

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

**Part I Reporting Issuer**

<b>1</b> Issuer's name  TAYLOR CAPITAL GROUP, INC.		<b>2</b> Issuer's employer identification number (EIN)  36-4108550	
<b>3</b> Name of contact for additional information  GAIL PEARSON	<b>4</b> Telephone No. of contact  847 653-7110	<b>5</b> Email address of contact  gpearson@coletaylor.com	
<b>6</b> Number and street (or P.O. box if mail is not delivered to street address) of contact  9550 W HIGGINS ROAD		<b>7</b> City, town, or post office, state, and Zip code of contact  ROSEMONT, IL 60018	
<b>8</b> Date of action  4-15-11, 7-15-11, 10-15-11		<b>9</b> Classification and description STOCK AS DESCRIBED BELOW  SERIES C PREFERRED; SERIES E PREFERRED, SERIES G PREFERRED AND COMMON	
<b>10</b> CUSIP number  STATEMENT 1	<b>11</b> Serial number(s)  N/A	<b>12</b> Ticker symbol  TAYC (COMMON) P/S N/A	<b>13</b> 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 March 10, 2011, the Company's board of directors declared a dividend on its outstanding shares of 8% Non-Cumulative Convertible Perpetual Preferred Stock, Series C (the "Series C Preferred Stock") and 8% Nonvoting, Non-Cumulative, Convertible Perpetual Preferred Stock, Series E (the "Series E Preferred Stock" and together with the Series C Preferred Stock, the "Preferred Stock"). The dividend was payable in the form of shares of the Company's common stock (or in the case of certain stockholders, shares of a non-voting Series G preferred stock that are convertible on a one-for-one basis into shares of common stock, the "Series G Preferred Stock"). This stock dividend was paid on April 15, 2011 to holders of record of shares of Preferred Stock as of March 30, 2011. For each 100 shares of Preferred Stock outstanding as of the record date the holder thereof received 4.625 shares of common stock or Series G Preferred Stock (or cash in lieu of any holder). Accordingly, the Company issued a total of 58,999 shares of common stock and 10,338 shares of Series G Preferred Stock.

CONTINUED - STATEMENT 1

**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 stock dividends described above, a U.S. taxpayer/shareholder of Series C Preferred Stock or Series E Preferred Stock must allocate the aggregate tax basis of their Series C Preferred Stock or Series E Preferred Stock held immediately prior to the stock dividend between the existing Series C Preferred Stock or Series E Preferred Stock and the newly received common stock or Series G Preferred Stock (as applicable) in proportion to their relative fair market values. A shareholder that acquired such Series C Preferred Stock or Series E Preferred Stock shares on different dates or at different prices will need to make a separate tax basis calculation and establish a different tax basis for such block of shares.

**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 ▶ As a result of the stock dividends described above, a U.S. taxpayer/shareholder of Series C Preferred Stock or Series E Preferred Stock must allocate the aggregate tax basis of their Series C Preferred Stock or Series E Preferred Stock held immediately prior to the stock dividend between the existing Series C Preferred Stock or Series E Preferred Stock and the newly received common stock or Series G Preferred Stock (as applicable) in proportion to their relative fair market values. For these purposes, the Company has determined to calculate the fair market value of the TCG common stock and the Series G Preferred Stock based on the average of the high and low trading prices of the shares of TCG common stock as reported on the NASDAQ on the distribution dates of the stock dividends (\$9.88 on April 15, \$9.27 on July 15 and \$6.96 on October 15, 2011). In addition, because there is no established market for the Company's Series C Preferred Stock and Series E Preferred Stock, the Company has determined to base the fair market value of these shares on the \$25 per share issue price and liquidation preference thereof.

**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 Sections 305(a) and 307(a)

18 Can any resulting loss be recognized? ▶ \_\_\_\_\_

Shareholders will not recognize a loss for U.S. federal income tax purposes in connection with receipt of the stock dividends.

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 ▶ 1/13/12

Print your name ▶ RANDALL T CONTE Title ▶ CFO

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	GARY L RADEMAKER	Gary Rademaker			
	Firm's name ▶ KPMG LLP	Firm's EIN ▶ 13-5565207		Phone no. 312-665-1000	
	Firm's address ▶ 303 E. WACKER DRIVE CHICAGO, IL 60601				

**TAYLOR CAPITAL GROUP, INC.**

**36-4108550**

**Form 8937**

**Part I – Reporting Issuer**

**Line 10 – CUSIP number**

Series C Preferred	876851 403
Series E Preferred	876851 601
Series G Preferred	876851 700
Common	876851 106

**Part II – Organizational Action**

**Line 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.**

(continued)

On June 8, 2011, the Company's Board of Directors declared a dividend on its outstanding shares of Series C Preferred Stock and Series E Preferred Stock. The dividend was payable in the form of shares of the Company's common stock (or in the case of certain stockholders, shares of Series G Preferred Stock). This stock dividend was paid on July 15, 2011 to holders of record of shares of Preferred Stock as of June 30, 2011. For each 100 shares of Preferred Stock outstanding as of the record date the holder thereof received 5.747 shares of common stock or Series G Preferred Stock (or cash in lieu of any fractional share otherwise issuable to any holder). Accordingly, the Company issued a total of 73,296 shares of common stock and 12,844 shares of Series G Preferred Stock.

On September 22, 2011, the Company's Board of Directors declared a dividend on its outstanding shares Series C Preferred Stock and Series E Preferred Stock. The dividend was payable in the form of shares of the Company's common stock (or in the case of certain stockholders, shares of Series G Preferred Stock). This stock dividend was paid on October 15, 2011 to holders of record of shares of Preferred Stock as of September 30, 2011. For each 100 shares of Preferred Stock outstanding as of the record date the holder thereof received 8.117 shares of common stock or Series G Preferred Stock (or cash in lieu of any fractional share otherwise issuable to any holder). Accordingly, the Company issued a total of 103,560 shares of common stock and 18,142 shares of Series G Preferred Stock.

**STATEMENT 1**