

# Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

**Part I Reporting Issuer**

1 Issuer's name  TAYLOR CAPITAL GROUP, INC.		2 Issuer's employer identification number (EIN)  36-4108550	
3 Name of contact for additional information  GAIL PEARSON	4 Telephone No. of contact  847 653-7110	5 Email address of contact  gpearson@coletaylor.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact  9550 W HIGGINS ROAD		7 City, town, or post office, state, and Zip code of contact  ROSEMONT, IL 60018	
8 Date of action		9 Classification and description  PREFERRED STOCK SERIES F	
10 CUSIP number  876851 106	11 Serial number(s)  N/A	12 Ticker symbol  TAYC (common) P/S N/A	13 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 29, 2011, Taylor Capital Group, Inc. (the Company") completed the conversion of all 1,000,000 shares of its outstanding shares of Preferred Series F preferred stock (the "Series F Preferred") into shares of the Company's common stock (or in the case of some shareholders to Preferred Series G shares, a nonvoting, common equivalent (and such conversion the "Series F Conversion"). For each share of Series F Preferred, an investor received 2.5 shares of common or, in the case of some shareholders, Series G Preferred shares. A total of 2,280,000 shares of common stock were issued, and 220,000 shares of Preferred Series G 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 Series F Conversion, a U.S. taxpayer/shareholder transfers their historic basis in the Series F Preferred Stock to the replacement common stock or Series G Preferred, decreased by the amount of money and the fair market value of any other property received, and increased by any gain recognized on the exchange.

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 replacement common stock or Series G Preferred.

**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 Series F Conversion.

**19** Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The information herein represents 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.

**Sign Here**

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.

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			
	Firm's address ▶ 303 E. WACKER DRIVE CHICAGO, IL 60601	Phone no. 312-665-1000			