

**Report of Organizational Actions  
Affecting Basis of Securities**

▶ See separate instructions.

**Part I Reporting Issuer**

1 Issuer's name <b>TAYLOR CAPITAL GROUP, INC.</b>		2 Issuer's employer identification number (EIN) <b>36-4108550</b>	
3 Name of contact for additional information <b>GAIL PEARSON</b>	4 Telephone No. of contact <b>847 653-7110</b>	5 Email address of contact <b>gpearson@coletaylor.com</b>	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact <b>9550 W HIGGINS ROAD</b>		7 City, town, or post office, state, and Zip code of contact <b>ROSEMONT, IL 60018</b>	
8 Date of action <b>MAY 30, 2012</b>	9 Classification and description <b>STOCK PURCHASE WARRANTS DATED SEPTEMBER 29, 2008 &amp; COMMON STOCK</b>		
10 CUSIP number <b>N/A</b>	11 Serial number(s) <b>N/A</b>	12 Ticker symbol <b>TAYC (COMMON)</b>	13 Account number(s) <b>N/A</b>

**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 30, 2012, Taylor Capital Group, Inc. (the "Company") converted all of its outstanding 895,601 Warrants dated September 29, 2008 (the "Warrants") into shares of the Company's common stock. For each share of Common Stock covered by the holder's Warrant, the holder received .295567 shares of Common Stock (based upon (1) \$14.04, the 10 day average Market Value of Common Stock as of May 25, 2012 and (2) the Exercise Price of \$10.00 (subject to any necessary adjustment under Section 3 or the Warrant Certificate, which computed to \$9.89)) plus cash in lieu of fractional shares. A total of 264,710 shares of Common Stock were issued.

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 ▶ As a result of the Warrant conversion, a U.S. taxpayer/shareholder transfers their historic basis in the Warrants to the newly acquired Common Stock, decreased by the amount of money and the fair market value of any other property received and increased by any gain recognized on the conversion.

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 ▶ A U.S. taxpayer/shareholder takes a carryover tax basis in its newly acquired Common Stock.

**Part II Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶  
The applicable Code sections are 368(a)(1)(E) (dealing with a recapitalization) & Section 358 (dealing with basis)

18 Can any resulting loss be recognized? ▶ Shareholders will not recognize a loss for U.S. federal income tax purposes in connection with the Warrant conversion.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The information herein represents the Company's understanding of existing U.S. federal income tax law and regulations and does not constitute tax advice. It does not purport to be complete or to describe tax consequences that may apply to particular categories of stockholders, including in particular the possibility of applying different methods for allocating tax basis. The Company does not provide tax advice to its shareholders. However, to ensure compliance with requirements imposed by the IRS, the Company informs you that any U.S. tax advice contained herein is not intended or written to be used, and cannot be used, for purposes of (i) avoiding penalties under the Internal Revenue Code of 1986, as amended, or (ii) promoting, marketing, or recommending any transaction or matter discussed herein.

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 ▶ *Randall T Conte* Date ▶ 9/12/12

Print your name ▶ RANDALL T CONTE Title ▶ CFO

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.	