

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

**Part I Reporting Issuer**

1 Issuer's name  INSTITUTIONAL FINANCIAL MARKETS, INC. F/K/A COHEN & COMPANY INC.		2 Issuer's employer identification number (EIN)  16-1685692	
3 Name of contact for additional information  JOSEPH W. POOLER, JR.		4 Telephone No. of contact  215 - 701 - 9654	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact  CIRA CENTRE, 2929 ARCH STREET 17TH FLOOR		5 Email address of contact  JPOOLER@IFMI.COM	
8 Date of action  3/28/2011, 6/2/2011, 9/6/2011, 12/6/2011		7 City, town, or post office, state, and Zip code of contact  PHILADELPHIA, PA 19104	
9 Classification and description  COMMON STOCK - SHARES LISTED ON THE NYSE AMEX EXCHANGE		10 CUSIP number  45779L10-7	
11 Serial number(s)		12 Ticker symbol  IFMI	
13 Account number(s)			

**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 ▶ Institutional Financial Markets, Inc. (the "Company") made four separate distributions to its shareholders in 2011. The Company's Board of Directors declared a cash dividend to its shareholders on the following dates: 2/28/2011, 5/4/2011, 8/8/2011, and 11/8/2011. The record dates are as follows: 3/14/2011, 5/19/2011, 8/23/2011, and 11/22/2011. The distributions were made on the following dates: 3/28/2011, 6/2/2011, 9/6/2011, and 12/6/2011.

The Company had no current or accumulated earnings and profits at the time the distributions were made. These distributions will be reported to the shareholders of the Company on the 2011 Form 1099-DIV as a Nondividend distribution on line 3.

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 ▶ Since there were no current or accumulated earnings and profits at the time of the distributions, the basis of the security of the shareholder, if any, will be reduced by the amount of the distributions received. The per share amount of each distribution was \$0.05 per share. The total amount of distributions made by the Company to its shareholders in 2011 was \$2,114,025.50.

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 ▶ The change in basis is calculated based on the number of shares owned by each shareholder. The basis is reduced by the amount of the distribution received. Each distribution was \$0.05 per share. The amounts of the distributions made by the Company were \$544,996.00 on 3/28/2011, \$544,930.55 on 6/2/2011, \$513,224.00 on 9/6/2011, and \$510,874.95 on 12/6/2011. The total amount of distributions made by the Company in 2011 was \$2,114,025.50. The distributions to the shareholders are supported by the Company's records and by filings made with the Securities and Exchange Commission.

**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 §301(c)(2) provides that the portion of the distribution which is not a dividend shall be applied against and reduce the adjusted basis of the stock. IRC §301(c)(3) provides that to the extent that the amount of the non-dividend distribution exceeds the stockholder's basis in the stock, the excess amount will be treated as gain from the sale or exchange of property.

§316(a) defines a dividend as any distribution of property made by a corporation to its shareholders out of its earnings and profits accumulated after February 28, 1913, or out of its earnings and profits of the taxable year.

18 Can any resulting loss be recognized? ▶ No.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ \_\_\_\_\_

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 ▶ *Joseph W. Pooler, Jr.* Date ▶ 11/17/12  
 Print your name ▶ JOSEPH W. POOLER, JR. 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
	THOMAS R. MCDONNELL	<u><i>Thomas McDonnell</i></u>	<u>11/17/12</u>		P00641954
	Firm's name ▶ WTAS LLC			Firm's EIN ▶	33-1197384
	Firm's address ▶ 1717 ARCH STREET, SUITE 4120 PHILADELPHIA, PA 19103			Phone no.	267 - 443 - 6440