



**Part II Organizational Action** (continued)

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

Blank lined area for listing Internal Revenue Code sections.

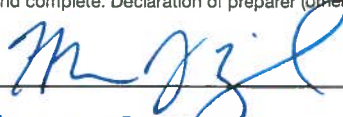
18 Can any resulting loss be recognized? ▶ **See Attached**

Blank lined area for answering question 18.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ **See Attached**

Blank lined area for providing other information.

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 ▶  Date ▶ 05-18-2017  
 Print your name ▶ MARK J MIZE Title ▶ EVP- CFO

<b>Paid Preparer Use Only</b>	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.

## **Part II Organizational Action**

**14.** On April 6, 2017 each outstanding share of 8.0% Automatically Convertible Preferred Stock, par value \$0.0001 per share, ("Preferred Stock") automatically converted into 10,000 shares of the Company's common stock, par value \$0.0001 per share, ("Common Stock") in accordance with the terms of a Certificate of Designation, Rights, and Limitations of the Preferred Stock which was filed with the Delaware Secretary of State on February 27, 2017. No other consideration was received by the shareholders in the conversion.

**15.** The conversion of the Preferred Stock is treated as an exchange of existing Preferred Stock for Common Stock in a transaction assumed to qualify as a tax-free reorganization under section 368(a)(1)(E). Under Section 358(a), the shareholders' aggregate tax basis in the Common Stock received pursuant to the conversion will equal the aggregate tax basis in the Preferred Stock surrendered in the transaction. The tax basis in of each share of Common Stock received as part of a 10,000 share block is determined by dividing the adjusted basis in the particular share of Preferred Stock surrendered by 10,000. Shareholders having differing tax bases with respect to the Preferred Stock exchanged, should consult with a tax advisor in order to identify the tax bases of the particular Common Stock received pursuant to the exchange.

**16.** See Line 15 above; in general the shareholders' aggregate tax basis in the Common Stock received will equal the aggregate tax basis in the Preferred Stock surrendered.

**17.** Sections 368, 356, and 358.

**18.** No loss can be recognized in the conversion.

**19.** The stock basis adjustment would be taken into account in the tax year of the shareholder during which exchange occurred (e.g., 2017 for calendar year taxpayers).