

# FORM G-405

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

INFORMATION REQUIRED OF GOVERNMENT SECURITIES BROKERS AND  
DEALERS PURSUANT TO 17 CFR 405.2 and SEC RULE 17a-5  
(to be filed annually as of the end of the calendar year)

Report for the Calendar Year  <sup>1</sup>  
or if less than 12 months

Report for the period beginning  / / and ending  / /  
MM DD YYYY MM DD YYYY

SEC FILE NUMBER	
8-	<input type="text" value="8011"/>

1. NAME OF GOVERNMENT SECURITIES BROKER OR DEALER: <input type="text" value="8020"/>	<b>N 9</b>	OFFICIAL USE ONLY				<input type="text" value="8021"/>
		Firm No.	M	M	Y	

2. Name(s) of government securities brokers or dealers merging with respondent during reporting period:		OFFICIAL USE ONLY			
3 NAME: <input type="text" value="8053"/>	<input type="text" value="8053"/>	▼ 48	<input type="text" value="8057"/>	<input type="text" value="8057"/>	<input type="text" value="8057"/>
4 NAME: <input type="text" value="8054"/>	<input type="text" value="8054"/>		<input type="text" value="8058"/>	<input type="text" value="8058"/>	<input type="text" value="8058"/>
5 NAME: <input type="text" value="8055"/>	<input type="text" value="8055"/>		<input type="text" value="8059"/>	<input type="text" value="8059"/>	<input type="text" value="8059"/>
6 NAME: <input type="text" value="8056"/>	<input type="text" value="8056"/>		<input type="text" value="8060"/>	<input type="text" value="8060"/>	<input type="text" value="8060"/>

3. Respondent conducts a securities business exclusively with government securities brokers or dealers, including registered broker-dealers:  <sup>7</sup>  
(Enter applicable code: 1=Yes 2=No)

4. Respondent makes markets in the following securities:

(a) U.S. Treasury Securities .....	(Enter applicable code: 1=Yes 2=No)	<input type="text" value="8140"/>
(b) U.S. government agency securities (excluding mortgage-backed securities) .....	(Enter applicable code: 1=Yes 2=No)	<input type="text" value="8141"/>
(c) Mortgage-backed government securities .....	(Enter applicable code: 1=Yes 2=No)	<input type="text" value="8142"/>

5. Respondent carries its own public customer accounts:  <sup>8</sup>  
(Enter applicable code: 1=Yes 2=No)

6. Respondent's total number of public customer accounts:  
(carrying firms filing G-405 Part II only)

(a) Public customer accounts .....	<input type="text" value="8080"/>
(b) Omnibus accounts .....	<input type="text" value="8081"/>

7. Respondent clears its public customer and/or proprietary accounts:  <sup>8</sup>  
(Enter applicable code: 1=Yes 2=No)

8. Respondent clears its public customer accounts in the following manner: (Enter a "1" in appropriate boxes)
- (a) Direct Mail (New York Stock Exchange Members Only) .....  8086
  - (b) Self-Clearing .....  8087
  - (c) Omnibus .....  8088
  - (d) Introducing .....  8089
  - (e) Other .....  8090
- If Other please describe:
- (f) Not applicable .....  8091

9. Respondent cleared transactions in book-entry government securities through the following entities during the reporting period:
- Name: \_\_\_\_\_  8092
- Name: \_\_\_\_\_  8093
- Name: \_\_\_\_\_  8094

10. (a) Respondent maintains membership(s) on national securities exchange(s) or commodities exchange(s): (Enter applicable code: 1=Yes 2=No)  8100
- (b) Names of national securities exchange(s) and commodities exchange(s) on which respondent maintains memberships:
- Name: \_\_\_\_\_  8120
- Name: \_\_\_\_\_  8121

11. Employees:
- (a) Number of full-time employees .....  8101
- (b) Number of full-time salespersons employed by respondent included in 11(a) .....  8102

12. Total number of selling groups or underwriting syndicates of which respondent was a member during the reporting period: .....  8104

(Carrying or clearing firms filing G-405 Part II)

13. Number of respondent's public customer transactions:
- Actual .....  8105
  - Estimate .....  8106
  - (a) U.S. Treasury securities .....  8130
  - (b) U.S. government agency securities (excluding mortgage-backed securities) .....  8131
  - (c) Mortgage-backed government securities .....  8132
  - (d) Off-exchange options, puts, calls, etc., on government securities .....  8133

14. Number of branch offices operated by respondent: .....  8112

15. (a) Respondent directly or indirectly controls, is controlled by, or is under common control with, a U.S. bank:

(Enter applicable code: 1=Yes 2=No)  8143

(b) Name of parent or affiliate:  8144

(c) Type of Institution:  8145

16. Respondent is an affiliate or subsidiary of a foreign broker-dealer or bank:

(Enter applicable code: 1=Yes 2=No)  8113

17. (a) Respondent is a subsidiary of a registered broker-dealer:

(Enter applicable code: 1=Yes 2=No)  8114

▼  
12

(b) Name of parent:  8116

18. (a) Respondent is an affiliate of a registered broker-dealer:

(Enter applicable code: 1=Yes 2=No)  8115

(b) Name of affiliate:  8119

19. Respondent sends quarterly statements to customers pursuant to Rule 10b-10(b) in lieu of daily or immediate confirmations:

(Enter applicable code: 1=Yes 2=No)  8117

Public reporting burden for this collection of information is estimated to average 12 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any aspect of this collection of information, including suggestions for reducing this burden to: Bureau of the Fiscal Service, Government Securities Regulations Staff, 3201 Pennsy Drive, Building E, Landover, MD 20785-1603; and to the Office of Management and Budget, (1530-0064) Washington, DC 20503.

**UNITED STATES DEPARTMENT OF THE TREASURY**  
**Washington, D.C. 20220**

**FORM G-405 SCHEDULE I**

**GENERAL INSTRUCTIONS**

NOTE TO RESPONDENTS: Schedule I of Form G-405 is a calendar year unconsolidated report to be filed by all registered government securities brokers and dealers as a supplement to the regular fourth quarter Part II or Part IIA of Form G-405 within seventeen (17) business days after the end of the quarter.

Schedule I requires the reporting of general information designed to measure certain economic and financial characteristics of the registrant.

**SPECIFIC INSTRUCTIONS**

Item 4: "U.S. government agency securities" for the purpose of this instruction excludes U.S. Treasury securities and mortgage-backed securities, as well as all equity securities. It includes non-equity securities of corporations related to the United States whose securities are not backed by the full faith and credit of the United States, such as the Federal National Mortgage Corporation.

Items 6 (a) & (b): These items are to be completed by only carrying firms required to file Part II of Form G-405. Report total number of public customer accounts regardless of the method by which those accounts are cleared.

The term "public customer" means any person from whom or on whose behalf a registered government securities broker or dealer has received or acquired or holds funds or securities for the account of such person, but does not include a government securities broker or dealer, a registered broker or dealer, or a general, special or limited partner or director or officer of the registered government securities broker or dealer filing the report, or any person to the extent that such person has a claim for property or funds which by contract, agreement or understanding, or by operation of law, is part of the capital of the registered government securities broker or dealer or is subordinated to the claims of creditors of the registered government securities broker or dealer. Omnibus accounts carried for other government securities brokers or dealers shall not be included in the count of public customer accounts (Item 6(a)) but shall be included under Item 6(b).

Only active public customer accounts will be included in the public account total. For an account to be considered "active" it must have a non-zero cash or securities balance at the end of the reporting period or have had some action (purchase or sale of securities, dividend credit, etc.) during the reporting period. Omnibus accounts carried for other brokers at the end of the reporting period are to be included in the omnibus account total.

Item 8: Indicate with "1" the methods by which respondent clears its public customer accounts. If respondent has no customers, as defined in Item 6 above, respondent is to place a "1" in the "not applicable" box. If respondent principally clears its public customer transactions through other than a registered government securities broker or dealer or a registered broker-dealer, place a "1" in the "other" box.

Item 9: List all clearing banks and brokers through which respondent cleared transactions in book-entry government securities during any portion of the reporting period.

Item 10: Exchange membership is to include associate and limited memberships as well as regular memberships. The term "national securities exchange" means any exchange registered under section 6 of the Securities Exchange Act of 1934. The term "commodities exchange" means a "contract market" designated by the Commodity Futures Trading Commission.

Item 11(a) & (b): Report only full time (full time is defined as anyone who works 40 hours or more per week for respondent, except that salespersons are considered full time if they work 30 or more hours per week) personnel employed by respondent as of the last business day of the year. A full time salesperson is any person who spends a minimum of 50 percent of his or her time engaged in effecting transactions with public customers on behalf of the respondent. The number of employees and salespersons is "as of" the last business day of the year.

Items 13 (a), (b), (c) & (d): These items are to be completed only by carrying or clearing firms required to file Part II of Form G-405. Report the total number of public customer transactions. If the basis of the count is an actual count, place a "1" in the "actual" box. If a statistical method is used, place a "1" in the "estimate" box.

A transaction is defined as an executed trade that results in a customer trade confirmation. Therefore, the count of transactions should be taken from the customer side and should not include confirmation corrections. For count purposes, several executions at the same price which result in one confirmation should be counted as one transaction.

In the case where a firm uses a statement-type confirmation, each item of "line" should be considered as a confirmation for purposes of counting transactions. For those transactions in which the respondent acts as a principal, both street and customer sides are counted as separate transactions. For non-inventory principal transactions, both the purchase for inventory and the sale to the customer shall be counted as separate transactions.

Corrections shall be excluded from the transaction count. However, an error transaction, that is a transaction where the wrong security was purchased and the correct security must later be purchased, is not considered a correction. For error transactions, the original transaction and the buy and sell from the error account are to be counted as separate transactions.

Firms carrying public customer accounts for other government securities brokers or dealers on a fully disclosed basis are to include transactions from those accounts in their number count. Firms introducing accounts on a fully disclosed basis will report "zero" for these items.

Although an actual count of transactions is preferred, an estimated count may be generated using the following methodology:

1. Select the specific days for which transactions will be counted by:
  - a. Randomly selecting one of the first 15 working days of the year as the starting date,
  - b. Selecting each 8th working date thereafter throughout the entire year,
  - c. Listing these dates in chronological order. This should result in a list of exactly 30 dates. (If more than this number have been selected, randomly discard dates throughout the year until only 30 remain.)
2. Count the actual number of transactions on the selected dates.
3. Multiply the total number of actual transactions for the 30 selected dates by 8.33.

Items 15 (a), (b) & (c): Report whether respondent directly or indirectly controls, is controlled by, or is under common control with a U.S. bank. If the answer is "yes", provide the name of the affiliated bank and/or bank holding company, and describe the type of institution. The term "bank" is defined in section 3(a)(6) of the Securities Exchange Act of 1934.