

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name <u>The LGL Group, Inc.</u>		2 Issuer's employer identification number (EIN) <u>38-1799862</u>	
3 Name of contact for additional information <u>Investor Relations</u>	4 Telephone No. of contact <u>(407) 298-2000</u>	5 Email address of contact <u>info@lglgroup.com</u>	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact <u>2525 Shader Road</u>		7 City, town, or post office, state, and ZIP code of contact <u>Orlando, FL 32804</u>	
8 Date of action <u>October 7, 2022</u>	9 Classification and description <u>Common Stock</u>		
10 CUSIP number <u>50186 A108</u>	11 Serial number(s)	12 Ticker symbol <u>See Attached</u>	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

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 ▶ See Attached

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 ▶ See Attached

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 ▶ See Attached

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 Attached](#)

18 Can any resulting loss be recognized? ▶ [See Attached](#)

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ [See Attached](#)

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 ▶ _____

Print your name ▶ **James W. Tivy** Title ▶ **Chief Accounting Officer**

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.

The LGL Group, Inc.

Distribution of M-tron Industries Common Stock

Attachment to Form 8937

Disclaimer: The information in Form 8937 and this attachment does not constitute tax advice and does not purport to take into account the specific circumstances that may apply to particular categories of LGL Group shareholders. Each LGL Group shareholder is urged to consult his, her or its own tax advisor regarding the consequences of the transactions described herein, including the impact on tax basis resulting therefrom.

Part I

Line 12 – Ticker symbol

At all times before and after the distribution, shares of The LGL Group, Inc. (“LGL Group”) trade under the ticker symbol “LGL.” After the distribution, shares of M-tron Industries, Inc. (“MtronPTI”) common stock trade under the ticker symbol “MPTI.”

Part II

Line 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.

On October 7, 2022 (the “Distribution Date”), LGL Group distributed all of the common stock of MtronPTI pro rata to the holders of record of LGL Group common stock as of the close of business on September 30, 2022 (the “Record Date,” such distribution, the “Distribution, and each such stockholder of record, an “LGL Group Shareholder”). In the Distribution, each LGL Group Shareholder that did not sell its LGL Group common stock in the “regular way” before the opening of business on the Distribution Date received one-half share of MtronPTI common stock for each share of LGL Group common stock owned on the Record Date.

No fractional shares of MtronPTI common stock were delivered to LGL Group Shareholders. All fractional shares of MtronPTI common stock that LGL Group Shareholders otherwise would have been entitled to receive as a result of the Distribution were aggregated into whole shares and sold on the open market on behalf of such LGL Group Shareholders, with the resulting cash proceeds of the sale remitted to such LGL Group Shareholders.

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.

As a result of the Distribution, LGL Group Shareholders will be required to allocate their aggregate tax basis in their LGL Group common stock held immediately before the Distribution

among the shares of MtronPTI common stock received in the Distribution (including any fractional shares of MtronPTI common stock for which cash was received) and the LGL Group common stock in respect of which such MtronPTI common stock was received in proportion to their relative fair market values immediately after the Distribution.

Line 16 – Describe the calculations of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates.

The U.S. federal income tax laws provide that the allocation of the aggregate tax basis discussed under Line 15 above shall be based on the respective fair market values of the resulting LGL Group and MtronPTI shares received. However, the tax law does not provide any further guidance on the determination of fair market value. One method to determine fair market value is to use the opening price quoted on the NYSE American on the day of the Distribution (the first day of trading for MtronPTI common stock) for both LGL Group common stock, which was \$5.82 per share, and MtronPTI common stock, which was \$13.30 per share. Using these prices for purposes of determining fair market value, and the distribution ratio of on-half of a share of MtronPTI common stock for each share of LGL Group common stock, 46.672% of a LGL Group Shareholder's aggregate tax basis in the shares of LGL Group common stock owned prior to the Distribution should be allocated to such LGL Group Shareholder's shares of LGL Group common stock and 53.328% should be allocated to such LGL Group Shareholder's shares of MtronPTI common stock (including the fractional share of MtronPTI common stock for which cash was received).

For example, if an LGL Group Shareholder owned a single block of 1,001 shares of LGL Group common stock with a basis of \$10 per share and received 500 shares of MtronPTI common stock in the Distribution, as well as cash for the 0.50 MtronPTI fractional share, 46.672% of the aggregate tax basis of \$10,010, or \$4,672, would be allocated to the 1,001 shares of LGL Group common stock, resulting in a tax basis of approximately \$4.67 per share of LGL Group common stock, and the remaining 53.328% of the aggregate tax basis, or \$5,338, would be allocated to the 500 shares of MtronPTI common stock resulting in a tax basis of approximately \$10.67 per share of MtronPTI common stock and approximately \$5.33 allocated to the MtronPTI fractional share in respect of which cash is received. LGL Group Shareholders who acquired blocks of LGL Group common stock at different times or at different prices should perform the foregoing allocation separately with respect to each such block of LGL Group common stock in consultation with their own tax advisors. Other valuation methodologies may exist, and shareholders are urged to consult their tax advisors regarding these basis allocation calculations. LGL Group Shareholders are not bound by the approach illustrated above and may, in consultation with their own tax advisors, use another approach in determining fair market values for LGL Group common stock and MtronPTI common stock.

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

Section 355, Section 358; Section 368; Section 1001.

Line 18 – Can any resulting loss be recognized?

Generally, no gain or loss will be recognized for U.S. federal income tax purposes as a result of the Distribution. An LGL Group Shareholder who received cash in lieu of a fractional share of MtronPTI common stock will recognize gain or loss equal to the difference between the amount of cash received and the tax basis in the fractional share. The deductibility of capital losses is subject to limitations.

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

The Distribution occurred on October 7, 2022. As a result, the basis adjustments in the shares of LGL Group common stock and MtronPTI common stock should be reported in the taxable year that includes this date. In the case of shareholders who are calendar year taxpayers, the Distribution is reportable in the tax year ending December 31, 2022.