Form **8937** (December 2017) Department of the Treasury Internal Revenue Service

# Report of Organizational Actions Affecting Basis of Securities

▸ **See separate instructions.**

OMB No. 1545-0123

## Part I Reporting Issuer

| | | | |
|---|---|---|---|
| **1** Issuer's name: **CareCloud, Inc** | | | **2 Issuer's employer identification number (EIN)**: **22-3832302** |
| **3** Name of contact for additional information: **Norman S. Roth** | **4** Telephone No. of contact: **732-873-5133, ext. 134** | | **5** Email address of contact: **nroth@carecloud.com** |
| **6** Number and street (or P.O. box if mail is not delivered to street address) of contact: **7 Clyde Road** | | | **7** City, town, or post office, state, and ZIP code of contact: **Somerset, NJ 08873** |
| **8** Date of action: **May 15, 2026** | **9** Classification and description: **Redemption of the Series B Cumulative Redeemable Perpetual Preferred Stock and Payment of Dividends in Arrears.** | | |
| **10** CUSIP number: **14167R308** | **11** Serial number(s): **N/A** | **12** Ticker symbol: **CCLDO** | **13** Account number(s): **N/A** |

## 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 May 15, 2026, CareCloud, Inc. (the "Company") redeemed all outstanding shares of its Series B Cumulative Redeemable Perpetual Preferred Stock ("Series B Preferred Stock") at the stated redemption price of $25.25 per share and paid all accumulated unpaid dividends in arrears through May 14, 2026 of $2.27 per share at the same time as the redemption. The dividends had been suspended on December 12, 2023 for 14 months, resumed with the February 15, 2025 payment, and continued through the May 15, 2026 redemption date. Upon redemption, all shares of the Series B Preferred Stock were cancelled and are no longer outstanding.**

**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 redemption of the Series B Preferred Stock is a taxable event for U.S. holders. The tax consequences depend on the relationship between the redemption proceeds received and each shareholder's adjusted tax basis in the redeemed shares;**

**(a)** **Redemption Price Component: Amounts received as the redemption price of the Series B Preferred Stock will be treated as proceeds from the sale. To the extent the redemption price exceeds the shareholder's adjusted tax basis, the excess will generally be recognized as capital gain. To the extent the shareholder's adjusted tax basis exceeds the redemption price, the excess may be recognized as a capital loss.**

**(b)** **Dividend Component: The cash dividend payments described on line 14 above should be considered a non-dividend distribution of the Series B Preferred Stock. Due to the Company's negative accumulated earnings and profits, amounts received as dividends in arrears may constitute a non-dividend distribution of the Series B Preferred Stock due to the Company's negative accumulated earnings and profits. Accordingly, the amount distributed is generally anticipated to represent a return of the shareholder basis to the extent thereof. Once all shareholder basis has been returned, any distribution in excess of the shareholder basis should be considered a gain on the sale of security pursuant to Internal Revenue Code Section 301(c)(2) and 301(c)(3) and the regulations thereunder. As such, shareholders should consult their tax advisors to determine the tax implications of the non-dividend distributions on their basis in the Company's Series B Preferred Stock.**

**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 complete redemption of the Series B Preferred Stock on May 15, 2026 resulted in a full disposition of each shareholder's interest in those shares. The $25.25 per share redemption price is treated as the amount realized on that disposition, against which each shareholder recovers adjusted tax basis to determine capital gain or loss. The $2.27 per share of dividends in arrears is a return of capital that reduces adjusted tax basis dollar-for-dollar, with any amount in excess of basis treated as gain. The cash dividends described in Line 14 above are not from the Company's current or accumulated earnings and profits pursuant to the Internal Revenue Code and Regulations. As such, the distributions should be considered a non-dividend distribution to the Series B Preferred Stock shareholders and therefore a reduction in the tax basis, with any excess treated as a gain.**

**Part II** **Organizational Action** *(continued)*

**17** List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ **Internal Revenue Code Section 301, 302, 1001 and the regulations thereunder.**

**18** Can any resulting loss be recognized? ▶ **Potentially yes. To the extent a U.S. holder's adjusted tax basis in the redeemed Series B Preferred Stock exceeds the total redemption proceeds received (redemption price plus any dividends that constitute a return of capital), the holder may recognize a capital loss.**

**19** Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ **The reportable tax year is the 2026 calendar year. This form is filed on or before June 29, 2026, which is 45 days after the May 15, 2026 date of action, in accordance with Treasury Regulation Section 1.6045B-1.**

**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 ▶ **Norman S. Roth** Title ▶ **Interim CFO and Corporate Controller**

**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