

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 SECTION 354(a)(1)

IRC SECTION 358

IRC SECTION 368(a)(1)(E)

18 Can any resulting loss be recognized? ▶ NO LOSS WILL BE RECOGNIZED.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ THE REPORTABLE TAX

YEAR IS THE CALENDAR YEAR ENDED DECEMBER 31, 2017.

Sign Here

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.

Signature ▶ _____ Date ▶ _____

Print your name ▶ _____ Title ▶ _____

Paid Preparer Use Only

Print/Type preparer's name MARC WILSON	Preparer's signature <i>Marc Wilson</i>	Date 10/26/2017	Check <input type="checkbox"/> if self-employed	PTIN P00061429
Firm's name ▶ CROWE HORWATH LLP			Firm's EIN ▶ 35-0921680	
Firm's address ▶ 401 E LAS OLAS BLVD STE 1100, FT. LAUDERDALE, FL 33301-4230			Phone no. 954-202-8600	

Attachment to Form 8937
Report of Organizational Actions Affecting Basis of Securities
Dolphin Entertainment, Inc.
FEIN: 86-0787790

Part II, Line 14: On September 13, 2017, Dolphin Entertainment, Inc. (the "Company") amended the Company's Amended and Restated Articles of Incorporation (the "Articles of Amendment") to effectuate a reverse stock split of the Company's issued and outstanding common stock, par value \$0.015 per share ("Common Stock"), on the basis of two (2) old shares for one (1) new share (the "Reverse Stock Split"), providing that the Reverse Stock Split would become effective under Florida law on September 14, 2017. Immediately after the Reverse Stock Split, the number of authorized shares of Common Stock was reduced from 400,000,000 shares to 200,000,000. As a result, each shareholder's percentage ownership interest in the Company and proportional voting power remained unchanged. Any fractional shares resulting from the Reverse Stock Split were rounded up to the nearest whole share of Common Stock.

Part II, Line 15: Under IRC §358(a), a shareholder's aggregate tax basis in the post-split shares of common stock the shareholder received in the reverse stock split will be the same as the shareholder's aggregate tax basis in the pre-split shares of common stock the shareholder surrendered in exchange therefor, decreased and increased by certain property received.

As a result, a shareholder's tax basis in one share of the Issuer's common stock after the reverse stock split should equal the shareholder's tax basis in the two shares of the common stock exchanged in the reverse stock split. Pursuant to Treasury Regulation (Treas. Reg.) §1.358-2, the basis of the shares of common stock surrendered should be allocated to the shares of common stock received in a manner reflecting, to the greatest extent possible, that a share of stock received is received in respect of shares of stock that were acquired on the same date and at the same price. To the extent it is not possible to allocate basis in this manner, the basis of the shares of stock surrendered should be allocated to the shares of stock received in a manner that minimizes the disparity in the holding periods of the surrendered shares of stock whose basis is allocated to any particular share of stock received.

Part II, Line 16: The reverse stock split involved the receipt by shareholders of one (1) common stock for every two (2) shares of existing, or pre-split, common stock owned. The market value of the common stock was not applicable in determining the calculation of shareholders' tax basis in the shares received in the stock split.

**ARTICLES OF AMENDMENT
TO THE
AMENDED AND RESTATED ARTICLES OF INCORPORATION
OF
DOLPHIN ENTERTAINMENT, INC.**

Pursuant to the provisions of Sections 607.0123 and 607.1006 of the Florida Business Corporation Act, this Florida Corporation will adopt the following amendment (the "Articles of Amendment") to its articles of incorporation, as amended and restated (the "Articles of Incorporation") on September 14, 2017:

1. The name of the corporation is Dolphin Entertainment, Inc. (the "Company").
2. These Articles of Amendment were adopted by the board of directors of the Company on August 10, 2017 without shareholder action and shareholder action was not required.
3. Article III of the Articles of Incorporation is hereby amended by replacing the first paragraph of Section A thereof with the following:

"The total number of shares of all classes of stock that the Corporation shall have the authority to issue is Two Hundred Ten Million (210,000,000) shares, of which Two Hundred Million (200,000,000) shares shall be Common Stock, par value \$0.015 per share ("Common Stock") and Ten Million (10,000,000) shares shall be Preferred Stock, having a par value of \$0.001 per share ("Preferred Stock"). The Board of Directors is expressly authorized to provide for the classification and reclassification of any unissued shares of Common Stock or Preferred Stock and the issuance thereof in one or more classes or series without the approval of the stockholders of the Corporation. Of the Preferred Stock, 50,000 shares have been designated Series C Convertible Preferred Stock, par value \$0.001 per share."

4. Article III of the Articles of Incorporation is hereby amended by adding the following paragraph at the end of Section A thereof:

"On the close of business on September 14, 2017, (the "Second Effective Date"), each two (2) shares of Common Stock issued and outstanding or held by the Company in treasury stock immediately prior to the Second Effective Date shall, automatically and without any action on the part of the respective holders thereof or the Company, be combined and converted into one (1) share of Common Stock, subject to the treatment of fractional share interests as described below (the "Second Reverse Stock Split"). No fractional shares of Common Stock shall be issued in connection with the Second Reverse Stock Split. Rather, fractional shares created as a result of the Second Reverse Stock Split shall be rounded up to the next whole number, such that, in lieu of fractional shares, each shareholder who would have otherwise been entitled to receive a fractional share of Common Stock as a result of the Second Reverse Stock Split shall instead be entitled to receive a whole share of Common Stock in respect thereof."

IN WITNESS WHEREOF, these Articles of Amendment to the Amended and Restated Articles of Incorporation of Dolphin Entertainment, Inc. have been executed by a duly authorized officer of this Company on September 13, 2017, and will become effective on September 14, 2017.

By: /s/ William O'Dowd

Name: William O'Dowd

Title: CEO