

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶
SECTIONS 301, 302 AND 316

18 Can any resulting loss be recognized? ▶ SEE ATTACHED STATEMENT

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

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 ▶ *[Handwritten Signature]* Date ▶ 10/11/2013
Print your name ▶ BAS Bruks Title ▶ CFO

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	CASSIE A. HARTOGS	<i>Cassie Hartogs</i>	10/10/13		P00086046
	Firm's name ▶ BDO USA, LLP	Firm's address ▶ 8405 GREENSBORO DR, 7TH FLOOR, MCLEAN, VA 20191		Firm's EIN ▶ 13-5381590	Phone no. 703-893-0600

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QUESTION 14:

THE ABOVE NAMED ISSUER REDEEMED FOR CASH SHARES OF COMMON STOCK, SERIES A PREFERRED STOCK, SERIES B PREFERRED STOCK, AND SERIES C PREFERRED STOCK ON SEPTEMBER 03, 2013 AND OCTOBER 11, 2013.

QUESTION 15:

UNDER INTERNAL REVENUE CODE SECTION 302, PROCEEDS RECEIVED UPON THE REDEMPTION OF STOCK MAY BE TREATED AS EITHER A PAYMENT IN EXCHANGE FOR THE STOCK OR AS A CASH DISTRIBUTION WITH RESPECT TO ALL OF THE SHAREHOLDER'S SHARE HOLDINGS UNDER SECTION 301. IF THE PROCEEDS ARE TREATED AS A DISTRIBUTION, THEN PURSUANT TO INTERNAL REVENUE CODE SECTION 316 THE AMOUNT WILL BE TREATED AS A DIVIDEND TO THE EXTENT OF THE ISSUER'S ACCUMULATED EARNINGS AND PROFITS AS OF JANUARY 1, 2013 AND THE CURRENT EARNINGS AND PROFITS FOR THE YEAR ENDED DECEMBER 31, 2013. PURSUANT TO SECTION 301 ANY AMOUNT NOT TREATED AS A DIVIDEND WILL BE TREATED AS A RETURN OF CAPITAL, WHICH WILL REDUCE THE SHAREHOLDER'S BASIS IN THEIR SHARES, AND TO THE EXTENT THE DISTRIBUTION EXCEEDS THE SHAREHOLDERS BASIS ANY REMAINING AMOUNT WILL BE TREATED AS GAIN FROM THE SALE OF THE STOCK.

THE DETERMINATION AS TO WHETHER ANY INDIVIDUAL SHAREHOLDER'S REDEMPTION PROCEEDS WILL BE TREATED AS A SALE OR EXCHANGE OR A DISTRIBUTION UNDER SECTION 302 IS MADE AT THE SHAREHOLDER LEVEL. EACH SHAREHOLDER SHOULD CONSULT THEIR TAX ADVISOR TO DETERMINE THE APPROPRIATE CLASSIFICATION OF THIS TRANSACTION.

THE ISSUER IS NOT YET ABLE TO CALCULATE EARNINGS AND PROFITS FOR 2013. FOR ANY SHAREHOLDER THAT PURSUANT TO SECTION 302 IS TREATED AS RECEIVING A DISTRIBUTION UNDER SECTION 301, THE AMOUNT THAT WILL CONSTITUTE A DIVIDEND AND THE AMOUNT THAT WILL CONSTITUTE A RETURN OF BASIS CANNOT YET BE DETERMINED.

THE CASH PROCEEDS RECEIVED PER SHARE WERE AS FOLLOWS:

- 3,568,777 SHARES OF THE COMPANY'S OUTSTANDING COMMON STOCK, COMMON STOCK ISSUABLE PURSUANT TO OPTIONS TO PURCHASE SHARES OF THE COMPANY'S COMMON STOCK WHICH ARE VESTED AS OF AUGUST 30, 2013 (THE "COMMON SHARES") AT A REPURCHASE PRICE OF \$3.24675 PER SHARE (THE "COMMON REPURCHASE PRICE"); PROVIDED THAT THE OPTIONS (TO THE EXTENT EXERCISABLE) FOR ANY TENDERED SHARES OF COMMON STOCK ISSUABLE UPON THE EXERCISE OF OUTSTANDING AND VESTED OPTIONS SHALL BE EXERCISED PRIOR TO THE COMMENCEMENT OF THE REPURCHASE ("OPTION SHARES"); AND

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- 8,987,772 SHARES OF THE COMPANY’S OUTSTANDING PREFERRED STOCK AND SHARES OF PREFERRED STOCK ISSUABLE UPON EXERCISE OF OUTSTANDING WARRANTS TO PURCHASE PREFERRED STOCK (THE “PREFERRED SHARES” AND TOGETHER WITH THE COMMON SHARES, THE “ELIGIBLE SHARES”) AT A REPURCHASE PRICE OF:
- \$4.303753 PER SERIES A SHARE, PLUS ACCRUED DIVIDENDS OF \$0.590726 PER SHARE FOR THOSE SHARES ISSUED ON JANUARY 18, 2006, FOR A TOTAL PRICE OF \$4.894479 PER SERIES A SHARE FOR SHARES ISSUED ON SUCH DATE;
- \$4.499637 PER SERIES B SHARE, PLUS ACCRUED DIVIDENDS OF \$0.588471 PER SHARE FOR THOSE SHARES ISSUED ON JANUARY 22, 2007, FOR A TOTAL PRICE OF \$5.088108 PER SERIES B SHARE FOR SHARES ISSUED ON SUCH DATE; AND
- \$4.969196 PER SERIES C SHARE, PLUS ACCRUED DIVIDENDS OF (I) \$0.595119 PER SHARE FOR THOSE SHARES ISSUED ON JULY 28, 2008, FOR A TOTAL PRICE OF \$5.564316 PER SERIES C SHARE FOR SHARES ISSUED ON SUCH DATE, AND (II) \$0.37471 PER SHARE FOR THOSE SHARES ISSUED ON APRIL 15, 2010, FOR A TOTAL PRICE OF \$5.343906 FOR SHARES ISSUED ON SUCH DATE (EACH A, “PREFERRED REPURCHASE PRICE”); PROVIDED THAT THE WARRANTS FOR ANY TENDERED SHARES OF PREFERRED STOCK ISSUABLE UPON THE EXERCISE OF OUTSTANDING WARRANTS TO PURCHASE PREFERRED STOCK SHALL BE EXERCISED PRIOR TO THE COMMENCEMENT OF THE REPURCHASE AND SHALL NOT INCLUDE ACCRUED DIVIDENDS IN THE REPURCHASE PRICE (“WARRANT SHARES”).

QUESTION 16:

AS DISCUSSED UNDER QUESTION 15, THE CALCULATION OF THE CHANGE IN BASIS DEPENDS ON THE CLASSIFICATION OF THE REDEMPTION PROCEEDS UNDER SECTION 302. FOR SHAREHOLDERS TREATED AS RECEIVING THE PROCEEDS AS PAYMENT IN EXCHANGE FOR THE SHARES REDEEMED, ALL OF THE SHAREHOLDERS’ BASIS IN THE REDEEMED SHARES WILL BE APPLIED AGAINST THE REDEMPTION PROCEEDS. FOR SHAREHOLDERS TREATED AS RECEIVING A DISTRIBUTION UNDER SECTION 301, THE AMOUNT IN EXCESS OF THE AMOUNT TREATED AS DIVIDENDS WILL BE A REDUCTION TO BASIS, WITH ANY EXCESS TREATED AS CAPITAL GAIN.

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QUESTION 18:

FOR A SHAREHOLDER WHO IS TREATED UNDER SECTION 302 AS RECEIVING THE PROCEEDS IN EXCHANGE FOR THEIR SHARES, THEN A LOSS CAN GENERALLY BE RECOGNIZED.

FOR A SHAREHOLDER WHO IS TREATED UNDER SECTION 302 AS RECEIVING A DISTRIBUTION UNDER SECTION 301, THEN A LOSS CANNOT BE RECOGNIZED.