

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
Molina Healthcare, Inc.		13-4204626	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
Juan Jose Orellana	562-435-3666 ext. 111143	Juan.Orellana@MolinaHealthCare.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and Zip code of contact	
200 Oceangate, Suite 100		Long Beach, CA 90802	
8 Date of action	9 Classification and description		
May 20, 2011	Stock dividend		
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
60855R100	Common Stock	MOH	

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 April 27, 2011, Molina Healthcare, Inc. announced that its board of directors approved a 3-for-2 stock split of its common stock to be effected in the form of a stock dividend. Holders of record of Molina Healthcare, Inc.'s common stock received, at the close of business on May 20, 2011, one additional share for every two shares held as of the close of business on May 9, 2011.

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 ▶

Stockholders who received additional shares of Molina Healthcare Inc.'s common stock as a result of the 3-for-2 split will be required by Section 307 of the Internal Revenue Code to ratably allocate the tax basis of pre-split shares between such pre-split shares and the new shares received in the distribution on the pre-split shares. Pursuant to Section 1223(4) of the Internal Revenue Code, the holding period of new shares received as a result of the 3-for-2 split begins on the date when the stockholder acquired the original shares which resulted in the receipt of the new shares pursuant to the 3-for-2 split.

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 ▶

On May 20, 2011, Molina Healthcare Inc. shareholders received an additional share for every two shares they owned on May 9, 2011. Each shareholder's existing tax basis in every two shares must now be spread over three shares; stated differently, each shareholders tax basis per share prior to the stock split is reduced by 1/3.

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 305 provides that distributions of a corporation's own stock made with respect to its stock are not taxable


IRC Section 307(a) provides that a shareholder must compute basis for the split shares received by allocating the basis for the old stock between the old and new stock.

IRC Section 1223(4) provides that the holding period of stock received on a distribution, if the basis of such stock is determined under section 307, shall include the period for which he or she held the stock in the distributing corporation before the receipt of such stock upon such distribution.

18 Can any resulting loss be recognized? ▶ The 3-for-2 stock split will not result in a recognized loss.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ n/a

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.

Sign Here
Signature ▶  Date ▶ 1/12/12
Print your name ▶ Joseph White Title ▶ CAO

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶	Firm's EIN ▶			
	Firm's address ▶	Phone no.			