

Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-0123

► See separate instructions.

Part I Reporting Issuer

1 Issuer's name AKHIOK-KAGUYAK, INC. & SUBSIDIARIES		2 Issuer's employer identification number (EIN) 92-0079487	
3 Name of contact for additional information Mona Eben	4 Telephone No. of contact 907-258-0604	5 Email address of contact mona.eben@aki-kodiak.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 1400 W. BENSON BLVD STE 425		7 City, town, or post office, state, and ZIP code of contact ANCHORAGE, AK 99503	
8 Date of action 06/26/17 and 11/20/17		9 Classification and description All common stock (includes settlement and elder stock classes)	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	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 ► **On June 26, 2017 and November 20, 2017 Akhiok-Kaguyak, Inc. Shareholders Permanent Fund (AKISPF) paid cash dividends to all Akhiok-Kaguyak, Inc. (AKI) issued and outstanding classes of stock identified in Part I. Per share dividends of \$6.52 and \$22.07 were paid on June 26, 2017 and November 20, 2017, respectively.**

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 ► **Shareholders of AKI common stock on June 26, 2017 and November 20, 2017 should reduce their basis in those shares by \$6.52/share and \$22.07/share, respectively.**

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 ► **AKI has no accumulated Earnings and Profits as described in Section 316(a)(1) of the Internal Revenue Code. In addition, AKI estimates that it will have no Earnings and Profits for the 2017 taxable year. Accordingly, AKI believes the per share distributions of \$6.52 on June 26, 2017 and \$22.07 on November 20, 2017 are not taxable dividends and shareholders of AKI on the dates of those distributions must therefore reduce their basis in those shares.**

AKI stock is not traded on a publicly traded stock exchange. There is not an active market to value the stock of the corporation.

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 316(a).

18 Can any resulting loss be recognized? ▶ Not applicable.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ Items disclosed on this form affect the 2017 taxable year. The calculation of 2017 Earnings and Profits is based on estimates since the actual amounts are not available prior to the filing/reporting deadline of this form. Should Earnings and Profits for the 2017 taxable year exceed \$0, AKI will file/post a corrected form.

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 ▶

01/15/18

Print your name ▶ Michael Bradshaw

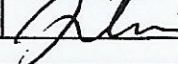
Title ▶ President/CEO

Paid Preparer Use Only

Print/Type preparer's name

Gregory D. Morris

Preparer's signature



Date

01/15/18

Check ☐ if self-employed

PTIN

P00729802

Firm's name ▶ G.D. Morris, Inc.

Firm's EIN ▶

76-0702672

Firm's address ▶ 3401 Denali St Ste 204 Anchorage AK 99503

Phone no.

907-279-5179

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