

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name National Research Corporation		2 Issuer's employer identification number (EIN) 47-0634000	
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6 Number and street (or P.O. box if mail is not delivered to street address) of contact 1245 Q Street		7 City, town, or post office, state, and Zip code of contact Lincoln, NE 68136	
8 Date of action May 22, 2013		9 Classification and description Recapitalization	
10 CUSIP number 637372301	11 Serial number(s)	12 Ticker symbol NRCI	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 ▶ Effective May 22, 2013, the plan of recapitalization approved by shareholders on May 9, 2013 was effectuated by the Company. The plan consists of an increase in the number of authorized shares, the creation of a new Class A Common Stock and a new Class B Common Stock, the issuance of a stock dividend of three (3) shares of Class A Common Stock for each share of existing common stock, the reclassification of each share of existing common stock into one-half share of Class B Common Stock, and provides for a cash payment in lieu of a 0.5 fractional share of Class B Common Stock.

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 ▶ For each share of existing common stock held prior to the recapitalization, 3.5 shares of common stock will be held post-recapitalization, consisting of 3.0 shares of Class A Common Stock and 0.5 shares of Class B Common Stock. A shareholder's aggregate tax basis in the shares of Class A Common stock and shares of Class B Common Stock (including any fractional share deemed to be received and immediately redeemed as described below) is equal to the aggregate tax basis of such shareholder's existing common stock. The tax basis of the existing common stock should be allocated between the Class A Common Stock and the Class B Common Stock in proportion to the relative fair market value of the shares of each class of stock. A shareholder receiving cash (\$8.68) in lieu of 0.5 share of Class B Common Stock is treated as having received the 0.5 share of Class B Common Stock and then having such fractional share immediately redeemed for cash. Accordingly, shareholders generally recognize gain or loss equal to the difference between the cash received (\$8.68) and the basis allocable to the 0.5 share of Class B Common Stock, provided the deemed redemption is not treated as a dividend.

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 ▶ See Attachment 1.

Attachment 1

National Research Corporation

EIN 47-0634000

Recapitalization effective May 22, 2013

Form 8937, Line 16

The following examples illustrate a method by which an individual shareholder can determine his or her basis in the Class A and Class B Common Stock received in the recapitalization. The examples assume that the shareholder is an individual U.S. citizen or resident who acquired his or her shares of Company stock at the same price (\$50 per share) in one block for cash and holds such shares as a capital asset. The examples do not address any other types of shareholder, any special rules that may apply to a particular shareholder, nor any other tax consequences.

The information contained herein provides a limited summary regarding the application of certain provisions of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), and the Treasury regulations thereunder (the "Regulations") relating to the allocation of tax basis among the Class A and Class B Common Stock. The information contained herein does not constitute tax advice and does not purport to be complete or to describe the consequences that may apply to a particular shareholder. The Company does not provide tax advice to its shareholders.

The Company urges shareholders to read the proxy statement filed with the Securities and Exchange Commission dated as of April 10, 2013 (the "Proxy"), noting the discussion on pages 48-49 under the heading "*Certain U.S. Federal Income Tax Considerations*". Shareholders may access the Proxy at <http://www.nationalresearch.com/investor-relations/> or directly at <http://www.rdgir.com/national-research-corporation/document/def-14a-other-definitive-proxy-statements-0>

The examples below are provided solely for illustrative purposes and as a convenience to shareholders and their tax advisors. They are not binding on the Internal Revenue Service.

The tax basis of the existing common stock should be allocated between the Class A Common Stock and the Class B Common Stock in proportion to the relative fair market value of the shares of each class of stock. Fair market value generally is the price at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of the facts. U.S. federal income tax law does not specifically prescribe how a taxpayer should determine the fair market value of the Class A and Class B Common Stock for purposes of allocating tax basis.

There are several possible methods for determining the fair market values of the Company common stock. The examples below use the average or mean of the high and low trading prices on May 23, 2013, the first day of trading of the Class A Common Stock and Class B Common Stock following the effective date of the recapitalization. Shareholders should consult their tax advisor to determine what measure of fair market value is appropriate.

HYPOTHETICAL EXAMPLES OF BASIS ALLOCATIONS

Class	Trading as reported by NASDAQ (www.nasdaq.com)			New Shares per Existing Share	Fair Market Value	Relative Fair Market Value
	High	Low	Mean			
A	\$ 20.0000	\$ 18.1000	\$ 19.0500	3.0	\$ 57.1500	84.71844%
B	\$ 23.0000	\$ 18.2350	\$ 20.6175	0.5	\$ 10.3088	15.28156%
				Total	<u>\$ 67.4588</u>	<u>100.00000%</u>

EXAMPLE #1 - no fractional share

Shares of existing common stock		100	
Basis of existing common stock (100 x \$50)	\$	5,000.00	
Basis of new			
	300 Class A shares	\$ 4,235.92	(84.71844% x \$ 5,000.00)
	50 Class B shares	\$ 764.08	(15.28156% x \$ 5,000.00)
		<u>\$ 5,000.00</u>	

EXAMPLE #2 - fractional share

Shares of existing common stock		125	
Basis of existing common stock (125 x \$50)	\$	6,250.00	
Basis of new			
	375 Class A shares	\$ 5,294.90	(84.71844% x \$ 6,250.00)
	62.5 Class B shares	\$ 955.10	(15.28156% x \$ 6,250.00)
		<u>\$ 6,250.00</u>	

Gain/loss on fractional Class B share

Cash received in lieu of fractional share	\$	8.68
Basis of 0.5 Class B share	\$	7.64
Gain on deemed redemption	\$	<u>1.04</u>

Remaining tax basis

375 Class A shares	\$	5,294.90
62 Class B shares	\$	947.46
	\$	<u>6,242.36</u>

Please note that some brokerage firms may not use the information provided in this document, and the information is provided only as an example of one possible method. There are various ways brokerage firms may calculate tax basis. Shareholders should contact their brokerage firms to determine which calculation they may have used, and contact their tax advisor for additional information and clarification.

SHAREHOLDERS SHOULD CONSULT THEIR OWN TAX ADVISOR WITH RESPECT TO THEIR PARTICULAR U.S. FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF THE RECAPITALIZATION. THESE EXAMPLES ARE NOT INTENDED TO BE, NOR SHOULD THEY BE CONSTRUED TO BE, LEGAL OR TAX ADVICE TO ANY PARTICULAR SHAREHOLDER, AND THEY ARE NOT INTENDED TO BE USED, AND CANNOT BE USED, FOR THE PURPOSE OF (A) AVOIDING PENALTIES UNDER THE INTERNAL REVENUE CODE OR (B) PROMOTING, MARKETING OR RECOMMENDING ANY TRANSACTION OR MATTER ADDRESSED HEREIN.