Attribution Problems

Question #1

Amy, Beth, Callie, Doug and Edward own X corporation in the following manner:

Amy – 10 shares

Beth – 20 shares

Callie – 30 shares

Doug – 40 shares

Estate – 50 shares

150 shares total.

Amy and Beth are both daughters of Callie, Amy by blood and Beth by adoption. Callie is the daughter of Doug, and Callie also has an option to purchase five of Doug’s shares. Estate is the Estate of Father, who was the father of Amy and Beth and the husband of Callie. The beneficiaries of Father’s Estate are Amy, Beth, Callie and Fred, each 25 percent beneficiairies. Fred is the brother and Amy and Beth, and the son of Callie and Father. How many shares of X Corporation does each of these parties own, either directly or indirectly, by reason of section 318?

Question #2

1. Individuals Quinn and Ryan each own 50 percent of corporation Y. Y owns 70 percent of corporation Z. Ryan also owns 100 percent of corporation T. Determine the actual and constructive ownership of the following, after application of the section 318 construction ownership rules:
2. The proportion of Z owned by individual Quinn;
3. The proportion of T owned by individual Quinn;
4. The proportion of T owned by corporation Z;
5. The proportion of Y owned by corporation T;
6. The proportion of Z owned by corporation T.
7. Same as the above, except that Y corporation is a partnership, and it is owned 40 percent by Quinn, 40 percent by Ryan, and 20 percent by individual Sam. Answer the same questions as above.