

**Report of Organizational Actions
Affecting Basis of Securities**

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name Nicolet Bankshares, Inc. as successor in interest to Mid-Wisconsin Financial Services, Inc.		2 Issuer's employer identification number (EIN) 47-0871001	
3 Name of contact for additional information Nicolet Bankshares, Inc.	4 Telephone No. of contact 920-430-1400	5 Email address of contact www.nicoletbank.com - click the contact us link	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 111 N Washington Street		7 City, town, or post office, state, and Zip code of contact Green Bay, WI 54301	
8 Date of action 04/26/2013	9 Classification and description Mid-Wisconsin Financial Services, Inc. Common Stock		
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 April 26, 2013, Nicolet Bankshares, Inc. (Nicolet) acquired Mid-Wisconsin Financial Services, Inc. (Mid-Wisconsin), EIN: 39-1169935, in a statutory merger that is being treated as a reorganization within the meaning of Section 368(a)(1)(A) of the Internal Revenue Code. Pursuant to the terms of the merger, the Mid-Wisconsin shareholders exchanged each share of their Mid-Wisconsin common stock for .3727 shares of Nicolet common stock. Shareholders received cash in lieu of fractional shares based on a per share price of \$16.50 for the Nicolet common stock. Mid-Wisconsin shareholders holding 200 or fewer shares of Mid-Wisconsin common stock received \$6.15 in cash for their shares. Any Mid-Wisconsin shareholder exercising dissenters rights received cash at an agreed upon fair value.**

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 aggregate tax basis of the Nicolet shares received will equal the aggregate tax basis of the Mid-Wisconsin shares exchanged (not counting the basis of any shares allocated to the receipt of fractional Nicolet shares). Mid-Wisconsin shareholders who received cash in lieu of fractional shares of Nicolet stock will be treated as having received the fractional share in the merger and then as having exchanged the fractional share for cash. These holders will generally recognize gain or loss equal to the difference between the tax basis allocated to the fractional shares and the amount of cash received. Mid-Wisconsin shareholders who received cash for their shares as a result of holding 200 or fewer shares or exercise of dissenters rights will generally recognize gain or loss equal to the difference between the tax basis of their Mid-Wisconsin shares and the cash received.**

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 per share fair market value of Nicolet common stock and Mid-Wisconsin was \$16.50 and \$6.15 respectively, as confirmed by a fairness opinion dated November 28, 2012 prepared for the Mid-Wisconsin board of directors by an outside, independent advisor.**

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 354(a), 356(a), 358(a), 368(a) and 1001.

18 Can any resulting loss be recognized? ▶ **No loss may be recognized by the Mid-Wisconsin shareholders receiving Nicolet common stock, except that any loss on the receipt of cash in lieu of a fractional share of Nicolet may be recognized. Mid-Wisconsin shareholders receiving cash due to holding 200 or fewer Mid-Wisconsin common shares or due to exercising dissenters rights may recognize a loss.**

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ **The reportable year is 2013. Each Mid-Wisconsin shareholder should consult his, hers or its tax advisor as to the personal implications of the receipt of Nicolet common stock and any cash received as a result of holding 200 or fewer shares, of exercising dissenters rights or of receiving cash in lieu of fractional shares.**

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 ▶ _____

Print your name ▶ **Signed copy maintained by the issuer** Title ▶ _____

Paid Preparer Use Only	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.