

Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-2224

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
SG BLOCKS, INC.		95-4463937	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
INVESTOR RELATIONS	(646) 240-4235	info@sgblocks.com	
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	
195 MONTAGUE STREET, 14TH FLOOR		BROOKLYN, NY 11201	
8 Date of action		9 Classification and description	
FEBRUARY 28, 2017		1:3 REVERSE STOCK SPLIT (PREFERRED STOCK)	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
78418A 307		SGBX	

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 February 2, 2017, our Board of Directors authorized a reverse stock split of our preferred stock by a ratio of one-for-three (1:3) such that every three (3) shares of issued and outstanding shares of preferred stock were converted into one (1) share of common stock (the "Reverse Stock Split"). Fractional shares were not issued. Instead, we issued a full share of post-Reverse Stock Split preferred stock to any stockholder who would have been entitled to receive a fractional share of preferred stock as a result of the Reverse Stock Split. The Reverse Stock Split became effective on February 28, 2017.

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 Reverse Stock Split described on Line 14, above, should constitute a "recapitalization" for U.S. federal income tax purposes. As a result of the Reverse Stock Split, stockholders should allocate their aggregate tax basis in their pre-split shares exchanged among their post-split shares received. In general, a stockholder's aggregate tax basis in such stockholder's post-split shares received should be equal to the stockholder's aggregate tax basis in such stockholder's pre-split shares exchanged.

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 ▶ See line 15, above. There should be no change to each stockholder's aggregate tax basis in their shares of SG Blocks, Inc. preferred stock as a result of the Reverse Stock Split.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► The Reverse Stock Split is intended to qualify as a reorganization under Section 368(a)(1)(E) of the Internal Revenue Code of 1986, as amended (the "Code"). Under Code Section 358, a stockholder's aggregate tax basis in the post-split shares received pursuant to the Reverse Stock Split should be equal to the stockholder's aggregate tax basis in the pre-split shares exchanged.

18 Can any resulting loss be recognized? ► No loss may be recognized by a stockholder upon the receipt of post-split shares in exchange for pre-split shares pursuant to the Reverse Stock Split. Stockholders should consult their own tax advisors with respect to the potential tax consequences to them of the Reverse Stock Split.

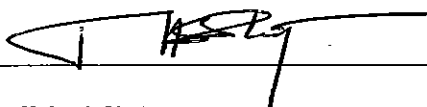
19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ► The adjustment to basis should be taken into account in the tax year during which the Reverse Stock Split was effective.

The tax treatment of a stockholder may vary depending upon the particular facts and circumstances of the stockholder. Each stockholder is urged to consult with the stockholder's own tax advisor with respect to the consequences of the Reverse Stock Split.

Sign
Here

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.

Signature ►



Date ► July 18, 2017

Print your name ► Mahesh Shetty

Title ► CFO

Paid
Preparer
Use Only

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if
self-employed

PTIN

Firm's name ►

Firm's EIN ►

Firm's address ►

Phone no.