

# Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

## Part I Reporting Issuer

1 Issuer's name <b>United Security Bancshares</b>		2 Issuer's employer identification number (EIN) <b>91-2112732</b>	
3 Name of contact for additional information <b>Ken Donahue</b>	4 Telephone No. of contact <b>559-248-4943</b>	5 Email address of contact <b>kdonahue@unitedsecuritybank.com</b>	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact <b>2126 Inyo Street</b>		7 City, town, or post office, state, and Zip code of contact <b>Fresno, CA 93721</b>	
8 Date of action <b>03/24/15</b>		9 Classification and description <b>Common stock</b>	
10 CUSIP number <b>911460103</b>	11 Serial number(s)	12 Ticker symbol <b>UBFO</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 ▶

**On March 24, 2015, the Reporting Issuer's Board of Directors declared stock dividend, payable to shareholders of record as of April 6, 2015 and issued on April 17, 2015.**

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 dividend equates to an annualized distribution rate of 1% or .01 of a share for each share held.**

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 basis of each share of stock is reduced by .990099, or 1/1.01.**

**Part II Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ \_\_\_\_\_

Internal Revenue Code (IRC) section 305(a), 307(a)

18 Can any resulting loss be recognized? ▶ N/A

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ \_\_\_\_\_

The public offering price of the stock at the time of the distribution was \$ 5.13 as adjusted for all subsequent actions.)

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 ▶ Ken Donahue Title ▶ EVP & CAO

<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.