

Form **8937**  
(December 2011)  
Department of the Treasury  
Internal Revenue Service

# Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-2224

▶ See separate instructions.

## Part I Reporting Issuer

<b>1</b> Issuer's name  American States Water Company		<b>2</b> Issuer's employer identification number (EIN)  95-4676679	
<b>3</b> Name of contact for additional information  Wayne R. McDonald, Tax Director	<b>4</b> Telephone No. of contact  909-394-3600 x737	<b>5</b> Email address of contact  tax.dept@aswater.com	
<b>6</b> Number and street (or P.O. box if mail is not delivered to street address) of contact  630 E Foothill Blvd		<b>7</b> City, town, or post office, state, and Zip code of contact  San Dimas, CA 91773-1212	
<b>8</b> Date of action  2013-09-03		<b>9</b> Classification and description  Common Shares class of stock	
<b>10</b> CUSIP number  029899101	<b>11</b> Serial number(s)	<b>12</b> Ticker symbol  AWR	<b>13</b> 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 ▶ On September 3, 2013, the Issuer distributed a stock dividend of one share of common stock for each share of common stock outstanding in order to effect a two-for-one stock split ("Action"). The stock split was approved by the Board of Directors on May 20, 2013 for shareholders of record on August 15, 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 ▶ The post-distribution basis of the security in the hands of a U.S. taxpayer is fifty percent (50%) of the pre-distribution basis.

As a nontaxable transaction pursuant to Internal Revenue Code ("IRC") Section 305(a), the quantitative effect on the basis of the security is determined under the basis allocation provisions of IRC Sec. 307(a).

The number of shares held by each shareholder doubled, and each shareholder's total basis and proportionate interest in the Issuer remained the same.

**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 ▶ IRC Sec. 307(a) provides the calculation of the change in basis as follows. Each shareholder shall allocate the basis in a share owned prior to the issuance of the stock-splitting stock dividend over that share ("old stock") and the additional share issued to effect the two-for-one stock split ("new stock").

Accordingly, a shareholder shall multiply the basis in each share held prior to the stock split by fifty percent (50%) to determine the basis, after the stock split, in that share and the additional share distributed in the stock split.

Example: Prior to the stock split, a shareholder holds 100 Common Shares of American States Water Company stock with a basis of \$60.00 per share, and total basis of \$6,000.00 (100 x \$60.00). After issuance of the stock-splitting stock dividend, the shareholder holds 200 shares with a basis of \$30.00 per share (\$60.00 x 50%), and a total basis of \$6,000.00 (200 x \$30.00).

**Part II Organizational Action** (continued)

**17** List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ IRC Sections 305(a) and 307(a)

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**18** Can any resulting loss be recognized? ▶ As no loss can result from the Action, there is no loss that can be recognized from the Action.

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**19** Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ As no gain or loss resulted from the stock split, there is no tax reporting required by shareholders solely with respect to implementing the adjustment set forth in Part II, Line 16.

All affected shareholders are to adjust the basis of their pre-distribution shares and establish the basis of the stock-splitting stock-dividend shares received in the two-for-one stock split for purposes of satisfying their own tax-reporting requirements pursuant to their specific, individual tax circumstances, the reportable tax year(s) of which are to be determined individually by such shareholders.

The information reported on this form is solely to satisfy Issuer's reporting obligations under IRC Sec. 6045B, which issuer has done by its posting of this completed form on its primary public Web site pursuant to IRC Sec. 6045B(e) and Treasury Regulations Sections 1.6045B-1(a)(3) and 1.6045B-1(b)(4). The information reported on this form should not be construed as accounting, tax or legal advice. American States Water Company does not provide accounting, tax or legal advice. Holders, or their nominees, of the securities to which this form pertains should consult their individual advisors for information or assistance as to how this information may affect their specific tax or other circumstances.

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 ▶ **Eva G. Tang** Digitally signed by Eva G. Tang  
DN: cn=Eva G. Tang, o=American States Water Company,  
ou=Chief Financial Officer, email=eva.tang@aswater.com, c=US  
Date: 2013.10.10 15:51:25 -0700 Date ▶ **2013-10-10**

Print your name ▶ **Eva G. Tang** Title ▶ **Sr. Vice President - Finance / CFO**

<b>Paid Preparer Use Only</b>	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.			