

# FORM G-405

## REPORT ON FINANCES AND OPERATIONS OF GOVERNMENT SECURITIES BROKERS AND DEALERS

OMB APPROVAL
OMB # 1535-0089

### PART IIA

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(Please read instructions before preparing Form.)

1) 17 CFR 405.2 & Rule 17a-5(a)  16      2) 17 CFR 405.2 & Rule 17a-5(b)  17      3) 17 CFR 405.3 & Rule 17a-11  18

4) Special request by designated examining authority  19      5) Other  26

NAME OF GOVERNMENT SECURITIES BROKER OR DEALER:			SEC FILE NO.	<input type="checkbox"/> 14
ADDRESS OF PRINCIPAL PLACE OF BUSINESS (Do Not Use P.O. Box No.)			FIRM ID. NO.	<input type="checkbox"/> 15
(No. and Street)			FOR PERIOD BEGINNING (MMDDYYYY)	<input type="checkbox"/> 24
(City)	(State)	(ZIP Code)	AND ENDING (MMDDYYYY)	<input type="checkbox"/> 25

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT (Area Code) - Telephone No.

NAME(S) OF SUBSIDIARIES OR AFFILIATES CONSOLIDATED IN THIS REPORT:	OFFICIAL USE
<input type="checkbox"/> 30	<input type="checkbox"/> 31
<input type="checkbox"/> 32	<input type="checkbox"/> 33
<input type="checkbox"/> 34	<input type="checkbox"/> 35
<input type="checkbox"/> 36	<input type="checkbox"/> 37
<input type="checkbox"/> 38	<input type="checkbox"/> 39

DOES RESPONDENT CARRY ITS OWN CUSTOMER ACCOUNTS? YES  40      NO  41

CHECK HERE IF RESPONDENT IS FILING AN AUDITED REPORT  42

#### EXECUTION:

The registrant/government securities broker or dealer submitting this Form and its attachments and the person(s) by whom it is executed represent hereby that all information contained therein is true, correct and complete. It is understood that all required items, statements, and schedules are considered integral parts of this Form and that the submission of any amendment represents that all unamended items, statements and schedules remain true, correct and complete as previously submitted.

Dated the \_\_\_\_\_ day of \_\_\_\_\_ in the year \_\_\_\_\_  
Manual signatures of:

- 1) \_\_\_\_\_  
Principal Executive Officer or Managing Partner
- 2) \_\_\_\_\_  
Principal Financial Officer or Partner
- 3) \_\_\_\_\_  
Principal Operations Officer or Partner

**ATTENTION** - Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C. 78:f(a).)

**TO BE COMPLETED WITH THE ANNUAL AUDIT REPORT ONLY:**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report

Name (If individual, state last, first, middle name)

70

ADDRESS	Number and Street	City	State	ZIP Code
	71	72	73	74

Check One:

- ( ) Certified Public Accountant 75
- ( ) Public Accountant 76
- ( ) Accountant not resident in United States or any of its possessions 77

FOR SEC USE

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DO NOT WRITE UNDER THIS LINE . . . FOR SEC USE ONLY

WORK LOCATION	REPORT DATE MMDDYYYY	DOC. SEQ. NO.	CARD			
50	51	52	53			

**REPORT ON FINANCES AND OPERATIONS OF  
GOVERNMENT SECURITIES BROKERS AND DEALERS  
PART IIA**

GOVERNMENT SECURITIES BROKER OR DEALER

**N 3**

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**STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING AND  
CERTAIN OTHER GOVERNMENT SECURITIES BROKERS OR DEALERS**

as of (MMDDYYYY) \_\_\_\_\_ 99  
SEC FILE NO. \_\_\_\_\_ 98  
Consolidated \_\_\_\_\_ 198  
Unconsolidated \_\_\_\_\_ 199

**ASSETS**

	Allowable	Non-Allowable	Total
1. Cash.....	\$ 200		\$ 750
2. Receivables from brokers or dealers:			
A. Clearance account .....	295		
B. Other .....	300	\$ 550	810
3. Receivables from non-customers.....	355	600	830
4. Securities and spot commodities owned, at market value:			
A. Exempted securities .....	418		
B. Debt securities.....	419		
C. Options .....	420		
D. Other securities .....	424		
E. Spot commodities .....	430		850
5. Securities and/or other investments not readily marketable:			
A. At cost \$ _____	130		
B. At estimated fair value.....	440	610	860
6. Securities borrowed under subordination agreements and partners' individual and capital securities accounts, at market value:			
A. Exempted securities \$ _____	150		
B. Other securities \$ _____	160		
7. Secured demand notes-.....	470	640	890
market value of collateral:			
A. Exempted securities \$ _____	170		
B. Other securities \$ _____	180		
8. Memberships in exchanges:			
A. Owned, at market \$ _____	190		
B. Owned, at cost .....		650	
C. Contributed for use of the company, at market value .....		660	900
9. Investment in and receivables from affiliates, subsidiaries and associated partnerships .....	480	670	910
10. Property, furniture, equipment, lease- hold improvements and rights under lease agreements, at cost (net of accumulated depreciation and amortization) .....	490	680	920
11. Other assets.....	535	735	930
12. TOTAL ASSETS .....	\$ 540	\$ 740	\$ 940

**REPORT ON FINANCES AND OPERATIONS OF  
GOVERNMENT SECURITIES BROKERS AND DEALERS  
PART IIA**

GOVERNMENT SECURITIES BROKER OR DEALER

as of \_\_\_\_\_

**STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING AND  
CERTAIN OTHER GOVERNMENT SECURITIES BROKERS OR DEALERS**

LIABILITIES AND OWNERSHIP EQUITY

<u>Liabilities</u>	<u>Total</u>
13. Bank loans payable . . . . .	\$ 1470
14. Payable to brokers or dealers:	
A. Clearance account . . . . .	1560
B. Other . . . . .	1540
15. Payable to non-customers . . . . .	1610
16. Securities sold not yet purchased, at market value . . . . .	1620
17. Accounts payable, accrued liabilities, expenses and other . . . . .	1685
18. Notes and mortgages payable:	
A. Unsecured . . . . .	1690
B. Secured . . . . .	1700
19. Liabilities subordinated to claims of general creditors:	
A. Cash borrowings . . . . .	1710
1. From outsiders . . . . . \$ 970	
2. Includes equity subordination (15c3-1(d)) of . . . . . \$ 980	
B. Securities borrowings, at market value . . . . .	1720
1. From outsiders . . . . . \$ 990	
C. Pursuant to secured demand note collateral agreements . . . . .	1730
1. From outsiders . . . . . \$ 1000	
2. Includes equity subordination (15c3-1(d)) of . . . . . \$ 1010	
D. Exchange memberships contributed for use of company, at market value . . . . .	1740
E. Accounts and other borrowings not qualified for liquid capital purposes . . . . .	1750
20. TOTAL LIABILITIES . . . . .	\$ 1760
<b><u>Ownership Equity</u></b>	
21. Sole proprietorship . . . . .	\$ 1770
22. Partnership (limited partners . . . . . \$ 1020 )	1780
23. Corporation:	
A. Preferred stock . . . . .	1791
B. Common stock . . . . .	1792
C. Additional paid-in capital . . . . .	1793
D. Retained earnings . . . . .	1794
E. Total . . . . .	1795
F. Less capital stock in treasury . . . . .	( ) 1796
24. TOTAL OWNERSHIP EQUITY . . . . .	\$ 1800
25. TOTAL LIABILITIES AND OWNERSHIP EQUITY . . . . .	\$ 1810

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**REPORT ON FINANCES AND OPERATIONS OF  
GOVERNMENT SECURITIES BROKERS AND DEALERS  
PART IIA**

GOVERNMENT SECURITIES BROKER OR DEALER

as of \_\_\_\_\_

**COMPUTATION OF LIQUID CAPITAL**

		<u>Total</u>
1. Total ownership equity from Statement of Financial Condition		\$ 3480
2. Deduct ownership equity not allowable for liquid capital		( ) 3490
3. Total ownership equity qualified for liquid capital		3500
4. Add:		
A. Liabilities subordinated to claims of general creditors allowable in computation of liquid capital		3520
B. Other (deductions) or allowable credits (List)		3525
5. Total capital and allowable subordinated liabilities		\$ 3530
6. Deductions and/or charges:		
A. Total non-allowable assets from Statement of Financial Condition (Notes B and C)	\$ 3540	
B. Secured demand note deficiency	3590	
C. Other deductions and/or charges	3610	( ) 3620
7. Other additions and/or allowable credits (List)		3630
8. Liquid Capital		3640
9. Total haircuts (computed pursuant to 17 CFR 402.2(g) and Appendix A thereto):		
A. Haircuts on security and financing positions, including contractual commitments:		
1. Total governments offset portion haircut	\$ 3730	
2. Total futures and options offset haircut	3731	
3. Total hedging disallowance haircut	3732	
4. Residual net position haircut	3733	
5. Other securities haircut (use SEC factors)	3734	
B. Haircuts on credit exposure:		
1. Counterparty exposure haircut	3735	
2. Concentration of credit haircut	3736	
3. Credit volatility haircut	3737	3740
10. Liquid capital less haircuts		\$ 3750

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GOVERNMENT SECURITIES BROKER OR DEALER

as of \_\_\_\_\_

**COMPUTATION OF BASIC LIQUID CAPITAL REQUIREMENT**

11. 120% liquid capital requirement (120% of line 9) . . . . .	\$	3756
12. Minimum liquid capital requirement (see Note A) . . . . .	\$	3760
13. Excess liquid capital (line 8 less line 12) . . . . .	\$	3770
14. Excess liquid capital at 150% (line 8 less 150% of line 9) . . . . .	\$	3780
15. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1(d) as modified by 17 CFR 402.2. . . . .	%	3860

**NOTES:**

- (A) The minimum liquid capital requirement is the greater of:
1. The amount of liquid capital necessary to exceed total haircuts by the amounts required pursuant to 17 CFR 402.2(b) or (c); or
  2. 120% of total haircuts.
- (B) Do not deduct the value of securities borrowed under subordination agreements or secured demand notes covered by subordination agreements not in satisfactory form, the market values of memberships in exchanges contributed for use of company (contra to item 1740), and partners' securities which were included in non-allowable assets.
- (C) For reports filed pursuant to 17 CFR 405.2 & paragraph (d) of Rule 17a-5, respondent should provide a list of material non-allowable assets.

**REPORT ON FINANCES AND OPERATIONS OF  
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PART IIA**

GOVERNMENT SECURITIES BROKER OR DEALER
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For the period (MMDDYYYY) from \_\_\_\_\_ 3932 to \_\_\_\_\_ 3933  
 Number of months included in this statement \_\_\_\_\_ 3931

**STATEMENT OF INCOME (LOSS)**

**REVENUE**

1. Commissions:		
A. Commissions on listed option transactions . . . . .		<span style="border: 1px solid black; padding: 0 5px;">3938</span>
B. All other securities commissions . . . . .		<span style="border: 1px solid black; padding: 0 5px;">3939</span>
C. Total securities commissions . . . . .		<span style="border: 1px solid black; padding: 0 5px;">3940</span>
2. Gains or losses on firm securities trading accounts:		
A. From market making in options on a national securities exchange . . . . .		<span style="border: 1px solid black; padding: 0 5px;">3945</span>
B. From all other trading . . . . .		<span style="border: 1px solid black; padding: 0 5px;">3949</span>
C. Total gain (loss) . . . . .		<span style="border: 1px solid black; padding: 0 5px;">3950</span>
3. Gains or losses on firm securities investment accounts . . . . .		<span style="border: 1px solid black; padding: 0 5px;">3952</span>
4. Profit (loss) from underwriting and selling groups . . . . .		<span style="border: 1px solid black; padding: 0 5px;">3955</span>
5. Commodities revenue . . . . .		<span style="border: 1px solid black; padding: 0 5px;">3990</span>
6. Fees for account supervision, investment advisory and administrative services . . . . .		<span style="border: 1px solid black; padding: 0 5px;">3975</span>
7. Other revenue . . . . .		<span style="border: 1px solid black; padding: 0 5px;">3995</span>
8. Total revenue . . . . .		<span style="border: 1px solid black; padding: 0 5px;">\$ 4030</span>

**EXPENSES**

9. Salaries and other employment costs for general partners and voting stockholder officers . . . . .		<span style="border: 1px solid black; padding: 0 5px;">\$ 4120</span>
10. Other employee compensation and benefits . . . . .		<span style="border: 1px solid black; padding: 0 5px;">4115</span>
11. Commissions paid to other brokers or dealers . . . . .		<span style="border: 1px solid black; padding: 0 5px;">4140</span>
12. Interest expense . . . . .		<span style="border: 1px solid black; padding: 0 5px;">4075</span>
A. Includes interest on accounts subject to subordination agreements . . . . .	<span style="border: 1px solid black; padding: 0 5px;">4070</span>	<span style="border: 1px solid black; padding: 0 5px;">4195</span>
13. Regulatory fees and expenses . . . . .		<span style="border: 1px solid black; padding: 0 5px;">4100</span>
14. Other expenses . . . . .		<span style="border: 1px solid black; padding: 0 5px;">\$ 4200</span>
15. Total expenses . . . . .		<span style="border: 1px solid black; padding: 0 5px;">4200</span>

**NET INCOME**

16. Net income (loss) before Federal income taxes and items below (item 8 less item 15) . . . . .		<span style="border: 1px solid black; padding: 0 5px;">\$ 4210</span>
17. Provision for Federal income taxes (for parent only) . . . . .		<span style="border: 1px solid black; padding: 0 5px;">4220</span>
18. Equity in earnings (losses) of unconsolidated subsidiaries not included above . . . . .		<span style="border: 1px solid black; padding: 0 5px;">4222</span>
A. After Federal income taxes of . . . . .	<span style="border: 1px solid black; padding: 0 5px;">4238</span>	<span style="border: 1px solid black; padding: 0 5px;">4224</span>
19. Extraordinary gains (losses) . . . . .		<span style="border: 1px solid black; padding: 0 5px;">4239</span>
A. After Federal income tax of . . . . .	<span style="border: 1px solid black; padding: 0 5px;">4239</span>	<span style="border: 1px solid black; padding: 0 5px;">\$ 4225</span>
20. Cumulative effect of changes in accounting principles . . . . .		<span style="border: 1px solid black; padding: 0 5px;">4230</span>
21. Net income (loss) after Federal income taxes and extraordinary items . . . . .		<span style="border: 1px solid black; padding: 0 5px;">4230</span>

**MONTHLY INCOME**

22. Income (current month only) before provision for Federal income taxes and extraordinary items . . . . .		<span style="border: 1px solid black; padding: 0 5px;">\$ 4211</span>
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PART IIA**

GOVERNMENT SECURITIES BROKER OR DEALER
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For the period (MMDDYYYY) from \_\_\_\_\_ to \_\_\_\_\_

**STATEMENT OF CHANGES IN OWNERSHIP EQUITY  
(SOLE PROPRIETORSHIP, PARTNERSHIP OR CORPORATION)**

1. Balance, beginning of period .....		\$		4240
A. Net Income (loss) .....				4250
B. Additions (includes non-conforming capital of .....	\$		4262	) 4260
C. Deductions (includes non-conforming capital of .....	\$		4272	) ( ) 4270
2. Balance, end of period (From item 1800) .....		\$		4290

**STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED  
TO CLAIMS OF GENERAL CREDITORS**

1. Balance, beginning of period .....		\$		4300
A. Increases .....				4310
B. Decreases .....				( ) 4320
2. Balance, end of period (From item 3520) .....		\$		4330

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PART IIA**

GOVERNMENT SECURITIES BROKER OR DEALER _____	as of _____
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**Exemptive Provision Under Rule 15c3-3**

Identify below the section upon which an exemption from 17 CFR 240.15c3-3 (Rule 15c3-3) is claimed:

- A. (k)(2)(ii) – All customer transactions cleared through another broker or dealer on a fully disclosed basis  
 Name of clearing firm \_\_\_\_\_ 4335 ..... 4570
- B. (k)(3) – Exempted by order of the Commission (include copy of letter) ..... 4580

**Ownership Equity and Subordinated Liabilities maturing or proposed to be  
withdrawn within the next six months and accruals (as defined below)  
which have not been deducted in the computation of liquid capital.**

Type of Proposed Withdrawal or Accrual (See below for code)	Name of Lender or Contributor	Insider or Outsider? (In or Out)	Amount to be With- drawn (cash amount and/or Liquid Capital Value of Securities)	(MMDDYYYY) Withdrawal or Maturity Date	Expect to Renew (yes or no)	
4600	4601	4602	\$	4603	4604	4605
4610	4611	4612	\$	4613	4614	4615
4620	4621	4622	\$	4623	4624	4625
4630	4631	4632	\$	4633	4634	4635
4640	4641	4642	\$	4643	4644	4645
Total				\$	4699	
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**Instructions:** Detail listing must include the total of items maturing during the six month period following the report date, regardless of whether or not the capital contribution is expected to be renewed. The schedule must also include proposed capital withdrawals scheduled within the six month period following the report date including the proposed redemption of stock and anticipated accruals which would cause a reduction of liquid capital. These anticipated accruals would include amounts of bonuses, partners' drawing accounts, taxes, interest on capital, voluntary contributions to pension or profit sharing plans, etc. which have not been deducted in the computation of liquid capital, but which you anticipate will be paid within the next six months.

<b>WITHDRAWAL CODE:</b>	<b>DESCRIPTION</b>
1.	Equity Capital
2.	Subordinated Liabilities
3.	Accruals