

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)	
MidCountry Financial Corp.		02-0601695	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
Roy Jones	864-286-5355	roy.jones@midcountryfinancial.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	
30 Patewood Drive, Suite 160		Greenville, SC 29615	
8 Date of action		9 Classification and description	
09/30/2020		Third and final liquidating distribution to common shareholders of \$1.34 per common share.	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
Not applicable	All	Not applicable	Not applicable

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 ▶ **MidCountry Financial Corp. made a non-cash distribution having a fair value of \$29.2 million, or \$1.34 per share, to its common shareholders pursuant to a plan of liquidation. Holders of MidCountry Financial Corp.'s common stock received non-cash assets, net of liabilities, having a fair value of \$1.34 per common share pursuant to a plan of liquidation adopted by the MidCountry Financial Corp. board effective August 29, 2019. This is the third and final liquidating distribution pursuant to the plan of liquidation.**

This liquidating distribution reflects the transfer of MidCountry Financial Corp.'s assets and liabilities to the MCFC Liquidating Trust on September 30, 2020. Common shares of MidCountry Financial Corp. were canceled upon the transfer and shareholders are subsequently deemed to own their respective proportionate share of the assets of the MCFC Liquidating Trust based on their prior ownership of MidCountry Financial Corp. common stock.

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 ▶ **Liquidating distributions are generally treated as a reduction in the basis of the shareholder's common stock. Accordingly, the shareholder's basis should be reduced by \$1.34 per share. The amount of the distribution in excess of the shareholder's basis, if any, is generally treated as capital gain. The amount of the shareholder's basis in excess of the distribution, if any, is generally treated as capital loss.**

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 determined by the fair value of MidCountry Financial Corp.'s assets, less liabilities, on September 30, 2020 distributed to MidCountry Financial Corp.'s common shareholders on a per share basis, which is \$1.34 per share.**

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 331**

18 Can any resulting loss be recognized? ▶
The distribution may result in a taxable loss to shareholders to the extent the non-cash distribution of \$1.34 per share is less than the shareholder's basis in their shares of MidCountry Financial Corp. common stock. Shareholders should consult their tax advisor to determine the tax impact of this transaction with respect to their individual facts and circumstances.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ **The basis adjustment from this action is applicable to the tax year ended December 31, 2020. The distribution will be reported to each shareholder on a 2020 Form 1099-DIV which will reflect the amount of the liquidating distribution. Shareholders should consult their tax advisor to determine the tax impact of this transaction with respect to their individual facts and circumstances.**

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 ▶  Date ▶ **November 13, 2020**
Print your name ▶ **Roy D. Jones** Title ▶ **Chief Executive Officer**

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.			