



**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 STATEMENT](#)

Blank lines for listing Internal Revenue Code sections.

18 Can any resulting loss be recognized? ▶ [SEE STATEMENT](#)

Blank lines for indicating if a resulting loss can be recognized.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ [SEE STATEMENT](#)

Blank lines for providing other information necessary for the adjustment.

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 ▶ 12/18/2023 | 09:57:09 PST

Print your name ▶ James Park Title ▶ Chief Financial Officer

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	TESSA O'KEEFE		12/12/2023		P00850972
	Firm's name ▶ GRANT THORNTON LLP	Firm's EIN ▶ 36-6055558		Phone no. 213-627-1717	
	Firm's address ▶ 444 S. FLOWER STREET, SUITE 3100				

**Attachment to Form 8937  
Report of Organizational Actions Affecting Basis of Securities**

**Name:** Ontrak, Inc.  
**Address:** 333 S.E. 2<sup>nd</sup> Avenue, Suite 2000, Miami, FL 33131  
**EIN:** 88-0464853  
**Ticker:** OTRK  
**CUSIP:** Original CUSIP 683373104; CUSIP Post-Split 683373302  
**Classification:** Reverse Stock Split – Common Stock

**DISCLAIMER:** The information disclosed on this Form 8937 does not constitute tax advice and does not purport to take into account any note holder's specific circumstances.

**Part I, Line 10**

The CUSIP number changed from 683373104 to 683373302.

**Part II, Line 14**

Effective July 27, 2023, Ontrak, Inc. (the "Company") completed a 1-for-6 reverse stock split of the outstanding shares of its common stock (the "Reverse Stock Split"). Pursuant to the Reverse Stock Split, every 6 shares of issued and outstanding common stock automatically converted into 1 share of newly issued common stock. No fractional shares of common stock were issued in connection with the Reverse Stock Split. A shareholder who would have been entitled to a fractional share as a result of the Reverse Stock Split received the next rounded up whole share.

Shareholders of the Company's common stock that were part of the Reverse Stock Split should consult their tax advisors to determine the tax consequences.

**Part II, Line 15**

The Reverse Stock Split is intended to qualify as a recapitalization under section 368(a)(1)(E).

Because the Reverse Stock Split was a recapitalization under section 368(a)(1)(E), the aggregate tax basis in the common stock received pursuant to the Reverse Stock Split is equal to the aggregate tax basis in the common stock surrendered.

Upon the effective date of the Reverse Stock Split, every 6 shares of the common stock of the Company were converted to 1 share of common stock. As a result, shareholders are required to allocate the aggregate tax basis in their common stock held immediately prior to the Reverse Stock Split among the shares of common stock held immediately after the Reverse Stock Split.

Shareholders should consult a tax advisor regarding the allocation of basis of their shares of common stock held immediately prior to the Reverse Stock Split among their shares of common stock held immediately after the Reverse Stock Split.

**Part II, Line 16**

As described above, the aggregate tax basis in the common stock received pursuant to the Reverse Stock Split is equal to the aggregate tax basis in the common stock surrendered.

Pursuant to section 358 and regulations thereunder, shareholders are required to allocate the aggregate tax basis in their common stock held immediately prior to the Reverse Stock Split among the shares of common stock held immediately after the Reverse Stock Split.

Pursuant to Treas. Reg. § 1.358-2, the basis of the shares of common stock held immediately prior to the Reverse Stock Split must be allocated to the shares of common stock (or allocable portions thereof) held immediately after the Reverse Stock Split in a manner that reflects, to the greatest extent possible, that a share of common stock was received in respect of shares of common stock that were acquired on the same date and at the same price.

To the extent it is not possible to allocate basis in this manner, the basis of the shares of common stock surrendered must be allocated to the shares of common stock (or allocable portions thereof) received in a manner that minimizes the disparity in the holding periods of the surrendered shares of common stock whose basis is allocated to any particular share of common stock received.

If a share of stock was received in exchange for, or with respect to, more than one share of stock and such shares were acquired on different dates or at different prices, the share of stock received must be divided into segments based on the relative fair market values of the shares of stock surrendered in exchange for such share, in a manner consistent with the formula provided in the Treasury Regulations.

Shareholders should consult a tax advisor regarding the allocation of basis of their shares of common stock held immediately prior to the Reverse Stock Split among their shares of common stock held immediately after the Reverse Stock Split.

**Part II, Line 17**

Sections 354, 356, 358, and 368.

**Part II, Line 18**

The Reverse Stock Split did not generally result in a loss to the holders of the Company's common stock.

Shareholders that were part of the Reverse Stock Split should consult a tax advisor to determine the tax consequences.

**Part II, Line 19**

The reportable year in which the Reverse Stock Split occurred is 2023.

This information is being provided pursuant to section 6045B of the Internal Revenue Code. The tax information contained herein is provided for informational purposes only and should not be construed as legal or tax advice. The Company does not provide legal or tax advice to shareholders. This material and any tax-related statements are not intended or written to be used, and cannot be used or relied upon, by any shareholder for the purpose of avoiding tax penalties. Please consult an attorney or tax professional for assistance as to how this information will impact your specific tax situation.