

Title: Sounds familiar■ probably nothing...

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Url: <https://i.redd.it/gminhbsr02s81.jpg>

### Features of target stock

- Reduces, but does not eliminate, cross-subsidization of business units
- No legal separation or transfer of assets from corporation to sub
- Target stock structure does not alter board or director composition or mgmt control of the corp

### Features of target common

- Features in each target share have to be decided:
  - Notional allocation of debt, other assets and liabilities
  - How will joint costs be allocated?
  - Proxy statement describing amendments to corporate charter, shareholder vote req
  - Non taxable event

### Distribution of target shares

- Pro rata stock dividend paid to existing holders