

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 3-26-12	9 Classification and description Series D Preferred; Series G Preferred		
10 CUSIP number 876851 502; 876851 700	11 Serial number(s) N/a	12 Ticker symbol 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, 2012, Taylor Capital Group, Inc. (the "Company") completed the exchange of one share of the Company's newly-created Nonvoting Convertible Preferred Stock (the "Nonvoting Preferred") for each share of the Company's Nonvoting Convertible Preferred Stock, Series D (the "Series D Preferred"), and Nonvoting Convertible Preferred Stock, Series G (the "Series G Preferred"). A total of 1,282,674 shares of Nonvoting Preferred shares were issued. As a result of the Exchange Transaction, no shares of Series D Preferred or Series G Preferred remain outstanding.**

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 exchange of the Series D Preferred and the Series G Preferred, a U.S. taxpayer/shareholder transfers their historic basis in the "Series D Preferred" and he "Series G Preferred", to the replacement Nonvoting 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 Nonvoting 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).

Blank lines for providing applicable Internal Revenue Code sections.

18 Can any resulting loss be recognized? ▶ Shareholders will not recognize a loss for U.S. federal income tax purposes.

Blank lines for providing information regarding loss recognition.

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 describe tax consequences that may apply to particular categories of stockholder, including in particular, the possibility of applying different method 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.

Blank lines for providing other necessary information.

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 ▶ 7/20/12

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.