## (December 2011)

Department of the Treasury

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

▶ See separate instructions.

OMB No. 1545-2224

Internal Revenue Service Part I Reporting Issuer 2 Issuer's employer identification number (EIN) 1 Issuer's name ARCA biopharma, Inc. 36-3855489 5 Email address of contact 3 Name of contact for additional information 4 Telephone No. of contact brian.selby@arcabiopharma.com Brian Selby (720) 940-2122 6 Number and street (or P.O. box if mail is not delivered to street address) of contact 7 City, town, or post office, state, and Zip code of contact 11080 CirclePoint Rd. #140 Westminster, CO 80020 8 Date of action 9 Classification and description 9/3/2015 Common Stock \$0.001 par value 10 CUSIP number 11 Serial number(s) 12 Ticker symbol 13 Account number(s) 00211Y407 ABIO Organizational Action Attach additional statements if needed. See back of form for additional questions. Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action F Effective September 3, 2015, ARCA biopharma, Inc. completed a seven (7) for one (1) reverse stock split of its common stock. 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 ▶ Upon effectiveness of the reverse stock split, every seven (7) shares of ABIO issued and outstanding common stock converted automatically into one (1) issued and outstanding share of common stock, without any change in the par value per share. No fractional shares were issued in the reverse stock split. Stockholders who would otherwise receive a fractional share received a cash payment in lieu of such fractional share. As a result of the reverse stock split, ARCA stockholders will be required to allocate the aggregate tax basis in their ARCA common stock held immediately prior to the reverse stock split among the shares of ARCA common stock held immediately after the reverse stock split, including any fractional share interest in ARCA common stock for which cash is received. In general, a stockholder's aggregate tax basis in his or her shares of ARCA common stock held immediately prior to the reverse stock split should be allocated in proporation to the reduced number of shares of the ARCA common stock under IRC Section 358. 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 common stock held by a stockholder after the reverse stock split is seven (7) times greater than the basis amount before the reverse stock split.

Part I		Organizational Action (continued)	SPE-2-17-1	i ugo 🛋
		applicable Internal Revenue Code section(s) and subsection(s) upon which the tax	x treatment is based ▶	► IRC Section 358(b)(1)
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for any	cash	y resulting loss be recognized? ► The seven (7) for one (1) reverse stock split h received for fractional shares. Shareholders should consult their tax advisor to their individual facts and circumstances for the tax year 2015.		
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<b>19</b> Pr	ovide	e any other information necessary to implement the adjustment, such as the report	able tax year ▶ Share	eholders should consult their
tax advisor to determine the tax impact of this transaction with respect to their individual facts and circumstances for tax year 2015.				
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		er penalties of perjury, I declare that I have examined this return, including accompanying sci of, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all in		
Sign		(B- 9 1.11	0 3	2.3015
Here	Signa	ature Min h. Alloy	_ Date ▶	3-2015
	Print	your name ▶ Brian L. Selby	Title ► Vice Pres	sident, Finance
Paid		Print/Type preparer's name Preparer's signature	Date	Check if PTIN
Prepa				self-employed
Use C	nly			Firm's EIN ▶
Send Fo	rm 89	Firm's address ► 937 (including accompanying statements) to: Department of the Treasury, Internal	Revenue Service. Oa	Phone no. den, UT 84201-0054