Form **8937**

(December 2011)

Department of the Treasury
Internal Revenue Service

Report of Organizational Actions Affecting Basis of Securities

► See separate instructions.

OMB No. 1545-2224

Part I Reporting Issuer											
1 Issuer's name	2 Issuer's employer identification number (EIN)										
NetREIT, Inc.	Telephone No. of contact	33-0841255									
3 Name of contact for additional information 4	5 Email address of contact										
5											
Brad Hanson 6 Number and street (or P.O. box if mail is not del	760-471-8536	bhanson@netreit.com									
o Number and Street (of P.O. DOX II mail is not del	ivered to street address) of contact	7 City, town, or post office, state, and Zip code of contact									
1282 Pacific Oaks Pl		Escondido, CA 92029									
8 Date of action	ESCONDIAO, CA 92029										
	9 Classification and description										
12/2/2011	Common Stock Series A \$0.01 Par Val	ue									
10 CUSIP number 11 Serial number(s)	12 Ticker symbol	13 Account number(s)									
		pack of form for additional questions.									
	cable, the date of the action or the date a	gainst which shareholders' ownership is measured for									
the action ▶											
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15 Describe the quantitative effect of the organiza	tional action on the basis of the security i	n the hands of a U.S. taxpayer as an adjustment per									
share or as a percentage of old basis ▶ 0.05 s	hares of stock for each one (1) share he	eld at 12/2/2011									
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16 Describe the calculation of the change in basis	and the data that supports the calculation	n, such as the market values of securities and the									
		would be recalculated by dividing the total tax									
basis at 12/2/2011 by the shares owned at 12/2/20											
	2										

Par	t II	Organization	onal Action (co	ntinued)				
17	List the	•			ection(s) upon which the	e tax treatment	is based ▶	Sections 305 & 301
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			931					
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				(18.80)				
18	Can ar	y resulting loss	s be recognized? ▶	Shareholder would	l recognize loss, if any	, upon dispos	ition of shar	es
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				·				· · · · · · · · · · · · · · · · · · ·
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								8
19	Provide	e any other info	rmation necessary	to implement the adju	ustment, such as the rep	oortable tax ye	ar ▶	
					-			
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					rn, including accompanying er than officer) is based on a			nd to the best of my knowledge and
0:	1	er, it is true, correc	ct, and complete. Dec	laration of preparer (other	er than onicer) is based on a	all illiorriation of	willcii prepare	i nas any knowledge.
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	arer							Firm's EIN ▶
Use	Only	Firm's name Firm's address	>					Phone no.
Send	Form 8			ements) to: Departme	nt of the Treasury, Inter	nal Revenue S		