

Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-2224

► See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
Southern First Bancshares, Inc.		58-2459561	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
Michael D. Dowling	864-679-9000	mdowling@southernfirst.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	
100 Verdae Blvd, Suite 100		Greenville, South Carolina, 29606	
8 Date of action	9 Classification and description		
January 28, 2011	Common Stock of Southern First Bancshares, Inc.		
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
39607Y100		SFST	

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 January 24, 2012, Southern First Bancshares, Inc. announced a 10% stock dividend.

Shareholders of record on February 3, 2012 received the additional shares on February 17, 2012, with fractional shares paid in cash.

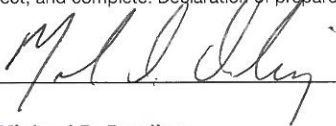
- 15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ► The 10% stock dividend had no impact on the overall economic value of the Company.

- 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 ► Each current shareholder as of February 3, 2012 received 10% additional shares of common stock of the Company.

Part II Organizational Action (continued)**17** List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ _____**IRS Code Section 305 - Distribution of Stock and Stock Rights****18** Can any resulting loss be recognized? ▶ _____**19** Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ **2011****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 ▶

2/13/12

Print your name ▶ **Michael D. Dowling**Title ▶ **Chief Financial Officer****Paid
Preparer
Use Only**

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if
self-employed PTIN

Firm's name ▶

Firm's EIN ▶

Firm's address ▶

Phone no.