

Taxpayer Name: Acacia Research Corporation and Subsidiaries
Taxpayer ID No.: 95-4405754
Address: 500 Newport Center Dr.
Newport Beach, CA 92660
Tax Year Ending: December 31, 2013

IRS Form 8937 – Report of Organizational Actions Affecting Basis of Securities under the new reporting requirements of Section 6045B

1. **Issuer's name** - Acacia Research Corporation and Subsidiaries
2. **Issuer's EIN** - 95-4405754
3. **Name of contact for additional information** - Clayton J. Haynes
4. **Telephone No. of contact** - (949) 480-8300
5. **Email address of contact** – CHaynes@acaciares.com
6. **Number and street of contact** - 500 Newport Center Dr.
7. **City, state, and Zip code of contact** - Newport Beach, CA 92660
8. **Date of action** – See Below
9. **Classification and description** – Non dividend cash distribution
10. **CUSIP number** – 3881307
11. **Serial number(s)** - N/A
12. **Ticker symbol** - NASDAQ: ACTG
13. **Account number(s)** - N/A
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.**

\$0.125 per share non-dividend cash distribution to shareholders of record on May 3, 2013, payable on May 30, 2013

\$0.125 per share non-dividend cash distribution to shareholders of record on August 1, 2013, payable on August 30, 2013

\$0.125 per share non-dividend cash distribution to shareholders of record on November 1, 2013, payable on November 29, 2013

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.**

100% of all 2013 distributions are deemed to be non-dividend cash distributions.

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.**

Distributions that qualify as a return of capital are not dividends. A return of capital is a return of some or all of your investment in the stock of the company. A return of capital reduces the basis of your stock. Recipients must adjust their cost basis. A distribution generally qualifies as a return of capital if the corporation making the distribution does not have any accumulated or current year earnings and profits. Once the basis of your stock has been reduced to zero, any further non-dividend distribution is capital gain.

100% of all 2013 distributions are deemed to be non-dividend distributions, and hence, a return of capital.

You should consult your tax advisor regarding the tax effects of this action in light of your personal tax circumstances.

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

Section 316 covers dividends and 301(c) covers distributions in excess of earnings and profits / accumulated earnings and profits.

18. **Can any resulting loss be recognized?**

N/A

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

The reportable tax year was December 31, 2013.