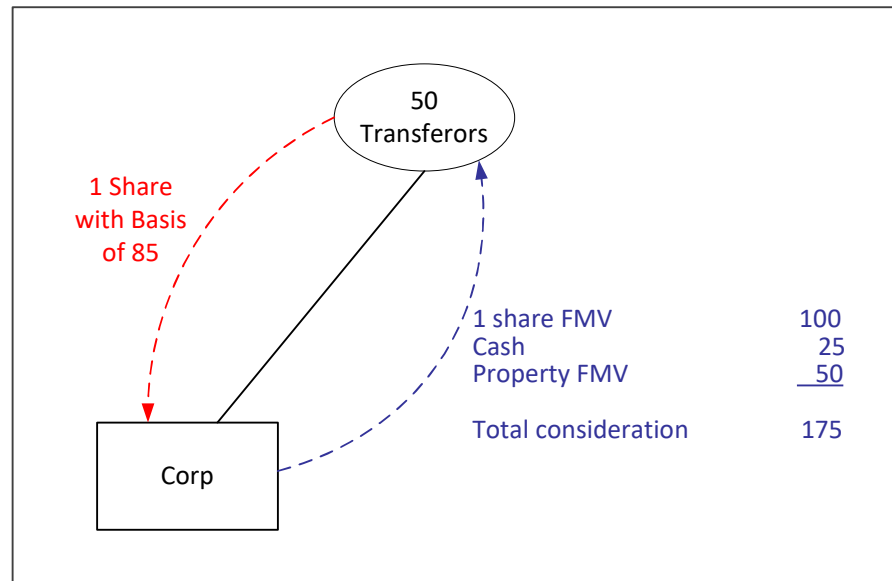


Stock Exchanged for  
Stock Plus Boot - Gain



In an exchange to which the provisions of section 356 apply and to which section 354 would apply but for the receipt of property not permitted to be received without the recognition of gain or loss, A (either an individual or a corporation), received the following in exchange for a share of stock having an adjusted basis to A of \$85:

One share of stock worth.....	\$100
Cash.....	25
Other property (basis \$25) fair market value.....	50
Total fair market value of consideration received .....	175
Adjusted basis of stock surrendered in exchange.....	85
Total gain.....	90
Gain to be recognized, limited to cash and other property received .....	75
A's pro rata share of earnings and profits accumulated after February 28, 1913 (taxable dividend)....	30
Remainder to be treated as a gain from the exchange of property .....	45