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SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III

FACING PAGE  
Information Required of Brokers and Dealers  
Pursuant to Section 17 of the Securities Exchange Act of 1934  
and Rule 17a-5 Thereunder

SEC FILE NO  
8-25844

REPORT FOR THE PERIOD BEGINNING 01/01/2009 AND ENDING 12/31/2009  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:  
SunGard Institutional Brokerage, Inc.

SEC Mail Processing  
Section

Official Use Only
FIRM ID. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS:  
(Do not use P.O. Box No.)

MAR 01 2010  
Washington, DC

377 Butterfield Rd

(No. and Street)

Lombard IL 60148  
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Greg Vance 630-789-4219  
(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*  
(Name - if individual, state last, first, middle name)

PricewaterhouseCoopers LLP

One North Wacker Drive Chicago IL 60606  
(ADDRESS) Number and Street City State Zip Code

CHECK ONE:

- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

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### OATH OR AFFIRMATION

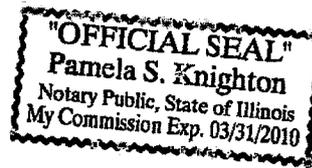
I, Greg Vance, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statements and supporting schedules pertaining to the firm of SunGard Institutional Brokerage, LLC. as of December 31, 2009, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer.

*Greg Vance*

Signature - Greg Vance, CFO

*Pamela S. Knighton*

Notary Public



This report \*\* contains (check all applicable boxes):

- (a) Facing Page
- (b) Statement of Financial Condition
- (c) Statement of Income
- (d) Statement of Cash Flows
- (e) Statement of Changes in Stockholder's Equity of Partners' or Sole Proprietor's Capital
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors
- (g) Computation of Net Capital
- (h) Computation for Determination of Reserve Requirement Pursuant to Rule 15c3-3
- (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3
- (j) A Reconciliation, including appropriate explanation, of the computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A Rule 15c3-3
- Schedule of Segregation Requirements and Funds in Segregation Pursuant to Commodity Exchange Act
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation
- (l) An Oath or Affirmation
- (m) A Copy of the SIPC Supplemental Report
- (n) A Report describing any material inadequacies found to exist or found to have existed since the date of the previous audit

\*\* For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3)

**SunGard Institutional Brokerage Inc.**

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**December 31, 2009**

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**Report of Independent Auditors**

To the Board of Directors and Shareholder of  
SunGard Institutional Brokerage Inc.

In our opinion, the accompanying statement of financial condition presents fairly, in all material respects, the financial position of SunGard Institutional Brokerage Inc. (the "Company") at December 31, 2009 in conformity with accounting principles generally accepted in the United States of America. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit of this statement in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial condition, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.



February 25, 2010

**SunGard Institutional Brokerage Inc.**  
**Statement of Financial Condition**  
**December 31, 2009**

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**Assets**

Cash and cash equivalents	\$ 26,329,113
Accounts receivable, net of allowance of \$495,571	14,503,934
Due from affiliates and Parent	7,975,233
Furniture, equipment, software and leasehold improvements, at cost, less accumulated depreciation and amortization of \$5,805,854	7,597,532
Deferred tax asset, net	476,622
Prepaid expenses and other assets	1,335,464
<b>Total assets</b>	<b>\$ 58,217,898</b>

**Liabilities and Shareholder's Equity**

Due to affiliates and Parent	\$ 4,565,413
Accrued compensation and benefits	5,373,484
Accrued expenses and other liabilities	3,475,627
Fees payable	2,336,619
Accrued soft dollar liabilities	4,284,973
<b>Total liabilities</b>	<b>20,036,116</b>

Commitments and contingencies (Note 9)

Shareholder's equity	38,181,782
<b>Total liabilities and shareholder's equity</b>	<b>\$ 58,217,898</b>

The accompanying notes are an integral part of this statement of financial condition

**SunGard Institutional Brokerage Inc.**  
**Notes to Financial Statements**  
**December 31, 2009**

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**1. Organization**

SunGard Institutional Brokerage Inc. (the "Company" or "SIBI") is registered as a broker-dealer in securities with the Securities and Exchange Commission ("SEC") and the Financial Industry Regulatory Authority, Inc. ("FINRA") The Company is a wholly-owned subsidiary of SunGard Investment Ventures LLC (the "Parent"), whose parent is SunGard Data Systems Inc. ("SunGard").

**2. Significant Accounting Policies**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

On July 1, 2009, the Financial Accounting Standards Board ("FASB") issued statement No. 168, *the FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles, (ASC 105-10 Generally Accepted Accounting Principles)* ("ASC 105-10") (the "Codification"). ASC 105-10 establishes the exclusive authoritative reference for U.S. GAAP for use in financial statements, except for SEC rules and interpretive releases, which are also authoritative GAAP for SEC registrants. The Codification will supersede all existing non-SEC accounting and reporting standards. We have included references to the Codification, as appropriate, in these financial statements.

In May 2009, the Financial Accounting Standards Board ("FASB") issued statement No. 165, *Subsequent Events (ASC 855-10 Subsequent Events)* ("ASC 855-10"), which establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. The statement is effective for interim or annual financial periods ending after June 15, 2009. Required disclosures related to subsequent events are included in Note 11.

The Company generates commissions from introducing securities transactions on behalf of its customers who are using various portfolio and investment management systems and databases provided by different SunGard subsidiaries and third parties. The Company generates fee income by offering an electronic order routing network for placing securities trades through brokers and ECNs, and through an alliance with a major financial institution that provides straight-through securities processing to the investment management community. Additionally, the Company earns fee income from providing an interactive trading link between various employee benefit, trust and custodial systems with mutual funds via the National Securities Clearing Corporation ("NSCC") and acts as an asset aggregator for money market mutual funds. These services are offered under agreement with Mid-Atlantic Capital Corporation ("MACC"), a registered broker-dealer in securities with FINRA. The Company also has an agreement with a major financial institution to provide custodial, trust, clearing and other services.

The Company records commission revenue, transaction based fee income and related expenses on a trade-date basis.

Revenue from consulting fees, interest income and other miscellaneous fees are recorded when earned.

The Company also provides soft dollar research services. Costs related to services which have been provided to customers but not yet paid for through earned commissions are deferred to the

# SunGard Institutional Brokerage Inc.

## Notes to Financial Statements

December 31, 2009

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extent that the Company ultimately deems them to be collectible. These costs amounted to \$98,488 at December 31, 2009 and are included in other assets on the statement of financial condition. Amounts that have been received through soft dollar commissions on securities transactions that are in excess of services provided are presented as accrued soft dollar liabilities on the statement of financial condition to the extent the Company ultimately expects to incur expenses through the payment for services under the soft dollar arrangements.

Cash on deposit and highly liquid investments with original maturities of three months or less are considered cash and cash equivalents.

An allowance for doubtful accounts is maintained at a level that in management's judgment is adequate to absorb potential credit losses. The allowance is increased by provisions and recoveries and is reduced by charge offs.

Management estimates that the fair value financial assets and liabilities recognized on the statement of financial condition approximate carrying value, due to their short-term nature.

Furniture and equipment are recorded at cost less accumulated depreciation. Furniture and equipment are depreciated on a straight-line basis over their estimated useful lives ranging from two to 10 years. Leasehold improvements are amortized using the straight-line method over the lesser of the economic life of the improvement or the life of the lease.

Costs associated with purchased software, software obtained through business acquisitions, and new products and enhancements to existing products that are technologically feasible and recoverable are capitalized and amortized over the estimated useful lives or the remaining license term whichever is shorter, using the straight-line method starting once the product is in use. Capitalized development costs in 2009 were \$1,752,952.

The Company is included in the consolidated federal and certain unitary state tax returns of SunGard. The Company computes its federal income tax provision on a separate-company basis together with a portion of its state income tax provision for certain states in which it files separately. In addition, pursuant to an informal tax-sharing agreement, the Company records expense allocations from SunGard for its share of state income tax expense attributable to its inclusion in the SunGard unitary state tax returns. These amounts and the separately computed federal tax provision described above are settled periodically with SunGard. Under the informal tax sharing agreement, any liabilities for unrecognized tax benefits are retained at the parent company level.

Income taxes are accounted for under the asset and liability method as required in accordance with the provisions of ASC 740, *Income Taxes* (ASC 740). Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing deferred tax assets or liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. As the Company settles federal deferred taxes currently with SunGard, no federal deferred tax assets or liabilities were recorded at December 31, 2009.

On January 1, 2009, the Company adopted ASC 740-10 *Income Taxes* ("ASC 740-10"). The adoption of ASC 740-10 did not have a material impact on the Company's financial statements. However, the conclusions regarding ASC 740-10 may be subject to review and adjustment at a

**SunGard Institutional Brokerage Inc.**  
**Notes to Financial Statements**  
**December 31, 2009**

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later date based on factors including, but not limited to, further implementation guidance expected from the FASB, and on-going analyses of tax laws, regulations and interpretations thereof.

ASC 740-10 requires determining whether a tax position of the Company is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement which could result in the Company recording a tax liability. ASC 740-10 must be applied to all existing tax positions upon initial adoption and the cumulative effect, if any, is to be reported as an adjustment to the beginning balance of member's equity for that fiscal year.

As of December 31, 2009, the Company has reviewed all open tax years and major jurisdictions. The earliest open tax year is the year ended December 31, 2005 for certain states in the United States. The Company concluded that the adoption of ASC 740-10 resulted in no effect to the Company's tax liability, financial position or results in operations. There is no tax liability resulting from unrecognized tax benefits related to uncertain tax positions taken or expected to be taken in future tax returns. The Company is also not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months.

Certain employees of the Company participate in SunGard stock option and award plans. SunGard adopted ASC 718 *Compensation-Stock Compensation* (ASC 718), using the modified prospective method, which requires companies to record stock compensation expense for all unvested and new awards as of the adoption date. Stock-based compensation cost is measured at the grant date based on the value of the award and is recognized as expense and allocated to the Company through inter-company charges, over the requisite service period. See Note 5 for more information on stock-based compensation.

### **3. Related-Party Transactions**

The Company receives floor brokerage and clearing services from an affiliated broker-dealer.

The Company reimburses affiliates for rent paid on its behalf for certain of its New York, Birmingham and Illinois offices.

Certain costs incurred by the Parent and affiliates are allocated to the Company under an inter-company agreement on a consistent basis that management believes are predicated on arms-length costs.

The Company settles all informal inter-company transactions with SunGard and its subsidiaries periodically throughout the year. Amounts due from and due to Parent and affiliates represent unsettled transactions at December 31, 2009. Due from affiliates and Parent recorded on the statement of financial condition consist primarily of amounts owed by SunGard Institutional Products LLC, an affiliate, related to shared services provided by the Company. Due to affiliates and Parent recorded on the statement of financial condition consist primarily of income taxes and employee benefits payable to the Parent.

**SunGard Institutional Brokerage Inc.**  
**Notes to Financial Statements**  
**December 31, 2009**

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**4. Furniture, Equipment, Software and Leasehold Improvements**

As of December 31, 2009, furniture, equipment, software and leasehold improvements included the following:

Software	\$ 2,515,135
Internally developed software	1,752,952
Telecommunications equipment	312,216
Computer	6,074,985
Furniture and fixtures	930,977
Leasehold improvements	1,817,121
	<u>13,403,386</u>
Accumulated depreciation and amortization	<u>(5,805,854)</u>
	<u>\$ 7,597,532</u>

**5. Stock Option and Award Plans**

To provide long-term equity incentives, the SunGard Management Incentive Plan was established. Under this plan, certain management and key employees are granted time-based options or a combination of time-based and performance-based options to purchase stock in SunGard Capital Corp (the ultimate Parent). Employee stock-based compensation expense is recorded through an intercompany charge from SunGard Capital Corp.

**6. Savings Plans**

The Company participates in a 401(k) defined contribution Plan (the "Plan") sponsored by its Parent covering substantially all by Company employees. The Plan provides that contributions by Company employees are matched with cash contributions by the Company subject to certain limitations including a limitation on the Company's contributions to 4% of the employee's compensation.

**7. Income Taxes**

At December 31, 2009, the Company has a net state deferred tax asset of \$476,622. The significant component of the net state deferred tax asset relates primarily to identifiable intangible assets. The Company has concluded that it is more likely than not that the deferred tax asset will be realized and, therefore no valuation allowance is required.

In addition, at December 31, 2009, the Company has an income tax payable to the Parent and state and local tax authorities of \$694,238. This is included in due to affiliates and Parent on the statement of financial condition.

**8. Regulatory Requirements**

The Company is subject to SEC Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. At December 31, 2009, the Company had net capital of \$7,021,607 which exceeded the minimum requirement of \$1,398,987 by \$5,622,620. The Company's net capital ratio was 2.99 to 1.

The Company has claimed exemption from Rule 15c3-3 under the provisions of Section (k)(2)(ii).

**SunGard Institutional Brokerage Inc.**  
**Notes to Financial Statements**  
**December 31, 2009**

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**9. Commitments and Contingencies**

The Company leases office space and equipment under lease agreements and has other operating commitments expiring on various dates through 2016. Certain leases contain provisions for rent escalation. At December 31, 2009, the future minimum annual rent commitments for the operating leases are as follows:

<b>Year ended December 31, 2009</b>	
2010	\$ 808,383
2011	815,864
2012	807,346
2013	734,562
2014	740,416
Thereafter	<u>1,498,393</u>
	<u>\$ 5,404,964</u>

The Company is engaged in various legal actions in the normal course of its operations. The status of these legal actions is actively monitored by management. If management believes, based on available information, that an adverse outcome upon resolution of a given legal action is probable and the amount of that adverse outcome was reasonable to estimate, a loss would be recognized and a related liability recorded.

Legal actions are subject to inherent uncertainties and future events could change management's assessment of the probability or estimated amount of potential losses from pending or threatened legal actions. Based on available information there are no pending or threatened legal actions against the Company at December 31, 2009.

**10. Credit Risk, Guarantees and Indemnification**

The Company clears all of its customers' securities transactions through clearing brokers on a fully disclosed basis. Pursuant to the terms of the agreements between the Company and the clearing brokers, the clearing brokers have the right to charge the Company for losses that result from its customers' failure to fulfill their contractual obligations.

To minimize its risk, the Company, through its clearing brokers, requires its customers to, at a minimum, meet margin requirements as specified under U.S. Treasury Regulation T. This margin requirement is a good faith deposit from a customer related to their trading obligations. If necessary, the Company may direct its clearing brokers to liquidate certain positions to satisfy the obligations of a customer. Management believes that the margin deposits held by the clearing brokers at December 31, 2009 are adequate to mitigate the risk of material loss.

In addition, the Company has the right to pursue collection or performance from customers and other counterparties who do not perform under their contractual obligations. The Company monitors the financial standing of its clearing brokers and all customers and counterparties to whom it extends credit.

ASC 460 – 10 "Guarantees", "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others," requires the disclosure of representations and warranties which the Company enters into and which may provide general

# SunGard Institutional Brokerage Inc.

## Notes to Financial Statements

December 31, 2009

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indemnifications to others. The Company in its normal course of business may enter into contracts that contain such representations and warranties. The Company's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Company that have not yet occurred. However, the Company believes the risk of loss related to these deposits is remote.

The Company maintains its cash balances in several accounts with various financial institutions. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2009, the Company's uninsured cash balance with these financial institutions was \$26,777,198.

### **11. Subsequent Events**

In accordance with ASC 855-10, the Company has evaluated the events and transactions that have occurred through February 25, 2010, the date the financial statements were issued, and noted no items requiring adjustment of the financial statements or additional disclosures.

# **SunGard Institutional Brokerage Inc.**

**Statement of Financial Condition  
December 31, 2009**

**Available for Public Inspection**