

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
INSTITUTIONAL FINANCIAL MARKETS, INC. F/K/A COHEN & COMPANY INC.		16-1685692	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
JOSEPH W. POOLER, JR.	215-701-9654	JPOOLER@IFMI.COM	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and Zip code of contact	
CIRA CENTRE, 2929 ARCH STREET, 17TH FLOOR		PHILADELPHIA, PA 19104	
8 Date of action		9 Classification and description	
4/3/2012; 5/31/2012; 9/5/2012; 12/3/2012		COMMON STOCK - SHARES LISTED ON THE NYSE MKT EXCHANGE	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
45779L10-7		IFMI	

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 2012. The Company's Board of Directors declared a cash dividend to its shareholders on the following dates: 3/6/2012; 5/3/2012; 8/8/2012; and 11/7/2012. The record dates are as follows: 3/20/2012; 5/17/2012; 8/22/2012; and 11/19/2012. The distributions were made on the following dates: 4/3/2012; 5/31/2012; 9/5/2012; and 12/3/2012.

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 2012 Form 1099-DIV as a Nondividend distribution.

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 \$0.02 per share. The total amount of distributions made by the Company to its shareholder in 2012 was \$863,324.52.

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 distributions received. Each distribution was \$0.02 per share. The amounts of the distributions made by the Company were \$214,391.48 on 4/3/2012; \$214,377.68 on 5/31/2012; \$216,977.68 on 9/5/2012; and \$217,577.68 on 12/3/2012. 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 Section 301 (c)(2); IRC Section 301(c)(3); and IRC Section 316(a)

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 ▶ 1-4-13
Print your name ▶ Joseph W. Pooler, JR Title ▶ CFO

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	<u>John E. McGary</u>	<u><i>John E. McGary</i></u>			<u>P00149529</u>
	Firm's name ▶ <u>Marcum LLP</u>	Firm's EIN ▶ <u>11-1986323</u>		Phone no. <u>484-270-2500</u>	
Firm's address ▶ <u>3 Bala Plaza East, Suite 700 Bala Cynwyd, PA 19004</u>					