

# Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

## Part I Reporting Issuer

1 Issuer's name  GAMCO INVESTORS, INC.		2 Issuer's employer identification number (EIN)  13-4007862	
3 Name of contact for additional information  Douglas R. Jamieson	4 Telephone No. of contact  914-921-5020	5 Email address of contact	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact  ONE CORPORATE CENTER		7 City, town, or post office, state, and Zip code of contact  RYE, NY 10580	
8 Date of action  November 30, 2015	9 Classification and description  Common Stock		
10 CUSIP number  361438104	11 Serial number(s)	12 Ticker symbol  GBL	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 ▶

On November 30, 2015 (the "Distribution Date"), pursuant to the terms and conditions of the Separation and Distribution Agreement dated November 30, 2015 by and between GBL and AC, GBL distributed to its each of its stockholders one (1) share of AC class A and/or class B stock for every one (1) share of GBL class A and/or class B stock held, respectively.

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 ▶ See attached

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 ▶ See attached

**Part II Organizational Action** (continued)

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

GBL received an opinion of outside legal counsel as follows:

- Pursuant to Section 355 of the Code, GBL stockholders will not recognize income, gain or loss for U.S. federal income tax purposes upon their receipt of AC class A and/or B stock pursuant to the Distribution.
- Pursuant to Section 358 of the Code, GBL stockholders must allocate the aggregate tax basis in their GBL class A and/or B shares held immediately before the Distribution between the AC shares received in the Distribution and their GBL shares.
- Pursuant to Section 1223(1) of the Code, the holding period of AC class A and/or B stock received in the Distribution generally will include the holding period at the time of the Distribution of the GBL class A and/or B stock with respect to which the Distribution is made.

You should consult your own tax adviser as to the consequences of the Distribution, including the applicability and effect of any U.S. federal, state or local tax laws, or foreign tax laws, which may result in the Distribution being taxable to you.

18 Can any resulting loss be recognized? ▶ \_\_\_\_\_

No loss may be recognized by a GBL stockholder upon the receipt of AC class A and/or B stock in the Distribution.

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

The Distribution was effective on November 30, 2015. For a GBL stockholder whose tax year is the calendar year, the reportable tax year is 2015.

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 ▶ *Mark Bass* Date ▶ 12-7-15

Print your name ▶ Mark Bass Title ▶ Tax Director

<b>Paid Preparer Use Only</b>	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.	

GAMCO INVESTORS, INC.  
EIN: 13-4007862

ATTACHMENT TO FORM 8937 – PART II  
REPORT OF ORGANIZATIONAL ACTIONS AFFECTING BASIS OF SECURITIES

*CONSULT YOUR TAX ADVISOR*

The information contained herein is being provided pursuant to the requirements of Section 6045B of the Internal Revenue Code of 1986, as amended (the “Code”), and includes a general summary regarding the application of certain U.S. federal income tax laws and regulations relating to the effects of the Distribution (as defined below) on the tax basis of GAMCO Investors, Inc. (“GBL”) stock and the allocation of tax basis between the stock of GBL and Associated Capital Group, Inc. (“AC”) following the Distribution. The information contained herein does not constitute tax advice and does not purport to be complete or to describe the consequences that may apply to particular categories of stockholders. Neither GBL nor AC provides tax advice to its stockholders. The example provided below is illustrative and is being provided pursuant to Section 6045B of the Code and as a convenience to stockholders and their tax advisers when establishing their specific tax position. You are urged to consult your own tax adviser regarding the particular consequences of the Distribution to you, including the applicability and effect of all U.S. federal, state and local tax laws and foreign tax laws. We urge you to read the Information Statement filed with the Securities and Exchange Commission on October 30, 2015, noting especially the discussion on page 43 therein under the heading “Material U.S. Federal Income Tax Consequences of the Spin-off”. You may access the Information Statement (Form 10) for Associated Capital Group, Inc. at [www.sec.gov](http://www.sec.gov).

This notice does not apply to shares of GBL class A and/or B stock sold, exchanged or otherwise disposed of prior to the Distribution.

**Line 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 Distribution, GBL stockholders will be required to allocate the aggregate tax basis in their GBL shares held immediately prior to the Distribution among the AC shares received in the Distribution and their GBL shares held immediately after the Distribution. U.S. federal income tax law does not specifically prescribe how to determine the fair market values of the GBL stock and the AC stock for purposes of allocating the aggregate tax basis. You should consult your tax advisor to determine what measure of fair market value is appropriate.

One possible method for determining the fair market value is to use the Volume-Weighted Average Price (VWAP) of GBL and AC Class A stock on the day after the distribution and allocate the pre-distribution basis proportionally. The VWAP of GBL class A stock of \$35.27 is then divided by \$67.66 (the sum of \$35.27 VWAP of GBL class A stock plus \$32.39 VWAP for AC Class A stock) to arrive at the GBL tax basis allocation percentage of 52.13%. The remaining pre-distribution federal income tax basis in GBL Class A stock is allocated to AC Class A stock.

The Company believes it is appropriate for a GBL class B shareholder to allocate 52.13% of pre-distribution tax basis to GBL class B stock and 47.87% to AC class B stock. Stockholders that

acquired GBL class A and/or class B shares at different times or different prices will need to calculate their tax basis in each tax lot of GBL class A and/or B shares and then allocate that tax basis between the shares of GBL and the shares AC stock received.

Other approaches to determine fair market value may also be possible. You are not bound by the approach described above and illustrated below and may, in consultation with your tax advisor, use other approaches in determining fair market values for GBL and AC class A or B stock.

**Line 16. Describe the calculation of the change in basis and the data that supports the calculation, such as the market value of securities and the valuation date.**

The following is an example of how the approach to basis allocation from Line 15 is applied:

GBL Class A share example:

Shares of GBL class A stock owned	1,000
GBL class A common aggregate tax basis (assumed to be \$40 per share)	\$40,000
Shares of AC class A common stock received in the distribution	1,000

Tax Basis Allocation

	# Shares Owned	Assumed Beginning Basis (A)	Price	Percentage of FMV (B)	Allocated Tax Basis = (A) X (B)
GBL class A common stock	1,000	\$ 40,000.00	\$ 35.27 <sup>1</sup>	52.13% <sup>3</sup>	\$ 20,852.00
AC class A common stock	1,000		\$ 32.39 <sup>2</sup>	47.87% <sup>4</sup>	\$ 19,148.00
Total			\$ 67.66	100.00%	\$ 40,000.00

1 VWAP of GBL class A stock on December 1, 2015

2 VWAP of AC class A stock on December 1, 2015

3 \$35.27/\$67.66

4 \$32.39/\$67.66