

PORTER KEADLE MOORE, LLC
235 PEACHTREE STREET, STE 1800
ATLANTA, GA 30303
404 588-4200

Aquesta Financial Holdings, Inc.
Instructions for Filing
Form 8937
Report of Organizational Actions Affecting Basis of Securities

The original return should be signed (using full name and title) and dated on page 2 by an authorized officer of the corporation.

The original return should be posted in a readily accessible format in an area of your primary public website dedicated to this purpose. It should be accessible to the public on this website for 10 years.

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
AQUESTA FINANCIAL HOLDINGS, INC.		36-4787197	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
KRISTIN COUCH	704-439-4324	kcouch@questabank.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and Zip code of contact	
19510 JETTON ROAD		CORNELIUS, NC 28031	
8 Date of action		9 Classification and description	
FEBRUARY 10, 2016		COMMON STOCK	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 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 28, 2016 AQUESTA FINANCIAL HOLDINGS, INC. DECLARED A 20-PERCENT STOCK DIVIDEND TO SHAREHOLDERS OF RECORD AS OF FEBRUARY 10, 2016, PAYABLE ON FEBRUARY 24, 2016.

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 2016.

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 ▶

8/15/17

Print your name ▶ Kristin Couch

Title ▶ CFO

Paid Preparer Use Only

Print/Type preparer's name <u>Nadine Creutz-Adams</u>	Preparer's signature <u>N. Creutz-Adams</u>	Date <u>8/14/2017</u>	Check <input type="checkbox"/> if self-employed	PTIN <u>P01525887</u>
Firm's name ▶ <u>Porter, Keadle, Moore, LLC</u>			Firm's EIN ▶	<u>58-1303048</u>
Firm's address ▶ <u>235 Peachtree St NE STE 1800 Atlanta, GA 30303</u>			Phone no.	<u>404-420-4200</u>