(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) Issuer's name **United Security Bancshares** 91-2112732 3 Name of contact for additional information 4 Telephone No. of contact 5 Email address of contact Ken Donahue 559-248-4943 kdonahue@unitedsecuritybank.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 Fresno, CA 93721 2126 Inyo Street 8 Date of action 9 Classification and description 12/16/14 Common stock 10 CUSIP number 11 Serial number(s) 12 Ticker symbol 13 Account number(s) **UBFO** 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 On June 23, 2015, the Reporting Issuer's Board of Directors declared stock dividend, payable to shareholders of record as of July 6, 2015 and issued on July 17, 2015. 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 15 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. 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	Ш	Organizational Action (continued)			, <u> </u>
17	List the	applicable Internal Revenue Code section	(s) and subsection(s) upon which t	the tax treatment is based I	·
Intern	al Rev	enue Code (IRC) section 305(a), 307(a)			
18	Can an	y resulting loss be recognized? ► N/A			
San any resulting loss be recognized:					
19	Provide	e any other information necessary to impler	nent the adjustment, such as the	reportable tax year ►	
			, , , , , , , , , , , , , , , , , , ,		
The p	ublic o	ffering price of the stock at the time of the	ne distribution was \$5.10 as adju	usted for all subsequent a	actions.)
		er penalties of perjury, I declare that I have exam			
C:		elief, 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	.				
Here	Sign	ature ▶		Date ►	
	5	Von Donahus		THE EVEN O	^
<u></u>		your name ► Ken Donahue Print/Type preparer's name	Preparer's signature	Title ► EVP & C.	PTIN
Paid		Stock of the state			Check if self-employed
	oarer	Firm's name	1	I	Firm's EIN ▶
use	Only	Firm's address ►			Phone no.
Send I	Form 8	3937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054			