

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

**Part I Reporting Issuer**

<b>1</b> Issuer's name		<b>2</b> Issuer's employer identification number (EIN)	
AQUESTA FINANCIAL HOLDINGS, INC.		36-4787197	
<b>3</b> Name of contact for additional information	<b>4</b> Telephone No. of contact	<b>5</b> Email address of contact	
KRISTIN COUCH	704-439-4324	kcouch@questabank.com	
<b>6</b> Number and street (or P.O. box if mail is not delivered to street address) of contact		<b>7</b> City, town, or post office, state, and ZIP code of contact	
19510 JETTON ROAD		CORNELIUS, NC 28031	
<b>8</b> Date of action		<b>9</b> Classification and description	
FEBRUARY 9, 2018		COMMON STOCK	
<b>10</b> CUSIP number	<b>11</b> Serial number(s)	<b>12</b> Ticker symbol	<b>13</b> Account number(s)
03842L109		AQFH	

**Part II Organizational Action** Attach additional statements if needed. See back of form for additional questions.

**14** Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ ON JANUARY 19, 2018 AQUESTA FINANCIAL HOLDINGS, INC. DECLARED A 20-PERCENT STOCK DIVIDEND TO SHAREHOLDERS OF RECORD AS OF FEBRUARY 9, 2018, PAYABLE ON FEBRUARY 23, 2018.

**15** Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ THE SHAREHOLDER HAS 20% MORE SHARES THAN BEFORE THE STOCK DIVIDEND. AS A RESULT, A SHAREHOLDER WILL MULTIPLY THE BASIS IN EACH SHARE HELD BEFORE THE STOCK DIVIDEND BY A RATIO OF 5 TO 6 TO DETERMINE THE NEW BASIS PER SHARE AFTER THE STOCK DIVIDEND.

**16** Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ THE BASIS IN EACH SHARE HELD BEFORE THE STOCK DIVIDEND SHOULD BE MULTIPLIED BY A 5 TO 6 RATIO TO CALCULATE THE SHAREHOLDER'S TAX BASIS IN THE SHARE IMMEDIATELY AFTER THE STOCK DIVIDEND. THE AGGREGATE STOCK BASIS OF EACH SHAREHOLDER WILL REMAIN UNCHANGED AND WILL BE ALLOCATED OVER 20% MORE SHARES.

**Part II** Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ IRC Sec. 301(c), IRC Sec. 305(a) and IRC. Sec. 307(a)

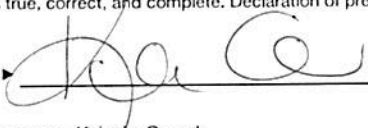
18 Can any resulting loss be recognized? ▶ NO

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

THE REPORTABLE TAX YEAR IS 2018.

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 ▶ 3/21/18  
Print your name ▶ Kristin Couch Title ▶ CFO

**Paid Preparer Use Only**

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Nadine Creutz-Adams				P01525887
Firm's name ▶ Porter, Keadle, Moore, LLC			Firm's EIN ▶	58-1303048
Firm's address ▶ 235 Peachtree St NE STE 1800 Atlanta, GA 30303			Phone no.	404-420-4200

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054