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Page 1 of * 47

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

File No.* SR - 2018 - * 041

Amendment No. (req. for Amendments *)

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) * ☐

Rule

Pilot ☐ Extension of Time Period
 for Commission Action * Date Expires *

☐ 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

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

Section 806(e)(1) * ☐

Section 806(e)(2) * ☐

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 *).

Proposed rule change to make technical revisions and one minor correction to the Supplemental Statement of Income required to be filed pursuant to FINRA Rule 4524 (Supplemental FOCUS Information)

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 * Adam Last Name * Arkel
 Title * Associate General Counsel
 E-mail * adam.arkel@finra.org
 Telephone * (202) 728-6961 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.

(Title *)

Date 12/12/2018

By Philip Shaikun

(Name *)

Vice President and Associate General Counsel

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.

Philip Shaikun, Philip.Shaikun@Finra.Org

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFT 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 *

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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

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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

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Exhibit Sent As Paper Document

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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

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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

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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.

1. Text of the Proposed Rule Change

(a) Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act” or “Exchange Act”),¹ Financial Industry Regulatory Authority, Inc. (“FINRA”) is filing with the Securities and Exchange Commission (“SEC” or “Commission”) a proposed rule change to make technical revisions and one minor correction to the Supplemental Statement of Income (“SSOI”) required to be filed pursuant to FINRA Rule 4524 (Supplemental FOCUS Information). The technical revisions would conform the SSOI with amendments to SEC Form X-17A-5 (the “FOCUS Report”) that the SEC has adopted.

The proposed rule change does not make any changes to the text of FINRA rules.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The Chief Legal Officer of FINRA authorized the filing of the proposed rule change with the SEC pursuant to delegated authority. No other action by FINRA is necessary for the filing of the proposed rule change.

FINRA has filed the proposed rule change for immediate effectiveness. FINRA is proposing that the implementation date of the proposed rule change will be March 31, 2019, for SSOI filings that report on the period January 1 through March 31, 2019, and are due by April 26, 2019. Thus, all SSOIs filed on or after March 31, 2019 would reflect the proposed rule change.

¹ 15 U.S.C. 78s(b)(1).

3. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

(a) Purpose

FINRA Rule 4524 (Supplemental FOCUS Information) requires each member, as FINRA shall designate, to file such additional financial or operational schedules or reports as FINRA may deem necessary or appropriate for the protection of investors or in the public interest as a supplement to filing FOCUS reports. FINRA implemented the SSOI pursuant to Rule 4524 in 2012.²

On August 17, 2018, the SEC adopted amendments that simplify and update, among other rules and forms, certain of the FOCUS reporting requirements for brokers and dealers and make changes to the annual audit requirements.³ The SEC's

² See Regulatory Notice 12-11 (Supplemental FOCUS Information) (February 2012) (announcing the SEC's approval of Rule 4524 and the SSOI). See also Securities Exchange Act Release No. 66364 (February 9, 2012), 77 FR 8938 (February 15, 2012) (Notice of Filing of Amendment No. 2 and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment No. 2, Adopting FINRA Rule 4524 (Supplemental FOCUS Information) and Proposed Supplementary Schedule to the Statement of Income (Loss) Page of FOCUS Reports; File No. SR-FINRA-2011-064) and Securities Exchange Act Release No. 67257 (June 26, 2012), 77 FR 39313 (July 2, 2012) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Make Non-Substantive Technical Changes to the Supplemental Statement of Income Required To Be Filed Pursuant to FINRA Rule 4524 (Supplemental FOCUS Information); File No. SR-FINRA-2012-033).

³ See Securities Exchange Act Release No. 83875 (August 17, 2018), 83 FR 50148 (October 4, 2018) (Final Rule: Disclosure Update and Simplification) (the SEC's Adopting Release). To facilitate members in their financial reporting obligations, FINRA issued Regulatory Notice 18-38 to announce updates to the FINRA eFOCUS System designed to correspond with the new FOCUS requirements and to inform members of the effective date of the new requirements pursuant to specified relief granted by the staff of the SEC Division of Trading and Markets. See Regulatory Notice 18-38 (Financial Reporting Requirements) (November 2018); see also letter from Michael A. Macchiaroli, Associate Director, Division of Trading and Markets, SEC, to Ann Duguid, Senior Director, FINRA, dated (October 29, 2018).

amendments update Parts II, IIA, and IIB of the FOCUS Report to reflect updated U.S. Generally Accepted Accounting Principles (“U.S. GAAP”) requirements.⁴ More specifically, the amendments revise the Statement of Financial Condition and the Statement of Income in the FOCUS Reports to include new line items added for the reporting of comprehensive income or loss, including other comprehensive income and accumulated other comprehensive income or loss. The amendments update line items to eliminate references to extraordinary gains or losses and the cumulative effect of changes in accounting principles.

FINRA is proposing technical revisions that would conform the SSOI with the SEC’s amendments to the FOCUS Report. FINRA believes that conforming the SSOI with the FOCUS Report is consistent with the Commission’s goal of eliminating redundant, duplicative, overlapping, outdated, or superseded requirements,⁵ without significantly altering the information available to regulators. Because the SSOI is intended to provide more detailed information about a member’s revenues and expenses reported on the FOCUS Report, making the two forms consistent would enable members to file the same information on both forms with respect to comprehensive income, extraordinary items, and the effect of changes in accounting principles. As such, the proposed revisions should create clarity and reduce burdens for members, thereby

⁴ See, for example, the SEC’s Adopting Release at 83 FR 50179, 50182 and 50183.

⁵ See the SEC’s Adopting Release at 83 FR 50150. See also Section 72002 of the Fixing America’s Surface Transportation Act, Pub. L. No. 114-94, 29 Stat. 1312 (2015) (mandating that the SEC revise Regulation S-K to eliminate provisions that are duplicative, overlapping, outdated, or unnecessary).

assisting members in their financial reporting obligations and facilitating investor protection. Specifically, FINRA proposes to make the following changes to the SSOI:⁶

- delete SSOI line 14224 (“Extraordinary gains (losses)”) and SSOI line 14225 (“Cumulative effect of changes in accounting principles”) to conform with the elimination of references to extraordinary gains or losses and to the cumulative effect of changes in accounting principles in the FOCUS Report;
- delete the phrase “and extraordinary item” from SSOI line 14230 (“Net income (loss) after Federal income taxes and extraordinary item”), again to conform with the elimination of references to extraordinary gains or losses in the FOCUS Report;
- add new SSOI line 14226 (“Other comprehensive income (loss)”) and new SSOI line 14228 (“Comprehensive income (loss)”) to conform with the addition of correspondingly titled new lines in the FOCUS Report;
- amend the title of Section 19 of the SSOI, and the associated header that precedes Section 19, to read “Net Income/Comprehensive Income” to conform with and correspond to the reporting of comprehensive income in the FOCUS Report; and
- amend the General Instructions and the Specific Instructions to the SSOI to conform with the above deletions, additions and amendments, as appropriate, with respect to SSOI lines 14224, 14225, 14226, 14228 and 14230, and the header to and title of Section 19.

⁶ The SSOI as amended pursuant to the proposed rule change is included as Exhibit 3 to this filing.

In addition, FINRA proposes to make a minor correction to Section 3 (Revenue from Sale of Insurance Based Products) under the Specific Instructions to the SSOI.⁷

As noted in Item 2 of this filing, FINRA has filed the proposed rule change for immediate effectiveness. FINRA is proposing that the implementation date of the proposed rule change will be March 31, 2019, for SSOI filings that report on the period January 1 through March 31, 2019, and are due by April 26, 2019. Thus, all SSOIs filed on or after March 31, 2019 would reflect the proposed rule change.

(b) Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act,⁸ which requires, among other things, that FINRA rules must be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest. FINRA believes that the proposed rule change would further the purposes of the Act because, as discussed in Section 3(a) of this filing, consistent with the Commission's goal of eliminating redundant, duplicative, overlapping, outdated, or superseded requirements, without significantly altering the information available to regulators, the proposed rule change, by conforming the SSOI with the FOCUS Report, would create clarity and reduce burdens for members, thereby assisting members in their financial reporting obligations and facilitating investor protection.

⁷ Specifically, FINRA proposes to delete the extra period that appears at the end of the instructions to Line 11022 (Aggregate amount if less than the greater of \$5,000 or 5% of Total Revenue).

⁸ 15 U.S.C. 78o-3(b)(6).

4. Self-Regulatory Organization's Statement on Burden on Competition

FINRA does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. FINRA believes that, by conforming the SSOI with the FOCUS Report, the proposed rule change is consistent with the Commission's goal of eliminating redundant, duplicative, overlapping, outdated, or superseded requirements and does not significantly alter the information available to regulators. As such, FINRA believes the proposed rule change will create clarity and reduce burdens for members, thereby reducing burdens on the marketplace and facilitating investor protection.

5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

Written comments were neither solicited nor received.

6. Extension of Time Period for Commission Action

Not applicable.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2) or Section 19(b)(7)(D)

The proposed rule change is effective upon filing pursuant to Section 19(b)(3) of the Act⁹ and paragraph (f)(6) of Rule 19b-4 thereunder,¹⁰ in that the proposed rule change does not significantly affect the protection of investors or the public interest; does not impose any significant burden on competition; and does not become operative for 30 days after filing or such shorter time as the Commission may designate.

⁹ 15 U.S.C. 78s(b)(3).

¹⁰ 17 CFR 240.19b-4(f)(6).

In accordance with Rule 19b-4(f)(6),¹¹ FINRA submitted written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing, or such shorter time as the Commission may designate, as specified in Rule 19b-4(f)(6)(iii) under the Act.¹²

FINRA proposes to make the proposed rule change operative on March 31, 2019, for SSOI filings that report on the period January 1 through March 31, 2019, and are due by April 26, 2019. Thus, all SSOIs filed on or after March 31, 2019 would reflect the proposed rule change.

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

Not applicable.

9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

11. Exhibits

Exhibit 1. Completed notice of proposed rule change for publication in the Federal Register.

Exhibit 3. Supplemental Statement of Income.

¹¹ 17 CFR 240.19b-4(f)(6).

¹² 17 CFR 240.19b-4(f)(6)(iii).

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34- ; File No. SR-FINRA-2018-041)

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Make Technical Revisions and One Minor Correction to the Supplemental Statement of Income Required to be Filed Pursuant to FINRA Rule 4524 (Supplemental FOCUS Information)

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² notice is hereby given that on , Financial Industry Regulatory Authority, Inc. (“FINRA”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by FINRA. FINRA has designated the proposed rule change as constituting a “non-controversial” rule change under paragraph (f)(6) of Rule 19b-4 under the Act,³ which renders the proposal effective upon receipt of this filing by the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

FINRA is proposing a rule change to make technical revisions and one minor correction to the Supplemental Statement of Income (“SSOI”) required to be filed pursuant to FINRA Rule 4524 (Supplemental FOCUS Information). The technical

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 17 CFR 240.19b-4(f)(6).

revisions would conform the SSOI with amendments to SEC Form X-17A-5 (the “FOCUS Report”) that the SEC has adopted.

The text of the proposed rule change is available on FINRA’s website at <http://www.finra.org>, at the principal office of FINRA and at the Commission’s Public Reference Room.

II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, FINRA included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. FINRA has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

FINRA Rule 4524 (Supplemental FOCUS Information) requires each member, as FINRA shall designate, to file such additional financial or operational schedules or reports as FINRA may deem necessary or appropriate for the protection of investors or in the public interest as a supplement to filing FOCUS reports. FINRA implemented the SSOI pursuant to Rule 4524 in 2012.⁴

⁴ See Regulatory Notice 12-11 (Supplemental FOCUS Information) (February 2012) (announcing the SEC’s approval of Rule 4524 and the SSOI). See also Securities Exchange Act Release No. 66364 (February 9, 2012), 77 FR 8938 (February 15, 2012) (Notice of Filing of Amendment No. 2 and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment No. 2, Adopting FINRA Rule 4524 (Supplemental FOCUS Information) and Proposed Supplementary Schedule to the Statement of Income (Loss) Page of

On August 17, 2018, the SEC adopted amendments that simplify and update, among other rules and forms, certain of the FOCUS reporting requirements for brokers and dealers and make changes to the annual audit requirements.⁵ The SEC's amendments update Parts II, IIA, and IIB of the FOCUS Report to reflect updated U.S. Generally Accepted Accounting Principles ("U.S. GAAP") requirements.⁶ More specifically, the amendments revise the Statement of Financial Condition and the Statement of Income in the FOCUS Reports to include new line items added for the reporting of comprehensive income or loss, including other comprehensive income and accumulated other comprehensive income or loss. The amendments update line items to eliminate references to extraordinary gains or losses and the cumulative effect of changes in accounting principles.

FINRA is proposing technical revisions that would conform the SSOI with the SEC's amendments to the FOCUS Report. FINRA believes that conforming the SSOI

FOCUS Reports; File No. SR-FINRA-2011-064) and Securities Exchange Act Release No. 67257 (June 26, 2012), 77 FR 39313 (July 2, 2012) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Make Non-Substantive Technical Changes to the Supplemental Statement of Income Required To Be Filed Pursuant to FINRA Rule 4524 (Supplemental FOCUS Information); File No. SR-FINRA-2012-033).

⁵ See Securities Exchange Act Release No. 83875 (August 17, 2018), 83 FR 50148 (October 4, 2018) (Final Rule: Disclosure Update and Simplification) (the SEC's Adopting Release). To facilitate members in their financial reporting obligations, FINRA issued Regulatory Notice 18-38 to announce updates to the FINRA eFOCUS System designed to correspond with the new FOCUS requirements and to inform members of the effective date of the new requirements pursuant to specified relief granted by the staff of the SEC Division of Trading and Markets. See Regulatory Notice 18-38 (Financial Reporting Requirements) (November 2018); see also letter from Michael A. Macchiaroli, Associate Director, Division of Trading and Markets, SEC, to Ann Duguid, Senior Director, FINRA, dated (October 29, 2018).

⁶ See, for example, the SEC's Adopting Release at 83 FR 50179, 50182 and 50183.

with the FOCUS Report is consistent with the Commission's goal of eliminating redundant, duplicative, overlapping, outdated, or superseded requirements,⁷ without significantly altering the information available to regulators. Because the SSOI is intended to provide more detailed information about a member's revenues and expenses reported on the FOCUS Report, making the two forms consistent would enable members to file the same information on both forms with respect to comprehensive income, extraordinary items, and the effect of changes in accounting principles. As such, the proposed revisions should create clarity and reduce burdens for members, thereby assisting members in their financial reporting obligations and facilitating investor protection. Specifically, FINRA proposes to make the following changes to the SSOI:⁸

- delete SSOI line 14224 ("Extraordinary gains (losses)") and SSOI line 14225 ("Cumulative effect of changes in accounting principles") to conform with the elimination of references to extraordinary gains or losses and to the cumulative effect of changes in accounting principles in the FOCUS Report;
- delete the phrase "and extraordinary item" from SSOI line 14230 ("Net income (loss) after Federal income taxes and extraordinary item"), again to conform with the elimination of references to extraordinary gains or losses in the FOCUS Report;

⁷ See the SEC's Adopting Release at 83 FR 50150. See also Section 72002 of the Fixing America's Surface Transportation Act, Pub. L. No. 114-94, 29 Stat. 1312 (2015) (mandating that the SEC revise Regulation S-K to eliminate provisions that are duplicative, overlapping, outdated, or unnecessary).

⁸ The SSOI as amended pursuant to the proposed rule change is included as Exhibit 3 to this filing.

- add new SSOI line 14226 (“Other comprehensive income (loss)”) and new SSOI line 14228 (“Comprehensive income (loss)”) to conform with the addition of correspondingly titled new lines in the FOCUS Report;
- amend the title of Section 19 of the SSOI, and the associated header that precedes Section 19, to read “Net Income/Comprehensive Income” to conform with and correspond to the reporting of comprehensive income in the FOCUS Report; and
- amend the General Instructions and the Specific Instructions to the SSOI to conform with the above deletions, additions and amendments, as appropriate, with respect to SSOI lines 14224, 14225, 14226, 14228 and 14230, and the header to and title of Section 19.

In addition, FINRA proposes to make a minor correction to Section 3 (Revenue from Sale of Insurance Based Products) under the Specific Instructions to the SSOI.⁹

FINRA has filed the proposed rule change for immediate effectiveness. FINRA is proposing that the implementation date of the proposed rule change will be March 31, 2019, for SSOI filings that report on the period January 1 through March 31, 2019, and are due by April 26, 2019. Thus, all SSOIs filed on or after March 31, 2019 would reflect the proposed rule change.

⁹ Specifically, FINRA proposes to delete the extra period that appears at the end of the instructions to Line 11022 (Aggregate amount if less than the greater of \$5,000 or 5% of Total Revenue).

2. Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act,¹⁰ which requires, among other things, that FINRA rules must be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest. FINRA believes that the proposed rule change would further the purposes of the Act because, as discussed in Section II.A.1. of this filing, consistent with the Commission's goal of eliminating redundant, duplicative, overlapping, outdated, or superseded requirements, without significantly altering the information available to regulators, the proposed rule change, by conforming the SSOI with the FOCUS Report, would create clarity and reduce burdens for members, thereby assisting members in their financial reporting obligations and facilitating investor protection.

B. Self-Regulatory Organization's Statement on Burden on Competition

FINRA does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. FINRA believes that, by conforming the SSOI with the FOCUS Report, the proposed rule change is consistent with the Commission's goal of eliminating redundant, duplicative, overlapping, outdated, or superseded requirements and does not significantly alter the information available to regulators. As such, FINRA believes the proposed rule change will create clarity and reduce burdens for members, thereby reducing burdens on the marketplace and facilitating investor protection.

¹⁰ 15 U.S.C. 78o-3(b)(6).

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

Written comments were neither solicited nor received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act¹¹ and Rule 19b-4(f)(6) thereunder.¹²

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

¹¹ 15 U.S.C. 78s(b)(3)(A).

¹² 17 CFR 240.19b-4(f)(6).

Electronic Comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-FINRA-2018-041 on the subject line.

Paper Comments:

- Send paper comments in triplicate to Robert W. Errett, Deputy Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-FINRA-2018-041. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of such filing also will be available for inspection and copying at the principal office of FINRA. All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal

identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-FINRA-2018-041 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹³

Robert W. Errett
Deputy Secretary

¹³ 17 CFR 200.30-3(a)(12).

Exhibit 3

Below is the Supplemental Statement of Income. Proposed new language is double underlined; deletions are in double brackets.

SUPPLEMENTAL STATEMENT OF INCOME**GENERAL INSTRUCTIONS**

The Supplemental Statement of Income (SSOI) is intended to provide more detailed information about a member's revenue and expenses that are reflected on the FOCUS Report (Part II, Part IIA or Part II CSE, as appropriate). The SSOI must be filed by all FINRA members as a supplement to the FOCUS Report within 20 business days after the end of each calendar quarter. The SSOI must reflect revenue and expenses for the calendar quarter.

All revenue and expense items must be reported in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

Intercompany transactions must be included on the respective lines, as if they were third party transactions, unless otherwise noted.

Related FOCUS lines are included on the SSOI for your reference only.

Each of the revenue and expense lines on the FOCUS Report has a four digit number that begins with a "3" or "4". The related line on the SSOI has a five digit number that begins with "1" and is followed by the same number from the FOCUS Report. For example, "Other revenue" on the FOCUS Report is referenced by Line 3995 and on the SSOI as Line 13995. The lines on the SSOI that are not directly related to a line on the FOCUS Report are referenced by a five digit number beginning with "11", or with an "11" or "19" on the Operational Page.

Further, each line on the SSOI that has a related line on the FOCUS Report is preceded by one of the following prefixes:

- "C" if the line is reflected on the Part II CSE of the FOCUS Report;
- "II" if the line is reflected on the Part II of the FOCUS Report;
- "IIA" if the line is reflected on the Part IIA of the FOCUS Report; and
- "A" if the line is reflected on all three versions (Part II CSE, Part II and Part IIA) of the FOCUS Report.

Subject to a reporting threshold, certain sections of the SSOI with multiple line items permit firms to report all revenue or expenses associated with a given section *on a single line*. For an applicable section, if the total revenue or expenses for that section is less than the greater of \$5,000 or 5% of Line 14030 (Total Revenue) or Line 14200 (Total Expenses), as applicable, for the reporting period, the firm may report the total on a single line. Using Section 1 (Commissions) as an example, if the firm's total commissions for the reporting period is less than the greater of \$5,000 or 5% of Line 14030 (Total Revenue) the firm may report the aggregate amount on Item M. If the firm reports on Item M, the firm may not provide a breakdown on Items A through L. If the firm's commission revenue for the reporting period is more than the reporting threshold the firm must reflect the source of the revenue using Items A through L, leaving Item M blank. Sections 1 (Commissions), 3 (Revenue from Sale of Insurance Based Products), 5 (Net Gains or Losses on Principal Trades), 7 (Interest / Rebate / Dividend Income), 9 (Fees Earned), 12 (Compensation Expenses), 13 (Commission, Clearance and Custodial Expenses), 15 (Interest and Dividend Expenses), and 17 (General, Administrative, Regulatory and Miscellaneous Expenses) permit firms to report the aggregate amount if the total revenue or expenses, as applicable, is less than the greater of \$5,000 or 5% of Line 14030 (Total Revenue) or Line 14200 (Total Expenses), as applicable. In addition, as noted on the SSOI, a firm only needs to report the three largest components of Line 13995 (Section 11, Item B, Other Revenue) if Line 13995 (Section 11, Item B, Other Revenue) is greater than both 10% of Line 14030 (Total Revenue) and \$5,000. Further, a firm only needs to report the three largest components of Line 14100 (Section 18, Item A, Other Expenses) if Line 14100 (Section 18, Item A, Other Expenses) is greater than both 10% of Line 14200 (Total Expenses) and \$5,000.

Please note that the following lines on the SSOI must equal the amounts reflected on the FOCUS Report:

<u>SSOI Line</u>	<u>FOCUS Report Line & Title (Related FOCUS Report)</u>
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13940	Line 3940 Total commissions (C)
13926	Line 3926 Derivative Trading Desks - Total gains or (losses) (C)
13952	Line 3952 Gains or losses on Firm Securities Investment Accounts (C/IIA); Total realized and unrealized gains (losses) (II)
14030	Line 4030 Total revenue (A)
14200	Line 4200 Total expenses (A)
14210	Line 4210 Income (loss) before Federal income taxes and items below (A)
14220	Line 4220 Provision for Federal income taxes (for parent only) (A)
14222	Line 4222 Equity in earnings (losses) of unconsolidated subsidiaries not included above (A)
[[14224	Line 4224 Extraordinary gains (losses) (A)]]
[[14225	Line 4225 Cumulative effect of changes in accounting principles (A)]]
14230	Line 4230 Net income (loss) after Federal income taxes [[and extraordinary items]] (A)
<u>14226</u>	<u>Line 4226 Other comprehensive income (loss) (A)</u>
<u>14228</u>	<u>Line 4228 Comprehensive income (loss) (A)</u>

Some lines on the SSOI apply only to certain firms. In such cases, these instructions will refer to the types of firms, or the FOCUS Report filed, as follows:

- ANC filers refer to firms that compute Net Capital in accordance with Appendix E of Rule 15c3-1 under the Securities Exchange Act of 1934 (SEA), and which utilize the Part II CSE.
- Part II filers or Part II
- Part IIA filers or Part IIA

SPECIFIC INSTRUCTIONS

Instructions are not intended to be comprehensive, but are included to provide clarity. Terms used in the SSOI shall have the same meaning as those defined in the instructions to the FOCUS Report unless otherwise specified. Where guidance or a definition is warranted to assist firms in the preparation of the SSOI, including the Operational Page, the line referenced is from the SSOI. As such, instructions are not provided for each line.

In certain instances, firms are given a choice as to which section and/or line on the SSOI to reflect revenue or expense. With respect to each of these situations, a firm must apply its approach consistently across reporting periods. Such methodology must be documented and made available to FINRA staff upon request. For ease of reference, these instructions contain the reference "[FSM]" (for firm selected methodology) to highlight areas where firms have an option on how to report and a responsibility to document their methodology.

With respect to the Specific Instructions to the SSOI, the term *customer(s)* includes any person (natural or otherwise), other than a broker or dealer, with whom the member has engaged, or has sought to engage, in securities activities.

REVENUE

1. Commissions

Note: If the firm meets the reporting threshold as described in the General Instructions, the firm may complete Item M, leaving Items A through L blank.

With respect to this section, in cases where a transaction is subject to SEA Rule 10b-10, any remuneration that would need to be disclosed (either in writing at or before completion of a transaction on the confirmation, or made available to the customer on request) would be a "commission" for SSOI reporting purposes. For products in this section not subject to SEA Rule 10b-10, firms must report revenue in this section when they have engaged in the transaction as an agent. Costs to the broker-dealer associated with soft dollar, rebate or recapture payments must be reflected in the Expense section of the SSOI. Net gains or losses from transactions made by the broker-dealer when acting as principal, or riskless principal, must be reported in Section 5 (Net Gains or Losses on Principal Trades) of the SSOI.

This section includes commissions related to the referenced products, as follows:

Line 11001 (U.S. Government and Agencies) – Include commissions from the sale of debt of the U.S. government or U.S. government agencies. Commissions from sales of mortgage-backed securities issued by U.S. government agencies must be reported on Line 11004 (Mortgage-Backed and Other Asset-Backed Securities).

Line 11004 (Mortgage-Backed and Other Asset-Backed Securities) – Include commissions from private label asset-backed securities as well as government agency asset-backed securities.

Line 11005 (Municipals) – Include commissions from the sale of municipal securities, including 529 plans.

Line 11006 (OTC Options) – Commissions from the sale of options contracts other than those executed on a recognized exchange.

Line 13939 (All Other Securities Commissions) – Include commissions from the sale of unlisted equities.

Line 13991 (Commodity Transactions) – This line is to be used by ANC filers only. All other broker-dealers must report commodities related commissions on Line 13990 (Commodities Revenue) in Section 10 (Commodities Revenue).

Line 11007 (Foreign Exchange) – This line is to be used by Part II and Part IIA filers only. For purposes of the SSOI, Foreign Exchange refers to any account, agreement, contract or transaction in foreign currency that is offered or entered into by a member and is not executed on or subject to the rules of a contract market registered pursuant to Section 5 of the Commodity Exchange Act or a national securities exchange. If Foreign Exchange was assessed a commission, such commission must be reflected on this line. Any other revenue derived from Foreign Exchange must be reported on Line 13902 (Foreign Exchange) in Section 5 (Net Gains or Losses on Principal Trades).

Line 11008 (Aggregate amount if less than the greater of \$5,000 or 5% of Total Revenue) – As noted above, this section allows aggregate reporting if the aggregate amount for the revenue category meets the reporting threshold as described in the General Instructions.

Line 11009 (Is any portion of Item M related to municipal securities?) – If the firm has reported revenue on Item M, the firm must complete Line 11009. Municipal securities include 529 plans.

Note to Part II and Part IIA filers: Line 13940 (Total Commissions) will equal Line 3940 (Total securities commissions) if the firm did not have commissions from foreign exchange transactions during the reporting period.

2. Revenue from Sale of Investment Company Shares

This section includes revenue earned from assisting in or facilitating the purchase or sale of the referenced instruments.

Line 13970 (Revenue from Sale of Investment Company Shares) – Include concessions earned from the sales of open-end mutual funds that contain a load. Include commissions charged on transactions in no-load funds. Firms may include revenue from UITs to the extent they are open-end companies. 12b-1 fees must be reported on Line 11094 (12b-1 Fees) in Section 9 (Fees Earned). All other mutual fund revenue must be reported on Line 11095 (Mutual Fund Revenue other than Concessions or 12b-1 Fees) in Section 9 (Fees Earned).

3. Revenue from Sale of Insurance Based Products

Note: If the firm meets the reporting threshold as described in the General Instructions, the firm may complete Item C, leaving Items A and B blank.

Line 11020 (Sale of Variable Contracts) – Include revenue from any variable annuity or any other financial instrument that contains an insurance and security component.

Line 11021 (Non-Securities Insurance Based Products) – Includes but is not limited to fixed annuities.

Line 11022 (Aggregate amount if less than the greater of \$5,000 or 5% of Total Revenue) – As noted above, this section allows aggregate reporting if the aggregate amount for the revenue category meets the reporting threshold as described in the General Instructions.[[.]]

4. **Gains or Losses on Derivative Trading Desks**

This section aligns with the related section on the FOCUS Report Part II CSE. ANC filers must use this section of the SSOI to report revenue, and only ANC filers should use this section. All other firms must report trading gains/losses in Section 5 (Net Gains or Losses on Principal Trades).

Total return swaps must be included on the line that reflects the nature of the underlying asset.

5. **Net Gains or Losses on Principal Trades**

Note: If the firm meets the reporting threshold as described in the General Instructions, the firm may complete Item O, leaving Items A through N blank.

To be included in this section:

- All realized and unrealized gains and losses resulting from proprietary trading and market making activities in the referenced securities and contract instruments.
- Net gains or losses from “riskless” principal transactions.

Net gains or losses from:

- Fixed income instruments with a foreign currency component must be reported as fixed income.
- Transactions in TBAs must be reported on the line relating to the underlying product.
- Transactions in forward contracts must be reported on the line relating to the underlying product.

[FSM]: Firms may include related hedges in this section. Firms electing to include related hedges must report gains or losses from hedges on the line of the instrument being hedged in accordance with a consistently applied methodology selected by the firm. For example, if a firm is hedging government securities and corporate debt, the firm may report the aggregated transaction in either of these two categories. However, firms' classification methodology with respect to including hedges must be consistent from one reporting period to the next for similar transactions.

[FSM]: Firms may include interest and dividends earned on the instrument traded in this section or in Section 7 (Interest / Rebate / Dividend Income).

Note to Part II filers: Line 3941 (Gains or losses on firm securities trading accounts from market making in over-the-counter equity securities) is not brought forward from the FOCUS Report to the SSOI. Firms are expected to report revenue from these lines into one or more of the classifications in Section 5 (Net Gains or Losses on Principal Trades) of the SSOI as appropriate.

Note to Part IIA filers: Lines 3945 (Gains or losses on firm securities trading accounts from market making in options on a national securities exchange) and 3949 (Gains or losses on firm securities trading accounts from all other trading) are not brought forward from the FOCUS Report to the SSOI. Firms are expected to report revenue from these lines into one or more of the classifications in Section 5 (Net Gains or Losses on Principal Trades) of the SSOI as appropriate.

Note to Part II CSE filers: Lines 11032 (U.S. Government and Agencies), 11034 (Foreign Sovereign Debt), 11036 (Corporate Debt), 11038 (Mortgage-Backed and Other Asset-Backed Securities), and 13901 (Municipals) include a reference to C: 3901 given that the FOCUS Report Part II CSE aggregates the net gains or losses on principal trades from each of the referenced products on a single line (i.e., Line 3901, Interest Rate/Fixed Income). Part II CSE filers must reflect revenue from Line C: 3901 on the appropriate lines on the SSOI as it relates to the underlying security.

Note to All Firms: Firms are expected to reflect trading gains and losses to the extent possible across the first 13 classifications (A through M) within this Section 5 (Net Gains or Losses on Principal Trades). Revenue that cannot otherwise be reflected across the first 13 classifications may be included on Line 13951 (Other).

Line 11032 (U.S. Government and Agencies) – Include net gains or losses from the debt of the U.S. government and U.S. government agencies. Net gains or losses from mortgage-backed securities issued by U.S. government agencies must be reported on Line 11038 (Mortgage-Backed and Other Asset-Backed Securities).

Line 11038 (Mortgage-Backed and Other Asset-Backed Securities) – Include net gains or losses from private label asset-backed securities as well as government agency asset-backed securities.

Line 13902 (Foreign Exchange) – For purposes of the SSOI, Foreign Exchange refers to any account, agreement, contract or transaction in foreign currency that is offered or entered into by a member and is not executed on or subject to the rules of a contract market registered pursuant to Section 5 of the Commodity Exchange Act or a national securities exchange. If Foreign Exchange was assessed a commission, such commission must be reflected in Section 1 (Commissions) on Line 11007 (Foreign Exchange). Any other revenue derived from Foreign Exchange must be reported on this line.

Line 11042 (Securities Based Swaps) – Include net gains or losses from security-based swaps, as that term is defined in Section 3(a)(68) of the SEA.

Line 11043 (All Other Swaps) – Include net gains or losses from swaps, other than those included on Line 11042 (Securities Based Swaps).

Line 13904 (Commodity Transactions) – This line is to be used by ANC filers only. All other filers must report commodities related net gains or losses on Line 13990 (Commodities Revenue) in Section 10 (Commodities Revenue).

Line 11045 (Aggregate amount if less than the greater of \$5,000 or 5% of Total Revenue) – As noted above, this section allows aggregate reporting if the aggregate amount for the revenue category meets the reporting threshold as described in the General Instructions.

Line 11046 (Is any portion of Item O related to municipal securities?) – If the firm has reported revenue on Item O, the firm must complete this line.

6. Capital Gains (Losses) on Firm Investments

[FSM]: Firms may include interest and dividends earned on the investment in this section, or in Section 7 (Interest / Rebate / Dividend Income).

7. Interest / Rebate / Dividend Income

Note: If the firm meets the reporting threshold as described in the General Instructions, the firm may complete Item H, leaving Items A through G blank.

Line 11060 (Securities Borrowings) and Line 11061 (Reverse Repurchase Transactions) – Include rebates and/or interest earned from such transactions.

Line 13960 (Margin Interest) – Interest earned on margin loans to customers, including customers whose accounts are cleared by the firm on a fully disclosed basis. Include amounts earned by an introducing firm from the margin interest charged by the clearing firm to its introduced customer accounts.

Line 11062 (Interest earned from customer bank sweep (FDIC insured products) programs) – Interest earned by the firm from customer funds swept into FDIC-insured products. Include interest received by an introducing firm from its carrying/clearing firm when customers that are introduced to the carrying/clearing firm on a fully disclosed basis have funds swept into such products.

Line 11063 (Interest earned from customer fund sweeps into '40 Act Investments) – Interest earned by the firm for funds swept into products offered pursuant to the Investment Company Act of 1940. Include interest received by an introducing firm from its carrying/clearing firm when customers that are introduced to the carrying/clearing firm on a fully disclosed basis have funds swept into such products.

Line 11064 (Interest and/or Dividends on Securities held in Firm Inventory (not reported in Sections 5 or 6)) – [FSM]: Interest and dividends other than those which the firm has elected to include in Sections 5 (Net Gains or Losses on Principal Trades) or 6 (Capital Gains (Losses) on Firm Investments).

Line 13953 (Other Interest) – Include interest earned on proprietary bank deposits and deposits with clearing agencies.

Line 11065 (Aggregate amount if less than the greater of \$5,000 or 5% of Total Revenue) – As noted above, this section allows aggregate reporting if the aggregate amount for the revenue category meets the reporting threshold as described in the General Instructions.

8. Revenue from Underwritings and Selling Group Participation

For revenue from underwritings and selling group participation, include amounts earned from participating in underwritings in any capacity, e.g., lead or co-manager, selling group member, or a broker-dealer that is allocated revenue related to such offerings.

Note: If the broker-dealer has sold Certificates of Deposit (CDs) issued by an affiliate in the reporting period, the revenue earned from such sales must be recorded on Line 11126 (Total Revenue from sale of Certificates of Deposit (CDs) issued by an affiliate) in Section 11 (Other Revenue).

Line 11070 (Municipal Offerings) – Include revenue from offerings of municipal securities as defined in Section 3(a)(29) of the SEA.

Registered Offerings

For purposes of this form, an “affiliate” is an entity that controls, is controlled by or is under common control with a member as defined by FINRA Rule 5121(f)(1). The term “entity” means a company, corporation, partnership, trust, sole proprietorship, association or organized group of persons; and excludes: (1) an investment company registered under the Investment Company Act of 1940; or (2) a “separate account” as defined in Section 2(a)(37) of the Investment Company Act of 1940. The term “control” means: (1) beneficial ownership of 10 percent or more of the outstanding common equity of an entity, including any right to receive such securities within 60 days of the member’s participation in a public offering; (2) the right to 10 percent or more of the distributable profits or losses of an entity that is a partnership, including any right to receive an interest in such distributable profits or losses within 60 days of the member’s participation in a public offering; or (3) the power to direct or cause the direction of the management or policies of the entity.

Unregistered Offerings

Line 11080 (Did the broker or dealer filing this report participate in the sale of any unregistered offering during the reporting period for which it received no compensation?) – This question is intended to capture situations, for example, where the broker-dealer sells securities of a parent or affiliate irrespective of whether compensation is received by the broker or dealer for its sales efforts. The issuer may also be affiliated with an associated person of the firm. Irrespective of the relationship(s) in a given offering, if the broker or dealer participated in sales efforts without the benefit of compensation during the reporting period, the firm would answer yes to this question.

In this section, an unregistered offering is one in which the security is not registered with the SEC in reliance on an exemption from registration pursuant to the Securities Act of 1933. “Affiliate,” “entity” and “control” have the same meanings as referenced in the “Registered Offerings” section above.

Note: Once revenue from Line 11089 (Total Revenue from Unregistered Offerings) exceeds 10 percent of Line 14030 (Total Revenue) in Section 11 (Other Revenue), the member *must* complete each section on the operational page where the firm earned *any* revenue from the sale of securities in an unregistered offering.

9. Fees Earned

Note: If the firm meets the reporting threshold as described in the General Instructions, the firm may complete Item O, leaving Items A through N blank.

Line 11090 (Fees earned from affiliated entities) – Include fees earned from affiliated entities to the extent that the fees relate to products or services enumerated in Items B through N in this section. Firms must use the definition of “affiliate” provided in Section 8 (Revenue from Underwritings and Selling Group Participation) of these instructions.

Line 11091 (Investment Banking Fees; M&A Advisory) – Fees earned for services provided in conjunction with a proposed, or completed, merger or acquisition. The firm must include fees for advisory work pertaining to a proposed offering of securities, but exclude underwriting or sales-based compensation earned in conjunction with the offering of such securities. Do not include fees that are reported in Item A of this section.

Line 13975 (Account Supervision and Investment Advisory Services) – Fees earned for account supervision are those fees charged by the firm for providing investment advisory services where there is no fee charged for trade execution. Investment Advisory Services generally encompass investment advisory work and execution of client transactions, e.g., wrap arrangements. Include fees charged by broker-dealers that are also registered with the Commodity Futures Trading Commission (CFTC). Do not include fees that are reported in Item A of this section.

Line 11092 (Administrative Fees) – Include retirement account fees, account transfer fees (ACATS), postage and handling fees, termination of account fees, or any other fee from a service provided by the firm to its customers. This line must be used by clearing and/or carrying firms, introducing firms, and all other broker-dealers that assess fees to customers. Do not include fees that are reported in Item A of this section.

Line 13980 (Revenue from Research Services) – Fees earned from the sale or distribution of firm-prepared research or research obtained from third parties and distributed by the firm. Do not include fees that are reported in Item A of this section.

Line 11093 (Rebates from Exchanges, ECNs, and ATSS) – Revenues earned by the firm from exchanges, ECNs and ATSS for the routing of orders for execution to such venues. Do not include revenue that is reported in Item A of this section.

Line 11094 (12b-1 Fees) – Fees earned pursuant to Rule 12b-1 under the Investment Company Act of 1940. Do not include fees that are reported in Item A of this section. When evaluating whether gross or net recognition is required under ASC 605-45, consideration should be given to the risks of not recovering advance payments made on Class C and similar shares.

Line 11095 (Mutual Fund Revenue other than Concessions or 12b-1 Fees) – Include marketing advances received, networking fees earned, cost reimbursements or any other revenue earned in conjunction with the sale of securities registered under the Investment Company Act of 1940 that have not been otherwise included on any other lines of the SSOI. Do not include fees that are reported in Item A of this section.

Line 11096 (Execution Services) – Fees earned for executing transactions on behalf of others. Do not include fees that are billed and reported as part of a transaction confirmation. Do not include fees that are reported in Item A of this section.

Line 11097 (Clearing Services) – Fees earned by clearing and/or carrying firms for facilitating the clearance and settlement of transactions or for providing any other service directly related to clearance and settlement, and that are not specifically referenced elsewhere in this “Fees Earned” section of the SSOI. Do not include fees that are reported in Item A of this section.

Line 11098 (Fees earned from customer bank sweep (FDIC insured products) programs) – Fees earned (other than interest and interest rebates reported on Line 11062 in Section 7 (Interest / Rebate / Dividend Income)) by a carrying/clearing firm from customer funds swept into FDIC-insured products. Include fees earned by introducing firm from its carrying/clearing firm when customers that are introduced to the carrying/clearing firm on a fully disclosed basis have funds swept into such products. Do not include fees that are reported in Item A of this section.

Line 11099 (Fees earned from sweep programs into '40 Act Investments) – Fees earned (other than interest and rebates of interest reported on Line 11063 in Section 7 (Interest / Rebate / Dividend Income)) by the firm for funds swept into products offered pursuant to the Investment Company Act of 1940. Include fees earned by introducing firm from its carrying/clearing firm when customers that are introduced to a carrying/clearing firm on a fully disclosed basis have funds swept into such products. Do not include fees that are reported in Item A of this section.

Line 11100 (Networking Fees from '40 Act Companies) – Include fees earned for maintaining an omnibus account at a mutual fund for customers' investments in such fund (e.g., networking fees are usually paid by a fund to a carrying/clearing firm that sends customer confirmations and statements to the beneficial owner of the fund's shares). Do not include fees that are reported in Item A of this section.

Line 11102 (Aggregate amount if less than the greater of \$5,000 or 5% of Total Revenue) – As noted above, this section allows aggregate reporting if the aggregate amount for the revenue category meets the reporting threshold as described in the General Instructions.

10. Commodities Revenue

This section, Line 13990 (Commodities Revenue), is to be used by Parts II and IIA filers only. Include revenue earned related to products that qualify as commodities under CFTC regulations, whether from principal or agency trades. This section is not to be used by ANC filers. ANC filers must reflect commodities revenue on Lines 13991 (Commodity Transactions) in Section 1 (Commissions), 13924 (Commodity Products) in Section 4 (Gains or Losses on Derivative Trading Desks) or 13904 (Commodity Transactions) in Section 5 (Net Gains or Losses on Principal Trades), as appropriate.

11. Other Revenue

Line 11126 (Total Revenue from sale of Certificates of Deposit (CDs) issued by an affiliate) – Include all CDs even if they do not meet the definition of a security.

Note to Part II filers: Line 3985 (Other revenue related to securities business) from the FOCUS Report *is not* reflected on the SSOI; such revenue is to be reflected on the SSOI in one or more of the lines contained herein.

Line 13995 (Other Revenue) on the SSOI will likely be less than Line 3995 (Other revenue) on the FOCUS Report.

Note: If Line 13995 (Other Revenue) is \$5,000 or more and exceeds 10 percent of Line 14030 (Total Revenue), the firm *must* provide a description of the three largest components of other revenue along with the associated revenue from each.

Total Revenue

Line 14030 (Total Revenue) – As previously noted, this line *must* equal Line 4030 (Total revenue) on the FOCUS Report.

EXPENSES

12. Compensation Expenses

Note: If the firm meets the reporting threshold as described in the General Instructions, the firm may complete Item F, leaving Items A through E blank.

Note: Line 4120 (Salaries and other employment costs for general partners and voting stockholder officers) from Part II and Part IIA, and Line 4115 (Other employee compensation and benefits) from Part IIA *are not* reflected on the SSOI. Firms must assess the nature of the compensation and include the amounts in the appropriate line(s) of the SSOI.

Line 14110 (Registered Representatives Compensation) – Compensation paid to personnel whose activities are primarily sales related (e.g., persons with a Series 7, General Securities Representative). Compensation paid to management personnel (e.g., Series 24, General Securities Principal) must be reflected on Line 14040 (Compensation paid to all other revenue producing personnel). Firms offering special products must follow a similar convention when reporting revenue

between Lines 14110 (Registered Representatives Compensation) and 14040 (Compensation paid to all other revenue producing personnel) for their revenue producing personnel. Do not include bonuses. Bonuses must be reported on Line 11201 (Bonuses).

Line 14040 (Compensation paid to all other revenue producing personnel) – Compensation paid to revenue producing employees and management, other than registered representatives. Exclude amounts paid as part of an outsourcing agreement. Do not include bonuses. Bonuses must be reported on Line 11201 (Bonuses).

Line 11200 (Compensation paid to non-revenue producing personnel (including temporary personnel)) – Include compensation paid to all non-revenue producing management, administrative and clerical personnel. Do not include bonuses. Bonuses must be reported on Line 11201 (Bonuses).

Line 11201 (Bonuses) – Incentive compensation for all employees. Include payments made to induce employment (e.g., hiring bonuses).

Line 11202 (Other compensation expenses) – Include costs associated with employee benefits (e.g., health benefits, 401(k) matching contributions), employer FICA, unemployment insurance and similar expenses.

Line 11203 (Aggregate amount if less than the greater of \$5,000 or 5% of Total Expenses) – As noted above, this section allows aggregate reporting if the aggregate amount for the expense category meets the reporting threshold as described in the General Instructions.

13. Commission, Clearance and Custodial Expenses

Note: If the firm meets the reporting threshold as described in the General Instructions, the firm may complete Item H, leaving Items A through G blank.

Line 14055 (Floor brokerage and fees paid) – Fees paid to other broker-dealers for the execution of trades on a recognized exchange. Includes floor brokers and liquidity providers.

Line 14145 (Amounts paid to Exchanges, ECNs and ATSS) – Amounts paid to exchanges, ECNs and ATSS for the routing of orders for execution.

Line 11210 (Clearance Fees Paid to broker-dealers) – Fees paid to other broker-dealers for clearance and settlement of transactions and for the custody of assets. Include any fees paid by an introducing firm to a carrying/clearing firm, if the clearing firm does not bill the introducing firm separately for each service. If the introducing firm is billed for each service, the introducing firm must report such amounts on the SSOI based on the nature of the fee(s). If such fees are not separately identifiable, the aggregate fees may be reported on Line 11210 (Clearance Fees Paid to broker-dealers).

Line 14135 (Clearance Fees Paid to non-broker-dealers) – All fees paid to an entity that is other than a broker-dealer for the clearance and settlement of transactions (e.g., NSCC, FICC and clearing agent banks).

Line 14140 (Commission Paid to other broker-dealers) – Include commissions or fees paid to inter-dealer brokers and service/distribution fees paid in connection with mutual funds.

Line 11211 (12b-1 Fees) - 12b-1 fees paid to other broker-dealers or institutions. When evaluating whether gross or net recognition is required under ASC 605-45, consideration should be given to the risks of not recovering advance payments made on Class C and similar shares.

Line 11212 (Custodial Fees) – Fees paid to an entity to maintain safekeeping of customer or firm securities (e.g., DTCC, CDS, Euroclear, banks acting as custodians).

Line 11213 (Aggregate amount if less than the greater of \$5,000 or 5% of Total Expenses) – As noted above, this section allows aggregate reporting if the aggregate amount for the expense category meets the reporting threshold as described in the General Instructions.

14. Expenses Incurred on Behalf of Affiliates and Others

Firms must use the definition of affiliate provided in Section 8 (Revenue from Underwritings and Selling Group Participation) of these instructions.

Line 11220 (Soft dollar expenses) – Expenses incurred in connection with goods or services provided in accordance with Section 28(e) of the SEA.

Line 11221 (Rebates/Recapture of commissions) – The direct or indirect return to a customer of commissions charged by the firm.

15. Interest and Dividend Expenses

Note: If the firm meets the reporting threshold as described in the General Instructions, the firm may complete Item H, leaving Items A through G blank.

Line 11237 (Aggregate amount if less than the greater of \$5,000 or 5% of Total Expenses) – As noted above, this section allows aggregate reporting if the aggregate amount for the expense category meets the reporting threshold as described in the General Instructions.

Line 14075 (Total Interest and Dividend Expenses) will equal Line 4075 (Interest expense) from the FOCUS Report if the firm did not have dividend expense.

16. Fees Paid To Third Party Service Providers

Line 11240 (To Affiliates) – Include payments to an affiliate for services provided to the broker-dealer. Firms must use the definition of “affiliate” provided in Section 8 (Revenue from Underwritings and Selling Group Participation) of these instructions.

Line 11241 (To Third Parties) – Include payments to third party service providers performing activities related to the broker-dealer’s business.

17. General, Administrative, Regulatory and Miscellaneous Expenses

Note: If the firm meets the reporting threshold as described in the General Instructions, the firm may complete Item M, leaving Items A through L blank.

Line 11250 (Finders’ Fees) – Fees paid to persons not registered with the firm for the referral of customers. For purposes of this form, “customers” include any person (natural or otherwise), other than a broker or dealer, with whom the member has engaged, or has sought to engage, in securities activities.

Line 14060 (Technology, data and communication costs) – Expenses incurred related to hardware, software or communications services or payments to the entities directly contracted to provide such hardware, software or communications services. Excludes compensation to employees or to independent contractors with which the broker-dealer has direct arrangements. Excludes expenses incurred from the outsourcing of functions related to the broker-dealer’s business.

Note: [FSM]: Lines 4060 (Communications) and 4186 (Data processing costs) from Parts II and II CSE may be combined and reported on Line 14060 (Technology, data and communication costs) of the SSOI, as long as they meet the requirements described in the instructions for this line. Part IIA filers may report technology, data and communication costs on Line 14100 (Other Expenses) in Section 18 (Other Expenses) of the SSOI. All firms may include expenses incurred for procurement of market data on this line or on Line 11251 (Research).

Line 11251 (Research) – Fees paid to providers of research services. Excludes amounts paid for publications commercially available to the investing public. Such amounts must be reported on Line 14100 (Other Expenses) in Section 18 (Other Expenses).

Note: [FSM]: Firms may include expenses incurred for procurement of market data in this category, or under Line 14060 (Technology, data and communication costs).

Line 14150 (Promotional Fees) – Include advertising (e.g., print media, TV, radio), expenses and costs incurred for sales related events, conferences, seminars or similar gatherings, literature or marketing materials intended to initiate interest in products/services offered by the broker-dealer.

Line 14080 (Occupancy and equipment expenses) – Include rent/lease costs.

Line 14195 (Regulatory Fees) – Include fees paid to all regulatory agencies and self-regulatory organizations (e.g., FINRA, SEC) and SIPC. Regulatory fees include SEA Section 31 fees.

Line 11253 (Professional Service Fees) – Include fees paid to outside accountants, consultants, and other professionals. Include payments to outside counsel for corporate, general or administrative work. Fees related to litigation, settlement, restitution and rescission must be reported on Line 11254 (Litigation, settlement, restitution and rescission, and related outside counsel legal fees).

Line 11254 (Litigation, arbitration, settlement, restitution and rescission, and related outside counsel legal fees) – Expenses related to the satisfaction (in whole or in part) of arbitration or court awards, legal settlements, restitution or rescission. Include payments to outside counsel for legal work related thereto and filing fees with courts or entities that provide a forum for dispute resolution.

Line 14170 (Losses in error accounts and bad debts) – Include in this section:

- Losses incurred by a clearing or carrying firm due to transactions with a (direct) customer, broker-dealer or counterparty.
- Losses incurred by a clearing or carrying firm related to an account introduced to the firm by a correspondent broker-dealer, including instances where the correspondent is contractually responsible for the loss.
- Losses incurred by a correspondent firm for accounts it introduces to a clearing or carrying firm due to transactions/activity/failure to perform of an introduced account, including instances where the correspondent is contractually responsible for the loss. This expense *may not* be reduced by potential off-sets (e.g., insurance coverage, right to pursue litigation).
- Losses associated with a firm trading out of error positions.

Line 11256 (Aggregate amount if less than the greater of \$5,000 or 5% of Total Expenses) – As noted above, this section allows aggregate reporting if the aggregate amount for the expense category meets the reporting threshold as described in the General Instructions.

18. Other Expenses

Line 14100 (Other Expenses) on the SSOI will likely be less than Line 4100 (Other expenses) on the FOCUS Report.

Note: If Line 14100 (Other Expenses) is \$5,000 or more and exceeds 10 percent of Line 14200 (Total Expenses), the firm *must* provide a description of the three largest components of other expenses along with the associated cost of each

Total Expenses

Line 14200 (Total Expenses) – As previously noted, this line *must* equal Line 4200 (Total expenses) on the FOCUS Report.

NET INCOME/COMPREHENSIVE INCOME

Firms should carry forward the values from the related FOCUS Report to Section 19 of the SSOI.

OPERATIONAL PAGE INSTRUCTIONS

The Operational Page to the SSOI (SSOI Ops Page) must be completed once revenue from Line 11089 (Total Revenue from Unregistered Offerings) on the SSOI exceeds 10% of Line 14030 (Total Revenue) on the SSOI for a given reporting period. Any member required to complete the SSOI Ops Page *must* complete each section on the operational page where the firm earned any revenue from the sale of securities in an unregistered offering.

The SSOI Ops Page is divided into two sections, which align with Section 8, Item C (Unregistered Offerings) on the SSOI. The SSOI Ops Page excludes municipal offerings.

Section 1: Unregistered offerings other than self or affiliate offerings.

Section 2: Unregistered offerings, self or affiliate offerings.

The following definitions apply to the SSOI Ops Page:

- “Affiliate” is an entity that controls, is controlled by or is under common control with a member as defined by FINRA Rule 5121(f)(1).
- “Entity” means a company, corporation, partnership, trust, sole proprietorship, association or organized group of persons; and excludes: (1) an investment company registered under the Investment Company Act of 1940 or (2) a “separate account” as defined in Section 2(a)(37) of the Investment Company Act of 1940.
- “Control” means (1) beneficial ownership of 10 percent or more of the outstanding common equity of an entity, including any right to receive such securities within 60 days of the member’s participation in a public offering; (2) the right to 10 percent or more of the distributable profits or losses of an entity that is a partnership, including any right to receive an interest in such distributable profits or losses within 60 days of the member’s participation in a public offering, or (3) the power to direct or cause the direction of the management or policies of the entity.

Each section of the SSOI Ops Page requires that for each offering in which the member participated in the Reporting Period it must provide the information noted with respect to its five (5) largest offerings *in terms of the aggregate dollar amount of the securities sold*.

For example, if the member’s total revenue from unregistered offerings on Line 11089 (Total Revenue from Unregistered Offerings) of the SSOI is 15% of total revenue on Line 14030 (Total Revenue), the member must complete each section of the SSOI Ops Page where any revenue was earned by the member. If the member participated in more than five (5) offerings under a section, *the member must list the five (5) largest offerings in terms of the aggregate dollar amount of the securities sold, not revenue earned, by the member*. Using this criteria, the member must report the offerings in descending order.

For each subsection (Subsections 1 through 5 of Section 1; and 6 through 10 of Section 2):

- (1) Items A, B, F, G, H, I and J require free-text entries that are either alpha or numeric (numbers or dollar amounts) as indicated. Each item must be completed as noted.
- (2) Item C contains a drop-down menu from which the member can populate the line. For Items D and E, select all that apply.

Subsections 6 through 10 of Section 2 require members to provide further information through an additional drop down menu (Item K Issuer/Sponsor’s affiliation to Broker-Dealer filing this report). For the drop down menu, “Guaranteed Subsidiary” refers to a subsidiary for which the member consolidates the assets and liabilities of such subsidiary pursuant to Appendix C of SEA Rule 15c3-1. “Other Affiliate” means an entity other than those listed (i.e., parent, indirect or direct, or guaranteed or non-guaranteed subsidiary) that would meet the definition of affiliate as defined by FINRA Rule 5121(f)(1).

FINRA
FORM
SSOI**SUPPLEMENTAL STATEMENT OF INCOME***(Please read instructions before completing Form)*

NAME OF BROKER-DEALER	<u>13</u>	SEC FILE NO.	<u>14</u>
ADDRESS OF PRINCIPAL PLACE OF BUSINESS	<u>20</u>	FIRM ID NO.	<u>15</u>
(No. and Street)			
(City)	<u>21</u>	(State)	<u>22</u>
		(Zip Code)	<u>23</u>
		FOR PERIOD BEGINNING (MM/DD/YY)	<u>24</u>
		AND ENDING (MM/DD/YY)	<u>25</u>
NAME OF PERSON COMPLETING THIS REPORT	<u>11290</u>		
TELEPHONE NO. OF PERSON COMPLETING THIS REPORT	<u>11291</u>		

REVENUE**FOCUS Report
Reference Line****1. Commissions**

A. Listed Equities, ETFs and Closed End Funds Executed on an Exchange	\$	<u>13935</u>	A: 3935
B. Exchange Listed Equity Securities Executed OTC.....	\$	<u>13937</u>	C/II: 3937
C. U.S. Government and Agencies	\$	<u>11001</u>	
D. Foreign Sovereign debt.....	\$	<u>11002</u>	
E. Corporate debt	\$	<u>11003</u>	
F. Mortgage-Backed and Other Asset-Backed Securities.....	\$	<u>11004</u>	
G. Municipals	\$	<u>11005</u>	
H. Listed Options.....	\$	<u>13938</u>	A: 3938
I. OTC Options.....	\$	<u>11006</u>	
J. All Other Securities Commissions.....	\$	<u>13939</u>	A: 3939
K. Commodity Transactions.....	\$	<u>13991</u>	C: 3991
L. Foreign Exchange.....	\$	<u>11007</u>	
M. Aggregate amount if less than the greater of \$5,000 or 5% of Total Revenue (line 14030) (Do not complete Items A-L).....	\$	<u>11008</u>	
1. Is any portion of Item M related to municipal securities? Yes <input type="checkbox"/> No <input type="checkbox"/> <u>11009</u>			
Total Commissions:	\$	<u>13940</u>	A: 3940

2. Revenue from Sale of Investment Company Shares..... \$ 13970 A: 3970

3. Revenue from Sale of Insurance Based Products

A. Variable Contracts	\$	<u>11020</u>
B. Non-Securities Insurance Based Products.....	\$	<u>11021</u>
C. Aggregate amount if less than the greater of \$5,000 or 5% of Total Revenue (line 14030) (Do not complete Items A-B).....	\$	<u>11022</u>
Total Revenue From Sale of Insurance Based Products:	\$	<u>11029</u>

4. Gains or Losses on Derivative Trading Desks

A. Interest Rate/Fixed Income Products.....	\$	<u>13921</u>	C: 3921
B. Currency.....	\$	<u>13922</u>	C: 3922
C. Equity Products.....	\$	<u>13923</u>	C: 3923
D. Commodity Products.....	\$	<u>13924</u>	C: 3924
E. Other.....	\$	<u>13925</u>	C: 3925
Total Gains or Losses on Derivative Trading Desks:	\$	<u>13926</u>	C: 3926

SUPPLEMENTAL STATEMENT OF INCOME

BROKER-DEALER

For the period (MMDDYY) from 3932 to 3933Number of months included in this statement 3931FOCUS Report
Reference Line**5. Net Gains or Losses on Principal Trades**

A. Equities, ETFs and Closed End Funds.

Includes Dividends:..... Yes ☐ No ☐ 11030 \$ 13903 C: 3903B. U.S. Government and Agencies. Includes interest: Yes ☐ No ☐ 11031 \$ 11032 C: 3901C. Foreign Sovereign Debt. Includes interest:..... Yes ☐ No ☐ 11033 \$ 11034 C: 3901D. Corporate Debt. Includes interest: Yes ☐ No ☐ 11035 \$ 11036 C: 3901

E. Mortgage-Backed and Other

Asset-Backed Securities. Includes interest:..... Yes ☐ No ☐ 11037 \$ 11038 C: 3901F. Municipals. Includes interest:..... Yes ☐ No ☐ 11039 \$ 13901 C: 3901G. Foreign Exchange..... \$ 13902 C: 3902H. Listed Options..... \$ 11040I. OTC Options..... \$ 11041J. Securities Based Swaps \$ 11042K. All Other Swaps \$ 11043L. Futures..... \$ 11044M. Commodity Transactions..... \$ 13904 C: 3904N. Other..... \$ 13951 C: 3951O. Aggregate amount if less than the greater of \$5,000 or 5% of Total Revenue
(line 14030) (Do not complete Items A-N)..... \$ 110451. Is any portion of Item O related to municipal securities? Yes ☐ No ☐ 11046**Total Net Gains or Losses on Principal Trades:** \$ 13950 A: 3950**6. Capital Gains (Losses) on Firm Investments** \$ 13952 A: 3952Includes Dividends and/or Interest:..... Yes ☐ No ☐ 11053**7. Interest / Rebate / Dividend Income**A. Securities Borrowings \$ 11060B. Reverse Repurchase Transactions..... \$ 11061C. Margin Interest..... \$ 13960 C/II: 3960D. Interest earned from customer bank sweep (FDIC insured products) programs..... \$ 11062E. Interest earned from customer fund sweeps into '40 Act Investments..... \$ 11063F. Interest and/or Dividends on Securities held in Firm Inventory (not reported in
Sections 4 or 5)..... \$ 11064G. Other Interest..... \$ 13953 C: 3953H. Aggregate amount if less than the greater of \$5,000 or 5% of Total Revenue
(line 14030) (Do not complete Items A-G)..... \$ 11065**Total Interest / Rebate / Dividend Income:** \$ 11069**8. Revenue from Underwritings and Selling Group Participation**A. Municipal Offerings..... \$ 11070

B. Registered Offerings

1. Offerings other than self or affiliate. Excludes municipals..... \$ 110712. Offerings, self or affiliate. Excludes municipals..... \$ 11072**Total Revenue from Registered Offerings:** \$ 11079

Number of months included in this statement 3931

C. Unregistered Offering (Excludes municipal offerings) Section below refer to Operational Page – See Instructions

2. Unregistered offerings, self or affiliate offerings. Section 2..... \$ 11082

Total Revenue from Unregistered Offerings: \$ 11089

Total Revenue from Underwritings and Selling Group Participation: \$ 13955 A:3955

Total Fees Earned: \$ 11109

C/II-3980

B. Other Revenue..... \$ 13995

A: 3995

If Other Revenue line **13995** is greater than both 10% of Total Revenue line **14030** and \$5,000, provide a description of the 3 largest components of Other Revenue, along with the associated revenue for each.

B-1. Description of : 1st largest component of Other Revenue:

11120 \$ 11121

B-2. Description of : 2nd largest component of Other Revenue:

	11122	\$	11123
--	-------	----	-------

B-3. Description of : 3rd largest component of Other Revenue:

	11124	\$	11125
--	-------	----	-------

Total Revenue: \$ _____ 14030 A: 4030

SUPPLEMENTAL STATEMENT OF INCOME

BROKER-DEALER

For the period (MMDDYY) from 3932 to 3933Number of months included in this statement 3931FOCUS Report
Reference Line

EXPENSES

12. Compensation Expenses

A. Registered Representatives Compensation.....	\$	<u> </u>	<u>14110</u>	C/II: 4110
B. Compensation paid to all other revenue producing personnel.....	\$	<u> </u>	<u>14040</u>	C/II: 4040
C. Compensation paid to non-revenue producing personnel (including temporary personnel)	\$	<u> </u>	<u>11200</u>	
D. Bonuses.....	\$	<u> </u>	<u>11201</u>	
E. Other compensation expenses.....	\$	<u> </u>	<u>11202</u>	
F. Aggregate amount if less than the greater of \$5,000 or 5% of Total Expenses (line 14200) (Do not complete Items A-E).	\$	<u> </u>	<u>11203</u>	
Total Compensation Expenses:	\$	<u> </u>	<u>11209</u>	

13. Commission, Clearance and Custodial Expenses

A. Floor brokerage and fees paid	\$	<u> </u>	<u>14055</u>	C/II: 4055
B. Amounts paid to Exchanges, ECNs, and ATSS.....	\$	<u> </u>	<u>14145</u>	C/II: 4145
C. Clearance Fees Paid to broker-dealers.....	\$	<u> </u>	<u>11210</u>	
D. Clearance Fees Paid to non-broker-dealers.....	\$	<u> </u>	<u>14135</u>	C/II: 4135
E. Commission Paid to other broker-dealers.....	\$	<u> </u>	<u>14140</u>	IIA: 4140
F. 12b-1 Fees.....	\$	<u> </u>	<u>11211</u>	
G. Custodial Fees.....	\$	<u> </u>	<u>11212</u>	
H. Aggregate amount if less than the greater of \$5,000 or 5% of Total Expenses (line 14200) (Do not complete Items A-G).....	\$	<u> </u>	<u>11213</u>	
Total Commission, Clearance and Custodial Fees:	\$	<u> </u>	<u>11219</u>	

14. Expenses Incurred on Behalf of Affiliates and Others

A. Soft dollar expenses	\$	<u> </u>	<u>11220</u>	
B. Rebates/Recapture of commissions	\$	<u> </u>	<u>11221</u>	
Total Expenses incurred on Behalf of Affiliates and Others:	\$	<u> </u>	<u>11229</u>	

15. Interest and Dividend Expenses

A. Interest paid on bank loans.....	\$	<u> </u>	<u>11230</u>	
B. Interest paid on debt instruments where broker-dealer is the obligor, including subordination agreements.....	\$	<u> </u>	<u>11231</u>	
C. Interest paid on customer balances	\$	<u> </u>	<u>11232</u>	
D. Interest paid on Securities Loaned transactions	\$	<u> </u>	<u>11233</u>	
E. Interest paid on Repurchase Agreements	\$	<u> </u>	<u>11234</u>	
F. Interest and/or Dividends on Short Securities Inventory.....	\$	<u> </u>	<u>11235</u>	
G. Other interest expenses.....	\$	<u> </u>	<u>11236</u>	
H. Aggregate amount if less than the greater of \$5,000 or 5% of Total Expenses (line 14200) (Do not complete Items A-G).....	\$	<u> </u>	<u>11237</u>	
Total Interest and Dividend Expenses:	\$	<u> </u>	<u>14075</u>	A:4075

16. Fees Paid to Third Party Service Providers

A. To Affiliates.....	\$	<u> </u>	<u>11240</u>	
B. To Third Parties.....	\$	<u> </u>	<u>11241</u>	
Total Fees Paid to Third Party Service Providers:	\$	<u> </u>	<u>11249</u>	

Number of months included in this statement 3931

17. General, Administrative, Regulatory and Miscellaneous Expenses

18. Other Expenses

NET INCOME/COMPREHENSIVE INCOME

19. Net Income/Comprehensive Income

- Page 5 -

(Please read instructions before completing Form)

SECTION 1: Unregistered offerings other than self or affiliate offerings

For each offering in which the firm participated in the Reporting Period, provide the following information. If firm engaged in more than five (5) such offerings during the Reporting Period, list the five (5) largest offerings in terms of total securities sold by dollar amount in descending order.

1. Unregistered offering other than self or affiliate offering:

- A. Name of Issuer/Sponsor: _____ 11310
- B. If Form D has been filed by the issuer, enter CIK (Filer ID Number): _____ 11311
- C. Industry Group (Select One): _____ 11312
- D. Federal Exemptions and Exclusions Claimed (Select all that apply):
- | | | |
|--|--------------------------|-------|
| Rule 504(b)(1) (not (i), (ii) or (iii))..... | <input type="checkbox"/> | 11313 |
| Rule 504(b)(1)(i) | <input type="checkbox"/> | 19000 |
| Rule 504(b)(1)(ii) | <input type="checkbox"/> | 19001 |
| Rule 504(b)(1)(iii)..... | <input type="checkbox"/> | 19002 |
| Rule 505..... | <input type="checkbox"/> | 19003 |
| Rule 506..... | <input type="checkbox"/> | 19004 |
| Securities Act Section 4(5) | <input type="checkbox"/> | 19005 |
| Investment Company Act Section 3(c).... | <input type="checkbox"/> | 19006 |
| Other | <input type="checkbox"/> | 19007 |
- E. Type(s) of Securities Offered (Select all that apply):
- | | | |
|--|--------------------------|-------|
| Equity..... | <input type="checkbox"/> | 11314 |
| Debt..... | <input type="checkbox"/> | 19010 |
| Option, Warrant or Other Right to
Acquire Another Security..... | <input type="checkbox"/> | 19011 |
| Security to be Acquired Upon Exercise of
Option, Warrant or Other Right to
Acquire Security..... | <input type="checkbox"/> | 19012 |
| Pooled Investment Fund Interests..... | <input type="checkbox"/> | 19013 |
| Tenant-in-Common Securities..... | <input type="checkbox"/> | 19014 |
| Mineral Property Securities..... | <input type="checkbox"/> | 19015 |
| Other..... | <input type="checkbox"/> | 19016 |
- F. Minimum Investment accepted from any outside investor:.....\$ 11315
- G. Total Offering Amount in dollars:.....\$ 11316
- or check "Indefinite".....Indefinite ☐ 11317
- H. Total amount in dollars of securities sold during the reporting period by the member:.....\$ 11318
- I. Total number of customers to whom securities were sold with respect to
the sales reported for Item H:..... 11319
- J. Amount of revenue earned by the member with respect to
the sales reported for Item H:.....\$ 11320

Number of months included in this statement _____ **3931**

A.	Name of Issuer/Sponsor:_____	<div>11330</div>
B.	If Form D has been filed by the issuer, enter CIK (Filer ID Number):_____	<div>11331</div>
C.	Industry Group (Select One):_____ <div></div>	<div>11332</div>
D.	Federal Exemptions and Exclusions Claimed (Select all that apply):	
	Rule 504(b)(1) (not (i), (ii) or (iii)).....	<div><input type="checkbox"/> 11333</div>
	Rule 504(b)(1)(i)	<div><input type="checkbox"/> 19020</div>
	Rule 504(b)(1)(ii)	<div><input type="checkbox"/> 19021</div>
	Rule 504(b)(1)(iii).....	<div><input type="checkbox"/> 19022</div>
	Rule 505.....	<div><input type="checkbox"/> 19023</div>
	Rule 506.....	<div><input type="checkbox"/> 19024</div>
	Securities Act Section 4(5)	<div><input type="checkbox"/> 19025</div>
	Investment Company Act Section 3(c)....	<div><input type="checkbox"/> 19026</div>
	Other	<div><input type="checkbox"/> 19027</div>
E.	Type(s) of Securities Offered (Select all that apply):	
	Equity.....	<div><input type="checkbox"/> 11334</div>
	Debt.....	<div><input type="checkbox"/> 19030</div>
	Option, Warrant or Other Right to Acquire Another Security.....	<div><input type="checkbox"/> 19031</div>
	Security to be Acquired Upon Exercise of Option, Warrant or Other Right to Acquire Security.....	<div><input type="checkbox"/> 19032</div>
	Pooled Investment Fund Interests.....	<div><input type="checkbox"/> 19033</div>
	Tenant-in-Common Securities.....	<div><input type="checkbox"/> 19034</div>
	Mineral Property Securities.....	<div><input type="checkbox"/> 19035</div>
	Other.....	<div><input type="checkbox"/> 19036</div>
F.	Minimum Investment accepted from any outside investor:.....\$	<div>11335</div>
G.	Total Offering Amount in dollars:.....\$	<div>11336</div>
	or check "Indefinite".....Indefinite <input type="checkbox"/>	<div>11337</div>
H.	Total amount in dollars of securities sold during the reporting period by the member:.....\$	<div>11338</div>
I.	Total number of customers to whom securities were sold with respect to the sales reported for Item H:.....	<div>11339</div>
J.	Amount of revenue earned by the member with respect to the sales reported for Item H:.....\$	<div>11340</div>

Number of months included in this statement _____ **3931**

J. Amount of revenue earned by the member with respect to
the sales reported for Item H:.....\$ 11360

Page 40 of 47
SUPPLEMENTAL STATEMENT OF INCOME
OPERATIONAL PAGE

BROKER-DEALER For the period (MMDDYY) from 3932 to 3933
Number of months included in this statement 3931

4. Unregistered offering other than self or affiliate offering:

- A. Name of Issuer/Sponsor: _____ 11370
- B. If Form D has been filed by the issuer, enter CIK (Filer ID Number): _____ 11371
- C. Industry Group (Select One): _____ 11372
- D. Federal Exemptions and Exclusions Claimed (Select all that apply):
- | | | |
|--|--------------------------|-------|
| Rule 504(b)(1) (not (i), (ii) or (iii))..... | <input type="checkbox"/> | 11373 |
| Rule 504(b)(1)(i) | <input type="checkbox"/> | 19060 |
| Rule 504(b)(1)(ii) | <input type="checkbox"/> | 19061 |
| Rule 504(b)(1)(iii)..... | <input type="checkbox"/> | 19062 |
| Rule 505..... | <input type="checkbox"/> | 19063 |
| Rule 506..... | <input type="checkbox"/> | 19064 |
| Securities Act Section 4(5) | <input type="checkbox"/> | 19065 |
| Investment Company Act Section 3(c).... | <input type="checkbox"/> | 19066 |
| Other | <input type="checkbox"/> | 19067 |
- E. Type(s) of Securities Offered (Select all that apply):
- | | | |
|--|--------------------------|-------|
| Equity..... | <input type="checkbox"/> | 11374 |
| Debt..... | <input type="checkbox"/> | 19070 |
| Option, Warrant or Other Right to
Acquire Another Security..... | <input type="checkbox"/> | 19071 |
| Security to be Acquired Upon Exercise of
Option, Warrant or Other Right to
Acquire Security..... | <input type="checkbox"/> | 19072 |
| Pooled Investment Fund Interests..... | <input type="checkbox"/> | 19073 |
| Tenant-in-Common Securities..... | <input type="checkbox"/> | 19074 |
| Mineral Property Securities..... | <input type="checkbox"/> | 19075 |
| Other..... | <input type="checkbox"/> | 19076 |
- F. Minimum Investment accepted from any outside investor:.....\$ _____ 11375
- G. Total Offering Amount in dollars:.....\$ _____ 11376
or check "Indefinite".....Indefinite ☐ 11377
- H. Total amount in dollars of securities sold during the reporting period by the member:.....\$ _____ 11378
- I. Total number of customers to whom securities were sold with respect to
the sales reported for Item H:..... 11379
- J. Amount of revenue earned by the member with respect to
the sales reported for Item H:.....\$ _____ 11380

Page 41 of 47
SUPPLEMENTAL STATEMENT OF INCOME
OPERATIONAL PAGE

BROKER-DEALER For the period (MMDDYY) from 3932 to 3933
Number of months included in this statement 3931

5. Unregistered offering other than self or affiliate offering:

- A. Name of Issuer/Sponsor: _____ 11390
- B. If Form D has been filed by the issuer, enter CIK (Filer ID Number): _____ 11391
- C. Industry Group (Select One): _____ 11392
- D. Federal Exemptions and Exclusions Claimed (Select all that apply):
- | | | |
|--|--------------------------|-------|
| Rule 504(b)(1) (not (i), (ii) or (iii))..... | <input type="checkbox"/> | 11393 |
| Rule 504(b)(1)(i) | <input type="checkbox"/> | 19080 |
| Rule 504(b)(1)(ii) | <input type="checkbox"/> | 19081 |
| Rule 504(b)(1)(iii)..... | <input type="checkbox"/> | 19082 |
| Rule 505..... | <input type="checkbox"/> | 19083 |
| Rule 506..... | <input type="checkbox"/> | 19084 |
| Securities Act Section 4(5) | <input type="checkbox"/> | 19085 |
| Investment Company Act Section 3(c).... | <input type="checkbox"/> | 19086 |
| Other | <input type="checkbox"/> | 19087 |
- E. Type(s) of Securities Offered (Select all that apply):
- | | | |
|--|--------------------------|-------|
| Equity..... | <input type="checkbox"/> | 11394 |
| Debt..... | <input type="checkbox"/> | 19090 |
| Option, Warrant or Other Right to
Acquire Another Security..... | <input type="checkbox"/> | 19091 |
| Security to be Acquired Upon Exercise of
Option, Warrant or Other Right to
Acquire Security..... | <input type="checkbox"/> | 19092 |
| Pooled Investment Fund Interests..... | <input type="checkbox"/> | 19093 |
| Tenant-in-Common Securities..... | <input type="checkbox"/> | 19094 |
| Mineral Property Securities..... | <input type="checkbox"/> | 19095 |
| Other..... | <input type="checkbox"/> | 19096 |
- F. Minimum Investment accepted from any outside investor:.....\$ _____ 11395
- G. Total Offering Amount in dollars:.....\$ _____ 11396
or check "Indefinite"Indefinite ☐ 11397
- H. Total amount in dollars of securities sold during the reporting period by the member:.....\$ _____ 11398
- I. Total number of customers to whom securities were sold with respect to
the sales reported for Item H:..... 11399
- J. Amount of revenue earned by the member with respect to
the sales reported for Item H:.....\$ _____ 11400

Page 42 of 47
SUPPLEMENTAL STATEMENT OF INCOME
OPERATIONAL PAGE

BROKER-DEALER For the period (MMDDYY) from 3932 to 3933
Number of months included in this statement 3931

SECTION 2: Unregistered offerings; self or affiliate offerings

For each offering in which the firm participated in the Reporting Period, provide the following information. If firm engaged in more than five (5) such offerings during the Reporting Period, list the five (5) largest offerings in terms of total securities sold by dollar amount in descending order.

6. Unregistered offerings; self or affiliate offerings:

A. Name of Issuer/Sponsor:_____	11410
B. If Form D has been filed by the issuer, enter CIK (Filer ID Number):_____	11411
C. Industry Group (Select One):_____	11412
D. Federal Exemptions and Exclusions Claimed (Select all that apply):	
Rule 504(b)(1) (not (i), (ii) or (iii)).....	<input type="checkbox"/> 11413
Rule 504(b)(1)(i)	<input type="checkbox"/> 19100
Rule 504(b)(1)(ii)	<input type="checkbox"/> 19101
Rule 504(b)(1)(iii).....	<input type="checkbox"/> 19102
Rule 505.....	<input type="checkbox"/> 19103
Rule 506.....	<input type="checkbox"/> 19104
Securities Act Section 4(5)	<input type="checkbox"/> 19105
Investment Company Act Section 3(c)....	<input type="checkbox"/> 19106
Other	<input type="checkbox"/> 19107
E. Type(s) of Securities Offered (Select all that apply):	
Equity.....	<input type="checkbox"/> 11414
Debt.....	<input type="checkbox"/> 19110
Option, Warrant or Other Right to Acquire Another Security.....	<input type="checkbox"/> 19111
Security to be Acquired Upon Exercise of Option, Warrant or Other Right to Acquire Security.....	<input type="checkbox"/> 19112
Pooled Investment Fund Interests.....	<input type="checkbox"/> 19113
Tenant-in-Common Securities.....	<input type="checkbox"/> 19114
Mineral Property Securities.....	<input type="checkbox"/> 19115
Other.....	<input type="checkbox"/> 19116
F. Minimum Investment accepted from any outside investor:.....\$_____	11415
G. Total Offering Amount in dollars:.....\$_____	11416
or check "Indefinite".....Indefinite <input type="checkbox"/>	11417
H. Total amount in dollars of securities sold during the reporting period by the member:..... \$_____	11418
I. Total number of customers to whom securities were sold with respect to the sales reported for Item H:.....	11419
J. Amount of revenue earned by the member with respect to the sales reported for Item H:.....\$_____	11420
K. Issuer/Sponsor's affiliation to Broker-Dealer filing this Report (Select One):	11421

Page 43 of 47
SUPPLEMENTAL STATEMENT OF INCOME
OPERATIONAL PAGE

BROKER-DEALER For the period (MMDDYY) from 3932 to 3933
Number of months included in this statement 3931

7. Unregistered offerings; self or affiliate offerings:

- A. Name of Issuer/Sponsor: _____ 11430
- B. If Form D has been filed by the issuer, enter CIK (Filer ID Number): _____ 11431
- C. Industry Group (Select One): _____ 11432
- D. Federal Exemptions and Exclusions Claimed (Select all that apply):
- | | | |
|--|--------------------------|-------|
| Rule 504(b)(1) (not (i), (ii) or (iii))..... | <input type="checkbox"/> | 11433 |
| Rule 504(b)(1)(i) | <input type="checkbox"/> | 19120 |
| Rule 504(b)(1)(ii) | <input type="checkbox"/> | 19121 |
| Rule 504(b)(1)(iii)..... | <input type="checkbox"/> | 19122 |
| Rule 505..... | <input type="checkbox"/> | 19123 |
| Rule 506..... | <input type="checkbox"/> | 19124 |
| Securities Act Section 4(5) | <input type="checkbox"/> | 19125 |
| Investment Company Act Section 3(c).... | <input type="checkbox"/> | 19126 |
| Other | <input type="checkbox"/> | 19127 |
- E. Type(s) of Securities Offered (Select all that apply):
- | | | |
|--|--------------------------|-------|
| Equity..... | <input type="checkbox"/> | 11434 |
| Debt..... | <input type="checkbox"/> | 19130 |
| Option, Warrant or Other Right to Acquire Another Security..... | <input type="checkbox"/> | 19131 |
| Security to be Acquired Upon Exercise of Option, Warrant or Other Right to Acquire Security..... | <input type="checkbox"/> | 19132 |
| Pooled Investment Fund Interests..... | <input type="checkbox"/> | 19133 |
| Tenant-in-Common Securities..... | <input type="checkbox"/> | 19134 |
| Mineral Property Securities..... | <input type="checkbox"/> | 19135 |
| Other..... | <input type="checkbox"/> | 19136 |
- F. Minimum Investment accepted from any outside investor:.....\$ _____ 11435
- G. Total Offering Amount in dollars:.....\$ _____ 11436
- or check "Indefinite".....Indefinite ☐ 11437
- H. Total amount in dollars of securities sold during the reporting period by the member:.....\$ _____ 11438
- I. Total number of customers to whom securities were sold with respect to the sales reported for Item H:..... 11439
- J. Amount of revenue earned by the member with respect to the sales reported for Item H:.....\$ _____ 11440
- K. Issuer/Sponsor's affiliation to Broker-Dealer filing this Report (Select One): 11441

Number of months included in this statement _____ 3931

Number of months included in this statement _____ 3931

A.	Name of Issuer/Sponsor:.....		11470
B.	If Form D has been filed by the issuer, enter CIK (Filer ID Number):.....		11471
C.	Industry Group (Select One):.....	<div><div></div></div>	11472
D.	Federal Exemptions and Exclusions Claimed (Select all that apply):	<div>Rule 504(b)(1) (not (i), (ii) or (iii))..... <input type="checkbox"/></div> <div>Rule 504(b)(1)(i) <input type="checkbox"/></div> <div>Rule 504(b)(1)(ii) <input type="checkbox"/></div> <div>Rule 504(b)(1)(iii)..... <input type="checkbox"/></div> <div>Rule 505..... <input type="checkbox"/></div> <div>Rule 506..... <input type="checkbox"/></div> <div>Securities Act Section 4(5)..... <input type="checkbox"/></div> <div>Investment Company Act Section 3(c).... <input type="checkbox"/></div> <div>Other..... <input type="checkbox"/></div>	<div>11473</div> <div>19160</div> <div>19161</div> <div>19162</div> <div>19163</div> <div>19164</div> <div>19165</div> <div>19166</div> <div>19167</div>
E.	Type(s) of Securities Offered (Select all that apply):	<div>Equity..... <input type="checkbox"/></div> <div>Debt..... <input type="checkbox"/></div> <div>Option, Warrant or Other Right to Acquire Another Security..... <input type="checkbox"/></div> <div>Security to be Acquired Upon Exercise of Option, Warrant or Other Right to Acquire Security..... <input type="checkbox"/></div> <div>Pooled Investment Fund Interests..... <input type="checkbox"/></div> <div>Tenant-in-Common Securities..... <input type="checkbox"/></div> <div>Mineral Property Securities..... <input type="checkbox"/></div> <div>Other..... <input type="checkbox"/></div>	<div>11474</div> <div>19170</div> <div>19171</div> <div>19172</div> <div>19173</div> <div>19174</div> <div>19175</div> <div>19176</div>
F.	Minimum Investment accepted from any outside investor:.....\$		11475
G.	Total Offering Amount in dollars:.....\$		11476
	or check "Indefinite".....Indefinite <input type="checkbox"/>		11477
H.	Total amount in dollars of securities sold during the reporting period by the member:.....\$		11478
I.	Total number of customers to whom securities were sold with respect to the sales reported for Item H:.....		11479
J.	Amount of revenue earned by the member with respect to the sales reported for Item H:.....\$		11480
K.	Issuer/Sponsor's affiliation to Broker-Dealer filing this Report (Select One):	<div><div></div></div>	11481

Number of months included in this statement _____ 3931

Page 47 of 47
SUPPLEMENTAL STATEMENT OF INCOME
OPERATIONAL PAGE – DROPDOWN VALUES FOR RELATED FIELDS

Dropdown Values for Related Fields

C. Industry Group (Select One):.....

Agriculture
Banking and Financial Services
Business Services
Energy
Health Care
Manufacturing
Real Estate
Retailing
Restaurants
Technology
Travel
Other

K. Issuer/Sponsor's affiliation to Broker-Dealer filing this Report (Select One):.....

Parent, indirect
Parent, direct
Guaranteed Subsidiary
Non-guaranteed Subsidiary
Other Affiliate