

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

**Part I Reporting Issuer**

1 Issuer's name <b>Bank of Santa Clarita</b>		2 Issuer's employer identification number (EIN) <b>20-1130205</b>	
3 Name of contact for additional information <b>Walter Purdy</b>	4 Telephone No. of contact <b>661-362-6039</b>	5 Email address of contact <b>wpurdy@bkofsc.com</b>	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact <b>23780 Magic Mountain Parkway</b>		7 City, town, or post office, state, and ZIP code of contact <b>Santa Clarita, CA 91355</b>	
8 Date of action <b>December 30, 2019</b>		9 Classification and description <b>Three-For-Two Split of Common Stock</b>	
10 CUSIP number <b>06424K100</b>	11 Serial number(s)	12 Ticker symbol <b>BSCA</b>	13 Account number(s)

**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 ▶ **A three-for-two stock split of the company's common stock completed in the form of a stock dividend. The stock dividend was distributed on December 30, 2019 to stockholders of record as of December 20, 2019. Cash was paid in lieu of any calculated resulting fractional shares, based on the closing price of the common stock on the OTC Pink on the date of record.**

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 stock split was a non-taxable transaction under Internal Revenue Code (IRC) Section 305(a) and, accordingly, a shareholder's basis shall be allocated under IRC Section 307(a). Under IRC 307(a) each shareholder will allocate the basis in shares owned prior to the stock split over those shares and the additional shares issued in the three-for-two stock split. As a result, a shareholder will multiply the basis in each share held before the stock split by 66.67% to determine the basis, after the stock split, in those shares and the additional shares distributed in the stock split. See the example below in # 16.**

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 ▶ **We caution that this is not tax advice, and is provided only as a reference. Investors should consult their tax advisor. A shareholder will multiply the basis in each share held prior to the stock split by 66.67% to determine the basis following the split, in those shares and the additional shares distributed in the stock split, except to the extent of any calculated fractional shares. The Bank did not issue fractional shares but paid the respective shareholder cash in lieu of such calculated fractional shares. The receipt of such cash paid in lieu of fractional shares should be treated as if the shareholder received the fractional shares as part of the stock distribution, and thereafter the Bank redeemed those fractional shares from the shareholder, consistent with Treas. Reg. 1.305-3(c)(2).**

**EXAMPLE:**

**Before the stock split: a shareholder holds 1,000 shares of Bank of Santa Clarita common stock with a basis of \$15.00 per share, and \$15,000.00 in total.**

**Following the stock split: that shareholder holds 1,500 shares of Bank of Santa Clarita common stock with a basis of \$10.00 per share, and \$15,000.00 in total.**

**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 Section 305(a) and IRC Section 307(a)**

Blank lined area for listing applicable Internal Revenue Code sections.

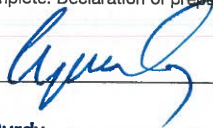
18 Can any resulting loss be recognized? ▶ **No loss can be recognized in connection with the three-for-two stock split completed in the form of a stock dividend.**

Blank lined area for providing information regarding loss recognition.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ **The reportable tax year is the tax year which includes December 31, 2019; therefore, a taxpayer would implement the adjustment in their respective tax year that includes December 31, 2019.**

Blank lined area for providing other necessary 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 ▶ 12/19/2019  
Print your name ▶ **Walter N Purdy** 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.			