



**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.

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

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

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 ▶ *John Granato* Date ▶ June 5, 2023

<b>Paid Preparer Use Only</b>	Print your name ▶ JOHN GRANATO		Title ▶ EVP & CHIEF FINANCIAL OFFICER		
	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	ELLEN HARLES	<i>Ellen Harles</i>	6/5/2023		P01074257
	Firm's name ▶ ANDERSEN TAX LLC	Firm's address ▶ 1717 ARCH STREET, SUITE 3730, PHILADELPHIA, PA 19103		Firm's EIN ▶	33-1197384
			Phone no.	267-443-6440	

**FXI HOLDINGS, INC.**

**EIN: 26-4233887**

**ATTACHMENT TO IRS FORM 8937**

**REPORT OF ORGANIZATIONAL ACTIONS AFFECTING BASIS OF SECURITIES**

**The information herein does not constitute tax advice and does not purport to be complete or to describe the consequences that may apply to particular categories of holders. Each holder is advised to consult his or her tax advisor regarding the tax treatment of the debt exchange.**

**Part I, Lines 9 and 10: Classification and description; CUSIP number**

<b><u>Issuer</u></b>	<b><u>Title of Notes Tendered</u></b>	<b><u>Maturity Date</u></b>	<b><u>CUSIP Number</u></b>
FXI Holdings Inc.	7.875% Senior Secured Notes due 2024	November 1, 2024	Rule 144A: 36120R AA7
FXI Holdings Inc	7.875% Senior Secured Notes due 2024	November 1, 2024	Reg. S: U36251 AA1
FXI Holdings Inc.	7.875% Senior Secured Notes due 2024	November 1, 2024	IAI: 36120R AB5

**Part I, Line 14: Describe the organization action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action**

On April 3, 2023, FXI Holdings, Inc. ("FXI") offered to exchange any and all of its 7.875% Senior Secured Notes due 2024 (the "Existing 2024 Notes") for new 12.250% Senior Secured Notes due 2026 issued by FXI (the "New 2026 Notes") and cash (such offer to exchange, the "Exchange Offer," and the exchange occurring pursuant to such Exchange Offer, the "Debt Exchange"), in each case upon the terms and subject to the conditions set forth in the Offering Memorandum dated April 3, 2023 (as amended or supplemented through the date of action listed herein, the "Offering Memorandum").

FXI intends to treat the exchange of the Existing 2024 Notes as a refinancing which constitutes a significant modification within the meaning of Treas. Reg. § 1.1001-3.<sup>1</sup>

Holders are encouraged to consult their tax advisor and carefully read the Offering Memorandum, noting especially the discussion under the heading "Certain U.S. Federal Income Tax Considerations."

**Part II, Line 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.**

*Consequences of the Exchange Offer.*

The exchange of Existing 2024 Notes for New 2026 Notes pursuant to the Exchange Offer will constitute a disposition of such Existing 2024 Notes for U.S. federal income tax purposes, which will be taxable, unless treated as a recapitalization, as a result of the significant modification of the Existing 2024 Notes within the meaning of Treas. Reg. § 1.1001-3.

<sup>1</sup> All section references refer to the Internal Revenue Code of 1986, as amended, unless otherwise indicated. "Treas. Reg. §" references refer to the Treasury regulations issued with regards to the Internal Revenue Code.

*Taxable Exchange Treatment.*

To the extent that the exchange of the Existing 2024 Notes for New 2026 Notes is treated as a taxable exchange under Section 1001, a holder will generally recognize gain or loss in an amount equal to the difference between (i) the sum of (A) the amount of cash received plus (B) the issue price of such New 2026 Notes as determined for U.S. federal income tax purposes and (ii) such holder's adjusted tax basis in such Existing 2024 Notes. A holder's adjusted tax basis in an Existing 2024 Note generally would equal the holder's initial cost of the Existing 2024 Note, increased by any market discount previously included in income by the holder (including in the year of the exchange), and decreased by the amount of any bond premium previously amortized by the holder.

The "issue price" of the New 2026 Notes will be reported separately by FXI pursuant to Treas. Reg. § 1.1273-2(f)(9).

*Treatment as Recapitalization.*

To the extent that the exchange of the Existing 2024 Notes for New 2026 Notes is treated as a recapitalization within the meaning of Section 368(a)(1)(E), a holder that would recognize any gain (but not loss) realized on the exchange in an amount equal to the lesser of: (i) any gain realized in the exchange in respect of the Existing 2024 Notes (determined as described above under "Taxable Exchange Treatment"); or (ii) the amount of cash treated as received in the exchange (excluding any portion allocable to attributable to accrued but unpaid interest on the Existing 2024 Notes).

FXI intends to treat the Existing 2024 Notes as securities within the meaning of Section 354, and as such the appropriate tax treatment should be a recapitalization. Holders should consult their tax advisors regarding the U.S. federal income tax characterization of the exchange of Existing 2024 Notes for New 2026 Notes pursuant to the Exchange Offer.

**Part II, Line 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.**

*Taxable Exchange Treatment.*

To the extent that the exchange of the Existing 2024 Notes for New 2026 Notes is treated as a taxable exchange under Section 1001, the New 2026 Notes received in the exchange will have a new holding period commencing on the day after the exchange and their initial tax basis generally will be equal to their issue price. The "issue price" of the New 2026 Notes will be reported separately by FXI pursuant to Treas. Reg. § 1.1273-2(f)(9).

*Treatment as Recapitalization.*

To the extent that the exchange of the Existing 2024 Notes for New 2026 Notes is treated as a recapitalization within the meaning of Section 368(a)(1)(E), a holder's holding period for the New 2026 Notes will include such holder's holding period for the Existing 2024 Notes exchanged therefor. A holder's initial tax basis in the New 2026 Notes generally will be equal to such holder's adjusted tax basis in the Existing 2024 Notes exchanged therefor, reduced by any cash payment received (except to the extent attributable to accrued but unpaid interest) and increased by the amount of any gain recognized by such holder in the exchange of such Existing 2024 Notes (determined as described above under "Taxable Exchange Treatment").

**Part II, Line 17: List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based.**

Sections 354, 356, 358, 368, 1001, 1012 and 1273.

**Part II, Line 18: Can any resulting loss be recognized?**

*Taxable Exchange Treatment.*

To the extent that the exchange of the Existing 2024 Notes for New 2026 Notes is treated as a taxable exchange under Section 1001, holders of Existing 2024 Notes may recognize loss for U.S. federal income tax purposes as a result of the Debt Exchange to the extent the adjusted tax basis in the Existing 2024 Notes surrendered exceeds the amount realized in the exchange.

*Treatment as Recapitalization.*

To the extent that the exchange of the Existing 2024 Notes for New 2026 Notes is treated as a recapitalization within the meaning of Section 368(a)(1)(E), holders of Existing 2024 Notes generally may not recognize any loss for U.S. federal income tax purposes as a result of the Debt Exchange, except with respect to cash, if any, received in lieu of fractional New 2026 Notes.

**Part II, Line 19: Provide any other information necessary to implement the adjustment, such as the reportable tax year.**

The Debt Exchange was effective on May 1, 2023. For a holder whose taxable year is the calendar year, the reportable tax year is 2023.

**THE U.S. FEDERAL INCOME TAX CONSEQUENCES SUMMARIZED ABOVE ARE FOR GENERAL INFORMATION ONLY. EACH HOLDER SHOULD CONSULT ITS OWN TAX ADVISOR AS TO THE PARTICULAR U.S. FEDERAL INCOME TAX CONSEQUENCES THAT MAY APPLY TO SUCH HOLDER AS WELL AS ANY U.S. FEDERAL NON-INCOME, STATE, LOCAL OR FOREIGN TAX CONSEQUENCES THAT MAY APPLY TO SUCH HOLDER. THE INFORMATION CONTAINED WITHIN THIS FORM DOES NOT CONSTITUTE A TAX OPINION OR TAX ADVICE.**