

# Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-0123

► See separate instructions.

## Part I Reporting Issuer

1 Issuer's name FG Financial Group, Inc.		2 Issuer's employer identification number (EIN) 46-111910	
3 Name of contact for additional information Hassan Baqar	4 Telephone No. of contact 847-773-1665	5 Email address of contact IR@fgfinancial.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 360 Central Ave. Suite 800		7 City, town, or post office, state, and ZIP code of contact St. Petersburg, Florida 33701	
8 Date of action SEE BELOW		9 Classification and description Preferred Stock - 8% Cumulative, Series A	
10 CUSIP number 30259W203	11 Serial number(s)	12 Ticker symbol FGFPP	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 ►

FG Financial Group, Inc. made distributions to its Series A Preferred Stock shareholders on 3/15/2021, 6/15/2021, 9/15/2021, and 12/15/2021. Each distribution was in excess of the Company's current and accumulated earnings and profits on the distribution date.

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 ► The amount of the distribution per share at each action date during 2021 is as follows:

DATE	PER SHARE
3/15/2021	\$0.5
6/15/2021	\$0.5
9/15/2021	\$0.5
12/15/2021	\$0.5

The entire amount of each distribution above is a non-taxable return of capital which should reduce the shareholder's adjusted tax basis of the shares for which the distribution was received. To the extent the return of capital exceeds the shareholder's adjusted cost basis the shareholder should generally recognize a capital gain.

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 calculation of the amount of the distribution that is a nontaxable return of capital was based on the Company's earnings and profits calculated in accordance with the Internal Revenue Code. A non-taxable return of capital is a result of total distributions in excess of tax basis current and accumulated earnings and profit. Each shareholder's adjusted tax basis in the shares of the Issuer held as of the dividend ex-date is reduced by the return of capital distribution. To the extent a return of capital exceeds a shareholder's adjusted cost basis the shareholder will generally recognize a capital gain.

**Part II** Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶

Section 312 - Effect on earnings and profits - Generally for determination of Company's earnings &amp; profits available for taxable distributions.

Section 301 - Distributions of property and subsection 301(c) - For shareholders amount taxable and calculation of basis adjustment.

Section 316 - Dividend Defined - For shareholder's amount of distribution taxable as a dividend, if any.

18 Can any resulting loss be recognized? ▶ Not Applicable

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The information provided is applicable for the 2021 tax year.

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 ▶

Date ▶ August 30, 2022

Print your name ▶ Hassan R. Baqar

Title ▶ Chief Financial Officer

Paid  
Preparer  
Use Only

Print/Type preparer's name

JASON SIMKIN

Preparer's signature

Date

8/30/2022

Check ☐ if self-employed

PTIN

P00538661

Firm's name ▶ SIMKIN CPA, LLC

Firm's EIN ▶

27-4521091

Firm's address ▶ 13601 Preston Road, Suite 575E Dallas, TX 75240-4975

Phone no.

972-308-0044

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054