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# Walt Disney's Sale of ABC Radio Structuring a Tax-Efficient Divestiture

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## ABSTRACT

This case provides an overview of taxable and tax-free structures for corporate divestitures. It then focuses on the Walt Disney Company's sale of ABC Radio to Citadel Broadcasting Corporation via a particular tax-free structure: the reverse Morris Trust. Students are asked to analyze the tax advantages and financial ramifications for the Disney corporation, Disney shareholders, and Citadel.

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This case was prepared as a basis for class discussion rather than to illustrate either effective or ineffective handling of a business situation.