Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-0123

Department of the Tre Internal Revenue Serv	easury vice			► See separate instructions.			
	porting	Issuer		·			
1 Issuer's name	е				2 Issuer's employer id	lentification number (EIN)	
Star Equity Holdi	ings. Inc.				33-0	145723	
			4 Telephor	ne No. of contact		5 Email address of contact	
The Faulty Case	-			212-836-9611			
The Equity Group 6 Number and		P.O. box if mail is not	delivered to	street address) of contact		lcati@equityny.com 7 City, town, or post office, state, and ZIP code of contact	
52 F	. 101			·	Old Greenwich, CT 0687		
53 Forest Ave, St			Old Greenwich, C1 068/	Old Greenwich, C1 00070			
b Date of action							
12/31/21 Return of Capital							
10 CUSIP numb	er	11 Serial number((s)	12 Ticker symbol	13 Account number(s)		
85513Q103	3	N/A		STRR	N	I/A	
Part II Org	ganizati	onal Action Attac	ch additiona	statements if needed. S	ee back of form for additional	questions.	
14 Describe th	e organiza	tional action and, if a	applicable, the	e date of the action or the da	ate against which shareholders' ov	wnership is measured for	
the action	On Jun	e 1, 2021, the issuer of	declared a cas	sh dividend totaling \$0.25 pe	er share of 10% Series A Cumulati	ive Preferred Stock.	
					% Series A Cumulative preferred		
					% Series A Cumulative Preferred		
					ofits and expects 100% of the cash		
to be a return of		deficit in both carre	int year arra as	ceamatatea earnings and pro	onto and expects 100% of the easi.	distributions	
to be a retain of	cupitui.						
15 Describe th	e quantita	tive effect of the ora	anizational ac	tion on the basis of the secu	rity in the hands of a U.S. taxpaye	er as an adjustment per	
					t and accumulated earnings and p		
					profits, 100% of the distributions a		
1			asis to the ext	ent thereof and any portion	of the distributions in excess of sl	nareholder basis will be a	
capital gain to the	e sharehol	der.					
16 Describe th	e calculati	on of the change in b	pasis and the	data that supports the calcu	lation, such as the market values	of securities and the	
					arnings and profits was performe		
		•					
			-		nstituted a dividend and the port		
a non-taxable ret	urn of cap	oital. The result of th	ie analysis wa	s that 100% of the distribution	ons constituted a non-taxable retu	ırn of capital	

Part I	T (Organizational Action (continued	٨)		
rare		organizational Addor (continued	4)		
17 Li	ct tha	applicable Internal Revenue Code section	an(s) and subsection(s) upon w	high the tay treatment is I	paged N
			on(s) and subsection(s) upon w	The tax treatment is i	Jaseu 🕨
§301(c)	ana §	316(a)			
40 0		resulting loss be recognized? ► The r	aturn of capital par chara radi	icas anch sharahaldar's ta	w basis in the issuar's shares hald on
		stribution. Upon sale or exchange of alusted tax basis.	for a portion of such shares,	the snareholder's resultin	g gain or loss will be determined
using ti	ie auju	isted tax basis.			
19 Pr	rovide	any other information necessary to imple	ement the adjustment, such as	the reportable tax year	•
		e tax year of the distributions is 2021.			
1099.	Ortabi	e tax year of the distributions is 2021.	Actual Teturn of Capital per sil	are will be reflected off th	ne taxpayer 8 2021 Porm
1077.					
		r penalties of perjury, I declare that I have ex , it is true, correct, and complete. Declaration			tements, and to the best of my knowledge and ch preparer has any knowledge.
Sian		,			pp
Sign Here					1/14/2022
пеге	Signa	ture ► /s/ David J. Noble		Date ►	
	_	David J. Noble			CFO
	Print	your name ►	Preparer's signature	Title ► Date	OL L D : PTIN
Paid		Print/Type preparer's name	i reparer a aignature	Date	Check I if
Prepa					self-employed
Use C	Only	Firm's name ▶			Firm's EIN ►
		Firm's address ▶			Phone no.
Send Fo	orm 89	337 (including accompanying statements) to: Department of the Treasu	ry, Internal Revenue Servi	ce, Ogden, UT 84201-0054