

SUPPLEMENTAL QUARTERLY SCHEDULE TO FOCUS REPORT

DERIVATIVES AND OTHER OFF-BALANCE SHEET ITEMS

GENERAL INSTRUCTIONS

The Derivatives and Other Off-Balance Sheet Items Schedule (OBS) is intended to provide information that will permit FINRA to assess more effectively on an ongoing basis the potential impact off-balance sheet activities may have on carrying and clearing firms' net capital, leverage and liquidity, and ability to fulfill their customer protection obligations. Subject to the *de minimis* exception, the OBS must be filed by all FINRA members that self-clear their proprietary transactions or clear transactions for others or members that carry customer accounts.

De minimis exception from filing the OBS: If the aggregate of all gross amounts of off-balance sheet items is less than 10% of the firm's excess net capital on the last day of the reporting period, the firm is exempted from this filing requirement. The term "excess net capital" means net capital reduced by the greater of the minimum dollar net capital requirement or 2% of combined aggregate debit items as shown in the Formula for Reserve Requirements pursuant to SEA Rule 15c3-3. A firm that claims the *de minimis* exception must affirmatively indicate through functionality on the eFOCUS system that no filing is required for the reporting period.

The OBS must be filed within 22 business days after the end of each calendar quarter.

SPECIFIC INSTRUCTIONS

1. Commitments

A. Securities Underwriting

Report the market value of open contractual commitments to issuer(s) at quarter-end, net of confirmed sales, including both registered and non-registered issuances not otherwise reported on the balance sheet.

Note: Exclude U.S. Treasuries and direct obligations of U.S. Federal Agencies.

B. Financing commitments not included on items 3F or 3G

Report the dollar amount of any other commitments to lend funds that haven't been identified on items 3F or 3G including margin lending or other undrawn loan commitments.

C. Guarantees

Report on line 10105 (as a credit) the notional dollar amount of all guarantees of third party and affiliate obligations that are not reflected on the balance sheet.

2. Variable Interest Entities (VIEs)

A. Unconsolidated VIEs

Report the gross amounts of assets and liabilities of unconsolidated VIEs in which the firm holds an interest.

B. Maximum exposure to loss relating to unconsolidated VIEs

The maximum exposure to loss assumes all assets in the unconsolidated VIEs are worthless and includes potential losses associated with off-balance sheet commitments such as unfunded liquidity commitments and other contractual arrangements.

Memo item: Investment in unconsolidated VIEs

Report any investment(s) that has been included on the balance sheet for any entity(ies) that is not consolidated in the audited consolidated financial statements and whose assets and liabilities are included on item 2A of this schedule.

C. Maximum exposure to loss relating to consolidated VIEs

Report the maximum exposure to loss in consolidated VIEs including retained interests and other exposures (e.g., derivatives and liquidity commitments).

3. Off-Balance Sheet Financing Transactions

A. Reverse Repos and Repos offset pursuant to ASC 210-20-45-11

Report the gross contract value that was netted pursuant to ASC 210-20-45-11.

Note: Include the gross contract value of Buy/Sell-backs and Sell/Buy-backs that were netted pursuant to ASC 210-20-45-11.

B. Transactions offset pursuant to ASC 210-20-45-1

Report the gross contract value of transactions that have been netted pursuant to ASC 210-20-45-1.

C. Reverse Repos/Repos to maturity pursuant to ASC 860-10-40-5

Report the gross contract value of Reverse Repo or Bonds Borrowed contracts (as a debit) and the gross contract value of Repos or Bonds Loaned contracts (as a credit) that were de-recognized from the balance sheet pursuant to ASC 860-10-40-5.

D. Securities Borrowed vs. Pledge agreements

Report the gross collateral market value of Non-Cash Securities Borrowed and Non-Cash Securities Loans agreements not included on the balance sheet pursuant to ASC 860.

E. Reverse Repo vs. Pledge agreements

Report the gross collateral market value of Non-Cash Reverse Repo and Repurchase agreements not included on the balance sheet pursuant to ASC 860.

F. Forward starting Reverse Repurchase and Securities Borrowing agreements

Report the dollar amount of cash the broker-dealer has agreed to lend on forward starting Reverse Repo and Securities Borrowed transactions.

G. Forward starting Repurchase and Securities Lending agreements

Report the dollar amount of cash the broker-dealer has agreed to borrow on forward starting Repurchase and Securities Lending transactions.

H. Other

Report any other Off-Balance Sheet Financing agreements not otherwise included above.

4. Non-Regular Way Settlement Trades

A. When Issued Securities

Report the gross long and short notional values of securities positions purchased and sold on a "When Issued" basis and not otherwise included on the balance sheet.

B. Delayed Delivery/Delayed Settlement

Report the gross long and short notional values of all unsettled trades transacted on a Delayed Delivery/Delayed Settlement basis, not otherwise included on the balance sheet.

C. To Be Announced (TBA) transactions

Report the gross long and short notional values of all unsettled TBA transactions in securities issued by Freddie Mac (FHLMC), Fannie Mae (FNMA) and Ginnie Mae (GNMA).

D. TBA related fails not included on balance sheet

Report the gross long and short notional values of TBA transactions that have passed their contracted settlement date and are not included as fails on the balance sheet.

E. Other

Report the gross long and short notional value of any other Non-Regular Way settlement transactions not otherwise included on the balance sheet or on items 4A through D.

5. Forwards

A. Foreign Exchange

Report the gross amount stated in \$USD, of all foreign exchange forwards committing the firm to purchase or sell foreign (non-\$USD) currencies for a \$USD exchange, where the predominant risk is foreign exchange risk.

The term "foreign exchange forward" means a transaction that solely involves the exchange of two different currencies on a specific future date at a fixed rate agreed upon on the inception of the contract covering the exchange.

Note: For purposes of the OBS, a foreign exchange forward is a contract with a settlement date greater than two business days following the trade date (i.e., > T+2).

B. Other

Report the gross purchase and sale of other forward settling transactions, not otherwise included in the balance sheet.

6. Total gross notional amount

Report in the appropriate column according to the contract's underlying risk exposure: interest rate, foreign exchange, equity, commodity and other. Contracts with multiple underlying risks should be reported based upon the greatest risk at the origination of the contract. Credit derivatives should be excluded from items 6 through 9 and reported in items 10 through 13.

Firms should net offsetting intracompany swaps between desks. No other netting should be done for purposes of reporting on this schedule, even if contracts are subject to bilateral netting agreements.

SUPPLEMENTAL QUARTERLY SCHEDULE TO FOCUS REPORT

DERIVATIVES AND OTHER OFF-BALANCE SHEET ITEMS

(Please read instructions before completing Form)

NAME OF BROKER-DEALER _____	13	SEC FILE NO. _____	14
ADDRESS OF PRINCIPAL PLACE OF BUSINESS _____	20	FIRM ID NO. _____	15
(No. and Street)		FOR PERIOD ENDING (MM/DD/YY)	
_____	21	_____	25
(City)	(State)	(Zip Code)	
NAME OF PERSON COMPLETING THIS REPORT _____		10001	
TELEPHONE NO. OF PERSON COMPLETING THIS REPORT _____		10002	

Amounts should be reported in thousands.

	Gross Amounts Debit or Long Market Value (000s)		Gross Amounts Credit or Short Market Value (000s)
1. Commitments			
A. Securities Underwriting	\$ _____	10100	\$ _____ 10101
B. Financing commitments not included on items 3F or 3G	\$ _____	10102	\$ _____ 10103
C. Guarantees	\$ _____	10104	\$ _____ 10105
2. Variable Interest Entities (VIEs)			
A. Unconsolidated VIEs	\$ _____	10106	\$ _____ 10107
B. Maximum exposure to loss relating to unconsolidated VIEs	\$ _____	10108	\$ _____ 10109
Memo item: Investment in unconsolidated VIEs...\$ _____		10110	
C. Maximum exposure to loss relating to consolidated VIEs	\$ _____	10111	\$ _____ 10112
3. Off-Balance Sheet Financing Transactions			
A. Reverse Repos and Repos offset pursuant to ASC 210-20-45-11	\$ _____	10113	\$ _____ 10114
B. Transactions offset pursuant to ASC 210-20-45-1	\$ _____	10115	\$ _____ 10116
C. Reverse Repos/Repos to maturity pursuant to ASC 860-10-40-5	\$ _____	10117	\$ _____ 10118
D. Securities Borrowed vs. Pledge agreements	\$ _____	10119	\$ _____ 10120
E. Reverse Repo vs. Pledge agreements	\$ _____	10121	\$ _____ 10122
F. Forward starting Reverse Repurchase and Securities Borrowing agreements	\$ _____	10123	\$ _____ 10124
G. Forward starting Repurchase and Securities Lending agreements	\$ _____	10125	\$ _____ 10126
H. Other	\$ _____	10127	\$ _____ 10128
4. Non-Regular Way Settlement Trades			
A. When Issued Securities	\$ _____	10129	\$ _____ 10130
B. Delayed Delivery/Delayed Settlement	\$ _____	10131	\$ _____ 10132
C. To Be Announced (TBA) transactions	\$ _____	10133	\$ _____ 10134
D. TBA related fails not included on balance sheet	\$ _____	10135	\$ _____ 10136
E. Other	\$ _____	10137	\$ _____ 10138
5. Forwards			
A. Foreign Exchange	\$ _____	10139	\$ _____ 10140
B. Other	\$ _____	10141	\$ _____ 10142

**SUPPLEMENTAL QUARTERLY SCHEDULE TO FOCUS REPORT
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For the period (MM/DD/YY) ending _____ 25

Derivatives

	Interest Rate Contracts		Foreign Exchange Contracts		Equity Derivative Contracts		Commodity and other Contracts	
	(000s)		(000s)		(000s)		(000s)	
6. Total gross notional amount	\$ _____	10143	\$ _____	10144	\$ _____	10145	\$ _____	10146
7. Dollar amount in item 6 that is centrally cleared	\$ _____	10147	\$ _____	10148	\$ _____	10149	\$ _____	10150
8. Total Mark-to-Market receivable (Debit)	\$ _____	10151	\$ _____	10152	\$ _____	10153	\$ _____	10154
9. Total Mark-to-Market payable (Credit)	\$ _____	10155	\$ _____	10156	\$ _____	10157	\$ _____	10158

Credit Derivatives

	Sold Protection		Purchased Protection	
	(000s)		(000s)	
10. Total gross notional amount	\$ _____	10159	\$ _____	10160
11. Dollar amount in item 10 that is centrally cleared	\$ _____	10161	\$ _____	10162
12. Total Mark-to-Market receivable (Debit)	\$ _____	10163	\$ _____	10164
13. Total Mark-to-Market payable (Credit)	\$ _____	10165	\$ _____	10166