



**Part II** Organizational Action *(continued)*

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

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18 Can any resulting loss be recognized? ▶  
**SEE ATTACHMENT**

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19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶  
**SEE ATTACHMENT**

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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 ▶ 7-22-25

Print your name ▶ **ADOM GREENLAND** Title ▶ **CFO**

**Paid Preparer Use Only**

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
JENNIFER M. SANDERS, CPA		7/22/2025		P00365585
Firm's name ▶	Firm's address ▶		Firm's EIN ▶	Phone no.
FORVIS MAZARS, LLP	101 S. FIFTH STREET, SUITE 3800, LOUISVILLE, KY 40202		44-0160260	502-581-0435

ChoiceOne Financial Services, Inc.  
Attachment to Form 8937  
EIN: 38-2659066  
Report of Organizational Actions  
Affecting Basis of Securities

**Part II, Box 14:**

Effective March 1, 2025, pursuant to the Agreement and Plan of Merger (“Merger Agreement”), dated as of July 25, 2024, by and between ChoiceOne Financial Services, Inc. (“COFS”) and Fentura Financial, Inc. (“FETM”), FETM was merged with and into COFS, with COFS continuing as the surviving corporation in the merger (the “Merger”).

As a result of the Merger, each share of FETM common stock outstanding was immediately converted into the right to receive 1.35 shares of COFS common stock, plus cash in lieu of any fractional shares. Following the exchange of each share of FETM common stock owned by the FETM Employee Deferred Compensation and Stock Ownership Plan (the “Fentura Retirement Plan”), COFS redeemed the shares of COFS common stock owned by the FETM Retirement Plan for cash in an amount equal to the number of such shares of COFS common stock multiplied by the Average Purchaser Closing Price as defined in the Merger Agreement.

**Part II, Box 15:**

The Merger qualifies as a tax-free reorganization within the meaning of Section 368(a) of the Internal Revenue Code.

The receipt by a FETM shareholder of COFS common stock in exchange for FETM common stock in the Merger experiences the following:

- The aggregate tax basis in the FETM common shares immediately before the exchange should be allocated proportionately to the 1.35 COFS common shares received in the exchange. The quantitative effect is  $1/1.35 = .7407$  of the tax basis in each whole FETM share is allocated to each whole COFS share. Generally, the tax basis is allocated to individual COFS shares received on a block-by-block basis. Since a whole number of COFS shares were not issued in exchange for each FETM share, this could result in a single share of COFS stock having a split tax basis and a split holding period.
- FETM shareholders who receive cash in lieu of a fractional share of COFS common stock are, for purposes of determining the taxability of that cash, deemed to have received the fractional share in the exchange and then as having sold the fractional share for cash. These FETM shareholders will generally recognize a taxable gain or loss equal to the difference between the tax basis of the common shares deemed to have been exchanged for the fractional share and the amount of cash received.

**Part II, Box 16:**

Refer to the description of the basis calculation in Part II, Box 15 above. The closing price of a single share of COFS common stock on the NASDAQ stock exchange was \$31.79 on February 28, 2025.

ChoiceOne Financial Services, Inc.  
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**Part II, Box 17:**

The Merger was structured to qualify as a tax-free reorganization within the meaning of Section 368(a) of the Internal Revenue Code. In general, the income tax consequences to the shareholders are determined under Internal Revenue Code sections 354, 356, 358, 368.

**Part II, Box 18:**

In general, no loss may be recognized by a FETM shareholder receiving COFS common stock, except any loss on the receipt of cash in lieu of fractional share of COFS stock may be recognized if the amount of cash received is less than the basis in fractional share, as applicable.

**Part II: Box 19:**

In general, any adjustment to the tax basis that causes gain or loss recognized by the FETM shareholder as result of the completion of the Merger should be reported for the taxable year which includes March 1, 2025. A calendar year shareholder would report the transaction on a 2025 income tax return. The holding period of COFS common stock received in exchange for shares of FETM common stock will include the holding period of the FETM common stock for which it is exchanged. A holder of FETM common stock who received cash in lieu of fractional share of COFS common stock will generally be treated as having received the fractional share pursuant to the merger and then having sold the fractional share of common stock for cash.

The information in this form does not constitute tax advice and each holder of FETM common stock is urged to consult its tax advisor with respect to the application of United States federal income tax laws to the holder's particular situation.