

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶

A distribution of stock made by a corporation to its shareholders with respect to its stock, including a stock split transaction, is not taxable to the shareholder. IRC § 305(a)(1).

Basis of the old stock is carried over and allocated among the shares of new stock received. IRC §307(a).

The holding period of the new stock includes the holding period of the old stock. IRC §1223(4).

Alternatively, the transaction may be considered to be a recapitalization transaction. IRC §368(a)(1)(E). In such instance, the consequences to a shareholder are the same:

The distribution of the new stock is not taxable income to the shareholder. IRC §354(a)(1).

Basis of the old stock is carried over and allocated among the shares of new stock received. IRC §358 (a)(1); (b)(1).

The holding period of the new stock includes the holding period of the old stock. IRC §1223(1).

18 Can any resulting loss be recognized? ▶ N/A

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ N/A

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶ *Signature on file* Date ▶ 1/14/16

Print your name ▶ Christopher E. Sabato Title ▶ Treasurer

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no.	