

## Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-0123

► See separate instructions.

### Part I Reporting Issuer

1 Issuer's name <b>ACRES COMMERCIAL REALTY CORP.</b>		2 Issuer's employer identification number (EIN) <b>20-2287134</b>	
3 Name of contact for additional information 1 Issuer's name <b>JILL LOUGHRAN</b>	4 Telephone No. of contact 1 Issuer's name <b>215-988-6772</b>	5 Email address of contact 1 Issuer's name <b>JLOUGHRAN@ACRESCAP.COM</b>	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact <b>230 S BROAD ST, SUITE 1605</b>		7 City, town, or post office, state, and ZIP code of contact <b>PHILADELPHIA, PA 19102</b>	
8 Date of action <b>SEE ATTACHED</b>		9 Classification and description <b>PREFERRED STOCK - NON DIVIDEND DISTRIBUTION</b>	
10 CUSIP number <b>SEE ATTACHED</b>	11 Serial number(s)	12 Ticker symbol <b>ACR</b>	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 ► **DURING THE YEAR ENDED DECEMBER 31, 2022, ACRES COMMERCIAL REALTY CORP. ("ACR")**

**MADE CASH DISTRIBUTIONS TO HOLDERS OF ITS PREFERRED SERIES C & D SHARES THAT ARE CLASSIFIED AS NONDIVIDEND DISTRIBUTIONS. THE TOTAL CASH DISTRIBUTIONS FOR THE TAX YEAR 2022 EXCEEDED ACR'S CURRENT AND ACCUMULATED EARNINGS AND PROFITS; THEREFORE THE EXCESS IS TREATED AS A NONDIVIDEND DISTRIBUTION. TO THE EXTENT THE NONDIVIDEND DISTRIBUTIONS EXCEED THE SHAREHOLDERS BASIS IN THE STOCK, THE EXCESS SHOULD BE TREATED AS GAIN FROM THE SALE OR EXCHANGE OF THE STOCK.**

**SEE ATTACHED FOR DATES OF THE ORGANIZATIONAL ACTIONS.**

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 ► **THE REDUCTION IN TAX BASIS WAS CALCULATED BY THE DIFFERENCE BETWEEN TOTAL CASH DISTRIBUTIONS FOR THE TAX YEAR 2022 LESS THE ISSUER'S CURRENT AND ACCUMULATED EARNINGS AND PROFITS. BECAUSE THE CASH DISTRIBUTIONS EXCEEDED THE ISSUER'S CURRENT AND ACCUMULATED EARNINGS AND PROFITS, THE DIFFERENCE IS A NONDIVIDEND DISTRIBUTION TO THE SHAREHOLDER.**

**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 301(C)(2).**

**18** Can any resulting loss be recognized? ► **NO RESULTING LOSS MAY BE RECOGNIZED.**

**19** Provide any other information necessary to implement the adjustment, such as the reportable tax year ►  
**THE ORGANIZATIONAL ACTION IS REPORTABLE FOR TAX YEAR 2022.**

**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 ►

*David J. Bryant*

Date ►

*1/21/2023*

Print your name ►

*DAVID J. BRYANT*

Title ►

*CFO*

**Paid  
Preparer  
Use Only**

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if  
self-employed

PTIN

Firm's name ►

Firm's EIN ►

Firm's address ►

Phone no.

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

ACRES COMMERCIAL REALTY CORP.  
EIN: 20-2287134  
ATTACHMENT TO FORM 8937

**PART I, ITEM 8:**

**SECURITY DESCRIPTION**

Acres Commercial Realty Corp. Series C Preferred Stock  
Acres Commercial Realty Corp. Series D Preferred Stock

**DATES OF ACTION**

1/31/22, 5/2/22, 8/1/22, 10/31/22  
1/31/22, 5/2/22, 8/1/22, 10/31/22

**PART I, ITEM 10:**

**CUSIP NUMBER**

00489Q201  
00489Q300

**PART II, ITEM 15**

**SECURITY DESCRIPTION**

**DATE**

**REDUCTION IN BASIS PER SHARE**

Acres Commercial Realty Corp. Series C Preferred Stock	1/31/2022	\$ 0.162
Acres Commercial Realty Corp. Series C Preferred Stock	5/2/2022	\$ 0.162
Acres Commercial Realty Corp. Series C Preferred Stock	8/1/2022	\$ 0.162
Acres Commercial Realty Corp. Series C Preferred Stock	10/31/2022	\$ 0.162
Acres Commercial Realty Corp. Series D Preferred Stock	1/31/2022	\$ 0.148
Acres Commercial Realty Corp. Series D Preferred Stock	5/2/2022	\$ 0.148
Acres Commercial Realty Corp. Series D Preferred Stock	8/1/2022	\$ 0.148
Acres Commercial Realty Corp. Series D Preferred Stock	10/31/2022	\$ 0.148