OMB APPROVAL
OMB Number: 3235-0045 Estimated average burden hours per response............38

Required fields are shown with yellow backgrounds and asterisks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 19b-4

File No.* SR - 2012 - * 050
Amendment No. (req. for Amendments *) 1

Filing by Financial Industry Regulatory Authority

Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial *	Amendment *	Withdrawal	Section 19(b)(2) *	Section 19(b)(3)(A) *	Section 19(b)(3)(B) *
☐	☑	☐	☑	☐	☐

Pilot ☐

Extension of Time Period for Commission Action * ☐

Date Expires *

Rule

19b-4(f)(1) 19b-4(f)(4)
19b-4(f)(2) 19b-4(f)(5)
19b-4(f)(3) 19b-4(f)(6)

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010

Section 806(e)(1) Section 806(e)(2)

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934

Section 3C(b)(2)

Exhibit 2 Sent As Paper Document

Exhibit 3 Sent As Paper Document

Description

Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

Contact Information

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name * Matthew Last Name * Vitek
Title * Assistant General Counsel
E-mail * matthew.vitek@finra.org
Telephone * (202) 728-8156 Fax (202) 728-8264

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

Date 02/01/2013
By Stephanie M. Dumont
(Name *)

(Title *)
Senior Vice President and Director of Capital Markets Policy

Stephanie Dumont,

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

Required fields are shown with yellow backgrounds and asterisks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFS website.

Form 19b-4 Information * Add Remove View	The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.
Exhibit 1 - Notice of Proposed Rule Change * Add Remove View	The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)
Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies Add Remove View	The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change, security-based swap submission, or advance notice being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)
Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications Add Remove View Exhibit Sent As Paper Document ☐	Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.
Exhibit 3 - Form, Report, or Questionnaire Add Remove View Exhibit Sent As Paper Document ☐	Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.
Exhibit 4 - Marked Copies Add Remove View	The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.
Exhibit 5 - Proposed Rule Text Add Remove View	The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.
Partial Amendment Add Remove View	If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

On November 15, 2012, FINRA filed with the Securities and Exchange Commission ("SEC" or "Commission") SR-FINRA-2012-050, a proposed rule change to adopt a supplementary schedule for derivatives and other off-balance sheet items ("OBS") pursuant to FINRA Rule 4524 (Supplemental FOCUS Information). The Commission published the proposed rule change for notice and comment on November 27, 2012,[1] and received one comment letter.[2] FINRA is filing this Partial Amendment No. 1 to respond to the comment letter that was received by the Commission and to propose a change to the OBS and three changes to the instructions to the OBS.

The commenter asked if reporting will begin for the OBS on January 22, 2013, and if the OBS will be public. In addition, the commenter questioned if the information in the OBS will be in the December 31, 2012 financials. In response, as FINRA stated in SR-FINRA-2012-050, "FINRA will announce the first quarterly reporting period (i.e., the implementation date for purposes of the proposed off-balance sheet schedule) in a Regulatory Notice to be published no later than 60 days following Commission approval of the proposed rule change." Further, the proposed OBS will be treated with the same confidentiality as the FOCUS Report to which it relates.[3] Finally, firms are required to file annually with the SEC audited financial statements that include a publicly available Statement of Financial Condition.[4] The footnotes to the Statement of Financial Condition should contain off-balance sheet disclosures as required by generally accepted accounting principles.

Not in connection with the comment letter that was received by the Commission, FINRA is proposing to amend the OBS and the instructions to the OBS. First, FINRA is proposing to clarify that the *de minimis* exception is based on the aggregate of all gross amounts of off-balance sheet items. Second, FINRA is making a technical change to require a firm that claims the *de minimis* exception to affirmatively indicate through functionality on the eFOCUS system that no filing is required for the reporting period. Third, FINRA is proposing to add instructions for item 6 (Total gross notional amount) of the OBS. Fourth, FINRA is proposing to renumber as line 25 both "for period ending" lines 24 and 3932 of the OBS.

FINRA is including with this Partial Amendment No. 1 an Exhibit 3 that contains the proposed OBS and instructions to the OBS, as amended.

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1 See Securities Exchange Act ("SEA") Release No. 68270 (November 20, 2012), 77 FR 70860 (November 27, 2012) (Notice of Filing of File No. SR-FINRA-2012-050).

2 See Email from Suzanne Shatto, dated January 3, 2013, available at <http://www.sec.gov/comments/sr-finra-2012-050/finra2012050.shtml>. All references to the commenter in this Partial Amendment No. 1 are to this comment.

3 See SEA Rule 17a-5(a)(3).

4 See SEA Rules 17a-5(d) and 17a-5(e)(3).

EXHIBIT 3

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.

FINRA FORM OBS

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]

(No. and Street)

FIRM ID NO. ______ [15]

______ [21] (City) ______ [22] (State) ______ [23] (Zip Code)

FOR PERIOD ENDING (MM/DD/YY) ______ [25]

NAME OF PERSON COMPLETING THIS REPORT ______ [10001]

TELEPHONE NO. OF PERSON COMPLETING THIS REPORT ______ [10002]

Amounts should be reported in millions except for item 1A, which should be reported in thousands.

	Gross Amounts Debit or Long Market Value	Gross Amounts Credit or Short Market Value
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
DERIVATIVES AND OTHER OFF-BALANCE SHEET ITEMS
For the period (MM/DD/YY) ending ____________ 25

Derivatives

	Interest Rate Contracts		Foreign Exchange Contracts		Equity Derivative Contracts		Commodity and other Contracts	
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	
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