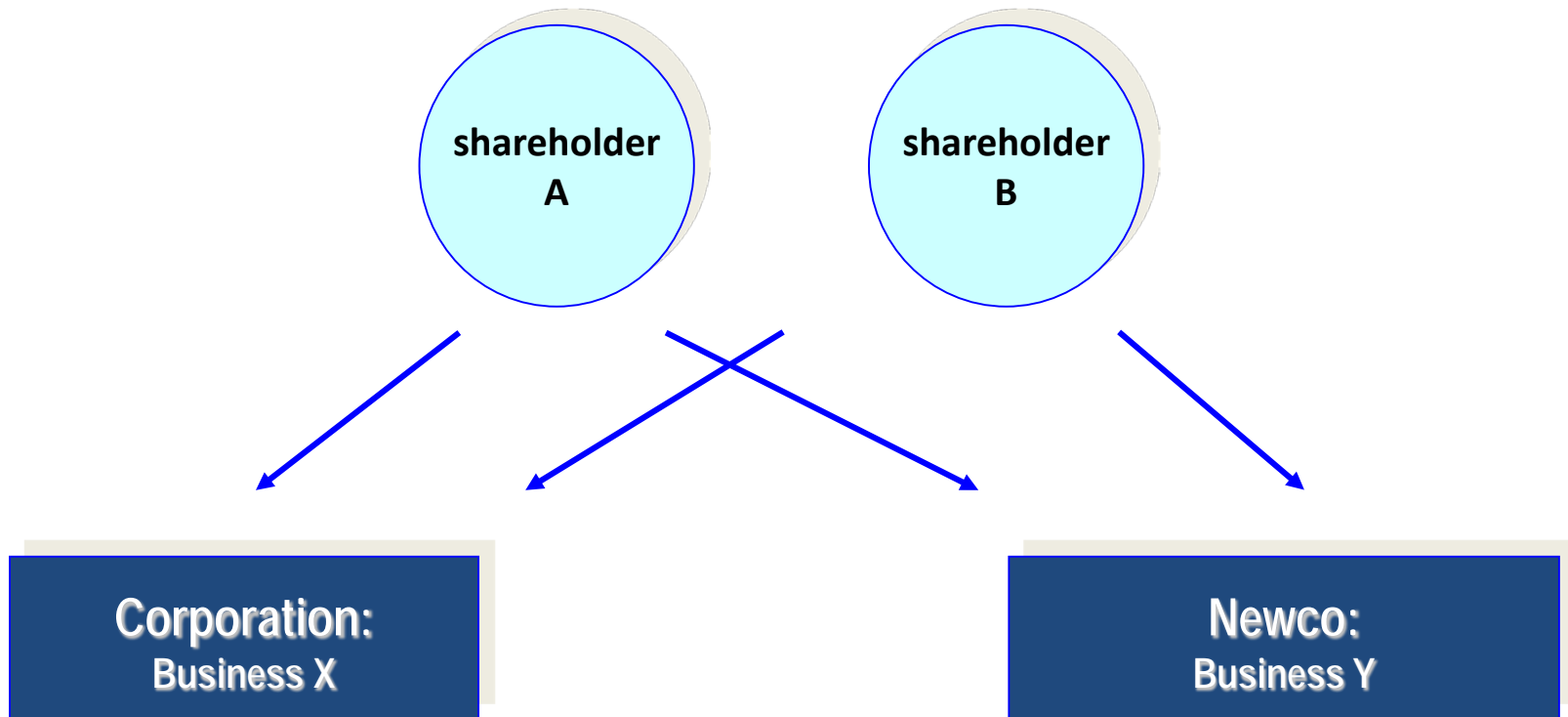
Divisive Reorganization: Spin-Off



Step #2:

- distribute shares of Newco to shareholders of Corporation

Divisive Reorganization: Spin-Off



Step #3:

- A and B own shares of both Corporation and Newco

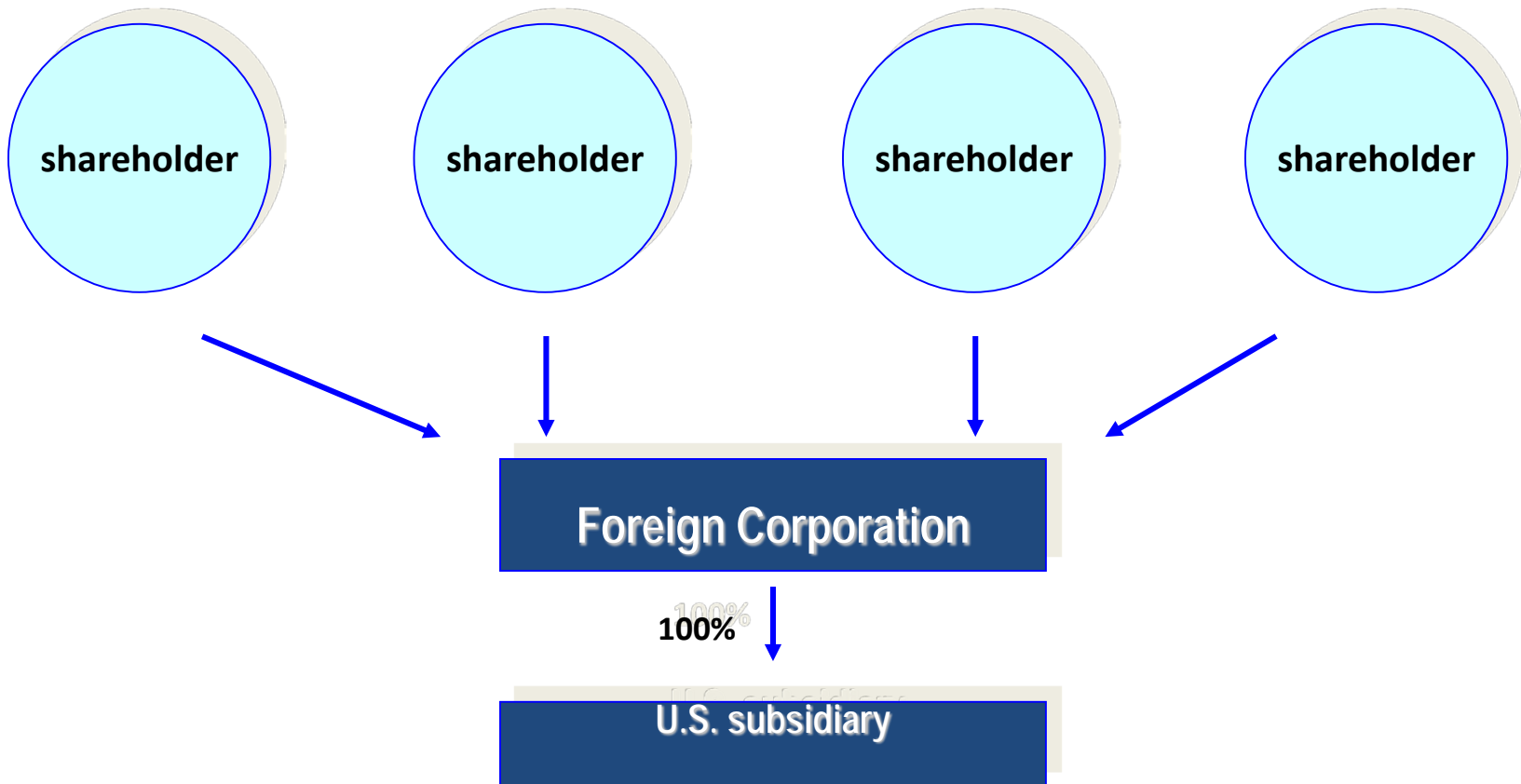
Divisive Reorganization: Split Off



final result:

- A owns Corporation; B owns Newco

Foreign Corporation with U.S. Subsidiary



- parent is foreign corporation
- subsidiary operates business in U.S.