

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL	
OMB Number:	3235-0498
Expires:	March 31, 2004
Estimated average burden hours per response.....	20

FORM X-17A-5

FOCUS REPORT

(Financial and Operational Combined Uniform Single Report)

PART IIB 11
OTC DERIVATIVES DEALER

(PLEASE READ INSTRUCTIONS BEFORE PREPARING FORM.)

THIS REPORT IS BEING FILED PURSUANT TO (Check Applicable Block(s)):

1) Rule 17a-12 16 2) Rule 17a-11 18 3) Other 26

_____ <input type="checkbox"/> 13 (Name of Dealer)	_____ <input type="checkbox"/> 14 (SEC File No.)
_____ <input type="checkbox"/> 20 (Address of Principal Place of Business (DO NOT USE P.O. Box No.))	_____ <input type="checkbox"/> 15 (Firm I.D. No.)
_____ <input type="checkbox"/> 21 (City) _____ <input type="checkbox"/> 22 (State) _____ <input type="checkbox"/> 23 (Zip Code)	_____ <input type="checkbox"/> 24 (For Period Beginning (MM/DD/YYYY))
	_____ <input type="checkbox"/> 25 (For Period Ending (MM/DD/YYYY))

NAME AND TELEPHONE NO. OF PERSON TO CONTACT IN REGARD TO THIS REPORT:

_____ <input type="checkbox"/> 30 (Name)	_____ <input type="checkbox"/> 31 (Area Code) - (Telephone No.)
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NAME(S) OF SUBSIDIARIES OR AFFILIATES CONSOLIDATED IN THIS REPORT:

_____ <input type="checkbox"/> 32	_____ <input type="checkbox"/> 33
_____ <input type="checkbox"/> 34	_____ <input type="checkbox"/> 35
_____ <input type="checkbox"/> 36	_____ <input type="checkbox"/> 37
_____ <input type="checkbox"/> 38	_____ <input type="checkbox"/> 39

OFFICIAL USE

[Does respondent carry its own customer accounts?] Yes 40 NO 41

Check here if respondent is filing an audited report: 42

EXECUTION:
The registrant/dealer submitting this Form and its attachments and the person(s) by whom it is executed represent hereby that all information contained therein is true, correct and complete. It is understood that all required items, statements, and schedules are considered integral parts of this Form and that the submission of any amendment represents that all unamended items, statements and schedules remain true, correct and complete as previously submitted.

Dated the _____ day of _____,

MANUAL SIGNATURES OF:

- 1) _____
(Principal Executive Officer or Managing Partner)
- 2) _____
(Principal Financial Officer or Partner)
- 3) _____
(Principal Operations Officer or Partner)

ATTENTION — Intentional misstatements or omissions of facts constitute Federal Criminal Violations.
(See 18 U.S.C. 1001 and 15 U.S.C. 78f(a))

FOR SEC USE ONLY

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TO BE COMPLETED WITH THE ANNUAL AUDIT REPORT ONLY:

CERTIFIED PUBLIC ACCOUNTANT whose opinion is contained in this report:

((Name) If Individual, give last, first, middle name) 70

((Address) DO NOT USE P.O. Box No.) 71

(City) 72 (State) 73 (Zip Code) 74

DO NOT WRITE UNDER THIS LINE

FOR SEC USE ONLY

[]
WORK LOCATION 50

[]
REPORT DATE (MM/DD/YYYY) 51

[]
DOC. SEQ. NO. 52

[]
CARD 53

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART IIB

(Name of Dealer)	As of (MM/DD/YYYY)
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STATEMENT OF FINANCIAL CONDITION FOR OTC DERIVATIVES DEALERS

ASSETS (continued)

<u>Assets</u>	<u>Allowable</u>	<u>Non-Allowable</u>	<u>Total</u>
5. Receivables from non-customers:			
A. Cash and fully secured accounts	\$ _____ 340		
B. Partly secured and unsecured accounts	\$ _____ 350	\$ _____ 600	\$ _____ 830
6. Securities purchased under agreements to resale			
	_____ 360	_____ 605	_____ 840
7. Securities and spot commodities owned at market value:			
A. Bankers acceptances, certificates of deposit and commercial paper	_____ 370		
B. U.S. and Canadian government obligations	_____ 380		
C. State and municipal government obligations	_____ 390		
D. Corporate obligations	_____ 400		
E. Stocks and warrants	_____ 410		
F. Options	_____ 420		
G. Arbitrage	_____ 422		
H. Other securities	_____ 424		
I. Spot commodities	_____ 430		_____ 850
8. Securities owned not readily marketable:			
A. At cost	\$ _____ 130	_____ 610	_____ 860
9. Other investments not readily marketable:			
A. At cost	\$ _____ 140		
B. At estimated fair value	_____ 450	_____ 620	_____ 870
10. Securities borrowed under subordination agreements and partners' individual and capital securities accounts at market value:			
A. Exempted securities.....	\$ _____ 150		
B. Other	_____ 160	_____ 630	_____ 880

OMIT PENNIES

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART IIB

_____ (Name of Dealer)	_____ As of (MM/DD/YYYY)
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STATEMENT OF FINANCIAL CONDITION FOR OTC DERIVATIVES DEALERS

ASSETS (continued)

<u>Assets</u>	<u>Allowable</u>	<u>Non-Allowable</u>	<u>Total</u>
11. Secured demand notes - market value of collateral:			
A. Exempted securities \$ _____	170		
B. Other	180	470	640
12. Investment in and receivables from affiliates, subsidiaries and associated partnerships.....	480	670	910
13. Property, furniture, equipment, leasehold improvements and rights under lease agreements:			
At cost (net of accumulated depreciation and amortization)	\$ 490	\$ 680	\$ 920
14. Other Assets:			
A. Dividends and interest receivable...	500	690	
B. Free shipments.....	510	700	
C. Loans and advances	520	710	
D. Miscellaneous	530	720	930
15. TOTAL ASSETS.....	\$ 540	\$ 740	\$ 940

OMIT PENNIES

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART IIB

(Name of Dealer)	As of (MM/DD/YYYY)
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STATEMENT OF FINANCIAL CONDITION FOR OTC DERIVATIVES DEALERS

LIABILITIES AND OWNERSHIP EQUITY

<u>Liabilities</u>		<u>Total</u>
16. Bank loans payable:	\$	1470
17. Securities sold under repurchase agreement	\$	1480
18. Payable to brokers/dealers and clearing organizations:		
A. Failed to receive:	\$	1500
B. Securities loaned:	\$	1520
C. Omnibus accounts:	\$	1540
D. Clearing organization:	\$	1560
E. Other	\$	1570
19. Payable to customers:		
A. Securities accounts-including excess collateral of \$ 950	\$	1580
B. Commodities accounts	\$	1590
20. Payable to non-customers:		
A. Securities accounts	\$	1600
B. Commodities accounts	\$	1610
21. Securities sold not yet purchased at market value- including arbitrage of \$ 960	\$	1620
22. Accounts payable and accrued liabilities and expenses:		
A. Drafts payable	\$	1630
B. Accounts payable	\$	1640
C. Income taxes payable	\$	1650
D. Deferred income taxes	\$	1660
E. Accrued expenses and other liabilities	\$	1670
F. Other	\$	1680

OMIT PENNIES

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART IIB

(Name of Dealer)	As of (MM/DD/YYYY)
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STATEMENT OF FINANCIAL CONDITION FOR OTC DERIVATIVES DEALERS

LIABILITIES AND OWNERSHIP EQUITY (continued)

<u>Liabilities</u>		<u>Total</u>
23. Notes and mortgages payable:		
A. Unsecured	\$	1690
B. Secured	\$	1700
24. Liabilities subordinated to claims of general creditors:		
A. Cash borrowings:	\$	1710
1. from outsiders \$	970	
2. includes equity subordination (15c3-1d) of \$	980	
B. Securities borrowings, at market value	\$	1720
1. from outsiders \$	990	
C. Pursuant to secured demand note collateral agreements:	\$	1730
1. from outsiders \$	1000	
2. includes equity subordination (15c3-1d) of \$	1010	
D. Accounts and other borrowings not qualified for net capital purposes	\$	1750
25. TOTAL LIABILITIES	\$	1760

OMIT PENNIES

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART IIB

(Name of Dealer)	As of (MM/DD/YYYY)
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STATEMENT OF FINANCIAL CONDITION FOR OTC DERIVATIVES DEALERS

LIABILITIES AND OWNERSHIP EQUITY (continued)

<u>Ownership Equity</u>	<u>Total</u>
26. Sole proprietorship	\$ <u>1770</u>
27. Partnership-limited partners	<u>1780</u>
28. Corporation:	
A. Preferred stock	<u>1791</u>
B. Common stock	<u>1792</u>
C. Additional paid-in capital	<u>1793</u>
D. Retained earnings	<u>1794</u>
E. Total	<u>1795</u>
F. Less capital stock in treasury	(<u>1796</u>)
29. TOTAL OWNERSHIP EQUITY	\$ <u>1800</u>
30. TOTAL LIABILITIES AND OWNERSHIP EQUITY	\$ <u>1810</u>

OMIT PENNIES

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART IIB

(Name of Dealer)	As of (MM/DD/YYYY)
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*COMPUTATION OF NET CAPITAL AND NET CAPITAL REQUIRED
(Electing 15c3-1 Appendix F)*

CAPITAL

Capital

1. Total Ownership Equity	\$	3480
2. Deduct: Ownership Equity not Allowable for Net Capital		() 3490
3. Total Ownership Equity Qualified for Net Capital		3500
4. Add: Subordinated Liabilities Approved for Net Capital		3520
5. Other Allowable Credits or Deductions		3525
6. Total Capital and Approved Subordinations		3530
7. Non-Allowable Assets	\$	3540
8. Secured Demand Note Deficiency		3590
9. Other Deductions and Charges		3610
10. Total Non-Allowable Assets, Other Deductions and Charges (add lines 7 - 9).....		() 3620
11. Tentative Net Capital (Must equal or exceed \$100,000,000)	\$	3640

Computation of Net Capital Requirements and Excess Net Capital

12. Market Risk Exposure:

A. Total Value at Risk

	\$	3635
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Value at Risk Components:

1. Fixed Income (VaR)	\$	3636
2. Currency (VaR)		3637
3. Commodities (VaR)		3638
4. Equities (VaR)		3639

NOTE: The sum of the value at risk components may not equal total value at risk.

B. Multiplication Factor

	\$	3645
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C. Subtotal (If Line 12A is positive, multiply Line 12A by 12B)

	3655
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D. Alternative Method for Equities under Appendix A of Rule 15c3-1 (if applicable)

	3665
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E. Non - Marketable Securities

	3675
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F. Residual Positions

	3676
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13. Subtotal Market Risk Exposure (add Lines 12C and 12D)

	\$	3677
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OMIT PENNIES

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART IIB

_____ (Name of Dealer)	_____ As of (MM/DD/YYYY)
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*COMPUTATION OF NET CAPITAL AND NET CAPITAL REQUIRED
(Electing 15c3-1 Appendix F)*

CAPITAL (continued)

Capital

14. Credit Risk Exposure:

A. Credit Risk Charge (Counterparty).....	_____	<input type="text" value="3678"/>
B. Concentration Charge.....	_____	<input type="text" value="3650"/>

15. Subtotal Credit Risk Exposure (add Lines 14A and 14B)	\$	_____	<input type="text" value="3679"/>
16. Net Capital (Line 11 less Lines 13 and 15)		_____	<input type="text" value="3750"/>
17. Minimum Capital Requirement		20,000,000	<input type="text" value="3758"/>
18. Excess Net Capital (Line 16 less Line 17)	\$	_____	<input type="text" value="3770"/>

OMIT PENNIES

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART IIB

(Name of Dealer)	As of (MM/DD/YYYY)
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*COMPUTATION OF NET CAPITAL AND NET CAPITAL REQUIRED
(Under (c)(3)(vi) of Rule 15c3-1)*

Capital

1. Total Ownership Equity (from Statement of Financial Condition - Item 1800)	\$	_____ 3480
2. Deduct: Ownership Equity not allowable for Net Capital		(_____) 3490
3. Total Ownership Equity Qualified for Net Capital		_____ 3500
4. Add: Subordinated Liabilities Approved for Net Capital		_____ 3520
5. Other Allowable Credits or Deductions		_____ 3525
6. Total Capital and Approved Subordinations	\$	_____ 3530
7. Non-Allowable Assets		(_____) 3540
8. Other Deductions and/or Charges		(_____) 4000
9. Secured Demand Note Deficiency		(_____) 3590
10. Commodity futures contracts and spot commodities proprietary capital charges		(_____) 3600
11. Other additions and/or allowable credits		
A. Credit add backs under 15c3-1(c)(15)		_____ 3631
B. Other		_____ 3632
12. Tentative Net Capital (must equal or exceed \$100,000,000)	\$	_____ 3640
13. Haircuts on Securities (computed pursuant to 15c3-1(c)(2)(vi)):		
A. Fixed Income	\$	_____ 3636
B. Currency		_____ 3637
C. Commodities		_____ 3638
D. Equities		_____ 3639
14. Total deductions and/or charges		(_____) 4040
15. Undue Concentration		(_____) 3650
16. Other (List)		(_____) 3736
17. Credit Risk		(_____) 4051
18. Net Capital	\$	_____ 4750
19. Minimum Net Capital	\$	20,000,000 3758
20. Excess Net Capital	\$	_____ 3770

OMIT PENNIES

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART IIB

For the Period (MM/DD/YYYY) from 3932 to 3933

_____ (Name of Dealer)	Number of months included in this statement
3931	

STATEMENT OF INCOME (LOSS)

REVENUE

1. Contracts:		
A. Interest Rate/Fixed Income products	\$	3921
B. Over-the-counter currency and foreign exchange products for Net Capital		3922
C. Equity products		3923
D. Commodity products		3924
E. All other securities commissions		3925
F. Total securities commissions	\$	3940
2. Gains or Losses on Firm Securities Trading Accounts:		
A. From market making in over-the-counter equity securities	\$	3941
1. Includes gains or (losses) OTC market making in exchange listed equity securities	\$	3943
B. From trading in debt securities		3944
C. From market making in options on a national securities exchange		3945
D. From all other trading		3949
E. Total gains or (losses)	\$	3950
3. Gains or Losses on Firm Securities Investment Accounts:		
A. Includes realized gains (losses)	\$	4235
B. Includes unrealized gains (losses)		4236
C. Total realized and unrealized gains (losses)	\$	3952
4. Other Interest		3953
5. Fees for account supervision, investment advisory and administrative services		3975
6. Revenue from research services		3980
7. Commodities revenue		3990
8. Other revenue		3995
9. Total Revenue	\$	4030

EXPENSES

10. Compensation	\$	4110
11. Clerical and administrative employees' expenses		4040

OMIT PENNIES

FINANCIAL AND OPERATIONAL COMINED UNIFORM SINGLE REPORT

PART IIB

For the Period (MM/DD/YYYY) from 3932 to 3933

_____ (Name of Dealer)	Number of months included in this statement
	3931

STATEMENT OF INCOME (LOSS)

EXPENSES (continued)

12. Salaries and other employment costs for general partners, and voting stockholder officers	\$	4120
A. Includes interest credited to General and Limited Partners capital accounts	\$	4130
13. Floor brokerage paid to certain brokers (see definition)		4050
14. Commissions and clearance paid to all other brokers (see definition)		4145
15. Clearance paid to non-brokers (see definition)		4135
16. Communications		4060
17. Occupancy and equipment costs		4080
18. Promotional costs		4150
19. Interest expense		4075
A. Includes interest on accounts subject to subordination agreements		4070
20. Losses in error account and bad debts		4170
21. Data processing costs (including service bureau service charges)		4186
22. Non-recurring charges		4190
23. Regulatory fees and expenses		4195
24. Other expenses		4100
25. Total expenses	\$	4200

NET INCOME

26. Income (loss) before Federal income taxes and items below (Item 10 less Item 26)	\$	4210
27. Provision for Federal income taxes (for parent only)		4220
28. Equity in earnings (losses) of unconsolidated subsidiaries not included above		4222
A. After Federal income taxes of		4338
29. Extraordinary gains (losses)		4224
A. After Federal income taxes of		4239
30. Cumulative effect of changes in accounting principles		4225
31. Net income (loss) after Federal income taxes and extraordinary items		4230

MONTHLY INCOME

32. Income (current month only) before provision for Federal income taxes and extraordinary items	\$	4211
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OMIT PENNIES

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART IIB

(Name of Dealer)	As of (MM/DD/YYYY)
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Ownership Equity and Subordinated Liabilities maturing or proposed to be withdrawn within the next six months and accruals, (as defined below), which have not been deducted in the computation of Net Capital.

Type of Proposed Withdrawal or Accrual <small>(see below for code to enter)</small>	Name of Lender or Contributor	Insider or Outsider? <small>(In or Out)</small>	Amount to be Withdrawn <small>(cash amount and/or Net Capital Value of Securities)</small>	Withdrawal or Maturity Date <small>(MM/DD/YYYY)</small>	Expect to Renew <small>(Yes or No)</small>
4600	4601	4602	\$ 4603	4604	4605
4610	4611	4612	4613	4614	4615
4620	4621	4622	4623	4624	4625
4630	4631	4632	4633	4634	4635
4640	4641	4642	4643	4644	4645
4650	4651	4652	4653	4654	4655
4660	4661	4662	4663	4664	4665
4670	4671	4672	4673	4674	4675
4680	4681	4682	4683	4684	4685
4690	4691	4692	4693	4694	4695

Total \$ 4699*

* To agree with the total on Recap (Item No. 4880)

OMIT PENNIES

WITHDRAWAL CODE:	DESCRIPTIONS
1	Equity Capital
2	Subordinated Liabilities
3	Accruals
4	15c3-1(c)(2)(iv) Liabilities

INSTRUCTIONS: Detail Listing must include the total of items maturing during the six month period following the report date, regardless of whether or not the capital contribution is expected to be renewed. The schedule must also include proposed capital withdrawals scheduled within the six month period following the report date including the proposed redemption of stock and payments of liabilities secured by fixed assets (which are considered allowable assets in the capital computation pursuant to Rule 15c3-1(c)(2)(iv)), which could be required by the lender on demand or in less than six months.

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
CAPITAL WITHDRAWALS
PART IIB

(Name of Dealer)	As of (MM/DD/YYYY)
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Ownership Equity and Subordinated Liabilities maturing or proposed to be withdrawn within the next six months and accruals, which have not been deducted in the computation of net capital.

RECAP

1. Equity Capital

A. Partnership Capital:

1. General Partners	\$	4700
2. Limited		4710
3. Undistributed Profits		4720
4. Other (describe below)		4730
5. Sole Proprietorship		4735

B. Corporation Capital:

1. Common Stock	\$	4740
2. Preferred Stock		4750
3. Retained Earnings (Dividends and Other)		4760
4. Other (describe below)		4770

2. Subordinated Liabilities

A. Secured Demand Notes	\$	4780
B. Cash Subordinates		4790
C. Debentures		4800
D. Other (describe below)		4810

3. Other Anticipated Withdrawals

A. Bonuses	\$	4820
B. Voluntary Contributions to Pension or Profit Sharing Plans		4860
C. Other (describe below)		4870

4. Description of Other

5. TOTAL \$ 4880

OMIT PENNIES

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
CAPITAL WITHDRAWALS
PART IIB

(Name of Dealer)	As of (MM/DD/YYYY)
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STATEMENT OF CHANGES IN OWNERSHIP EQUITY
(SOLE PROPRIETORSHIP, PARTNERSHIP OR CORPORATION)

1. Balance, beginning of period	\$	4240
A. Net income (loss)		4250
B. Additions (includes non-conforming capital of	\$	4262
C. Deductions		4272
2. Balance, end of period (From item 1800)	\$	4290

STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED
TO CLAIMS OF GENERAL CREDITORS

3. Balance, beginning of period	\$	4300
A. Increases		4310
B. Decreases		() 4320
4. Balance, end of period (From item 3520)	\$	4330

OMIT PENNIES

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART IIB

(Name of Dealer)	As of (MM/DD/YYYY)
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FINANCIAL AND OPERATIONAL DATA

	VALUATION	NUMBER
1. Month end total number of stock record breaks unresolved over three business days		
A. Breaks long	\$ 4890	4900
B. Breaks short	\$ 4910	4920
2. Is the firm in compliance with Rule 17a-13 regarding periodic count and verification of securities positions and locations at least once in each calendar quarter? (Check one)	Yes 4930 No 4940	
3. Personnel employed at end of reporting period:		
A. Income producing personnel		4950
B. Non-income producing personnel (all other)		4960
C. Total		4970
4. Actual number of tickets executed during current month of reporting period		4980
5. Number of corrected customer confirmations mailed after settlement date		4990
	DEBIT (Short Value)	CREDIT (Long Value)
	NO. OF ITEMS	NO. OF ITEMS
6. Money differences	\$ 5000	\$ 5010
7. Security suspense accounts	\$ 5040	\$ 5050
8. Security difference accounts	\$ 5080	\$ 5090
9. Commodity suspense accounts	\$ 5120	\$ 5130
10. Open transactions with correspondents, other brokers, clearing organizations, depositories and interoffice and intercompany accounts which could result in a charge - unresolved amounts over 30 calendar days	\$ 5160	\$ 5170
11. Bank account reconciliations - unresolved amounts over 30 calendar days	\$ 5200	\$ 5210
12. Open transfers over 40 calendar days, not confirmed	\$ 5240	\$ 5250
13. Transactions in reorganization accounts - over 60 calendar days	\$ 5280	\$ 5290
14. Total	\$ 5320	\$ 5330

OMIT PENNIES

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART IIB

(Name of Dealer)	As of (MM/DD/YYYY)
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FINANCIAL AND OPERATIONAL DATA (continued)

	<u>NO. OF ITEMS</u>	<u>Ledger Amount</u>		<u>Market Value</u>
15. Failed to deliver 11 business days or longer (21 business days or longer in the case of Municipal Securities).....	5360	\$	5361	\$ 5362
16. Failed to receive 11 business days or longer (21 business days or longer in the case of Municipal Securities).....	5363	\$	5364	\$ 5365
17. Security concentrations (See instructions in Part I):				
A. Proprietary positions				\$ 5370
18. Total of personal capital borrowings due within six months				\$ 5378
19. Maximum haircuts on underwriting commitments during the period				\$ 5380
20. Planned capital expenditures for business expansion during next six months				\$ 5382
21. Liabilities of other individuals or organizations guaranteed by respondent				\$ 5384
22. Lease and rentals payable within one year				\$ 5386
23. Aggregated lease and rental commitments payable for entire term of the lease				
A. Gross				\$ 5388
B. Net				\$ 5390

OMIT PENNIES

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART IIB

OTC Derivatives Dealer: _____ as of _____

SCHEDULE I
CREDIT-CONCENTRATION REPORT FOR TWENTY LARGEST CURRENT NET EXPOSURES

Counterparty Identifier (1)	Country (2)	Industry Segment (3)	Rating (4)	Receivable (Gross Gain)	Payable (Gross Loss)	Net Replacement Value (5)	Net Exposure (6)	Current Net Exposure (7)	Total Credit Exposure (8)	Comments (9)
Totals										

- (1) Identify counterparty by counterparty's corporate name.
- (2) Identify country exposures by residence of main operating company.
- (3) Report on a counterparty-by-counterparty basis by type of entity in accordance with ISDA guidelines (i.e., Primary ISDA Members, Non-Primary ISDA Members, Corporates, Financial Institutions, Government/Supranationals, or Other).
- (4) Ratings are Nationally Recognized Statistical Rating Organization ("NRSRO") ratings or internal credit ratings as assigned by the firm. See Schedule IV for conversion of firm ratings into NRSRO equivalent ratings.
- (5) Report gross replacement value (receivable and payable), excluding the effect of legally enforceable netting agreements and excluding the application of collateral.
- (6) Report net replacement value, including the effect of legally enforceable netting agreements but excluding the application of collateral.
- (7) Report current net exposure, including the effect of legally enforceable netting agreements and the application of collateral.
- (8) Report the sum of the current net exposure and the potential additional credit exposure (calculated as the maximum credit exposure expected to be exceeded with a probability of one percent over a two-week period, less current net exposure).
- (9) Provide additional relevant information (e.g., details on credit enhancements, type of contract, maturity, offsetting, significant additional exposures in affiliated entities, etc.).

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART IIB

as of _____

SCHEDULE II
PORTFOLIO SUMMARY OF OTC DERIVATIVES EXPOSURES

OTC Derivatives Dealer:

Credit Rating Category (1)	Industry Segment (2)	Current Net Exposure (3)	Net Replacement Value (4)	Gross Replacement Value (5)	Payable
XXX	Primary ISDA Member				
	Corporate				
	Financial Institutions				
	Government				
	Other				
	TOTAL				
XX	Primary ISDA Member				
	Corporate				
	Financial Institutions				
	Government				
	Other				
	TOTAL				
X	Primary ISDA Member				
	Corporate				
	Financial Institutions				
	Government				
	Other				
	TOTAL				
	GRAND TOTAL				

(1) See Note (4) on Schedule I.

(2) See Note (3) on Schedule I.

(3) See Note (7) on Schedule I.

(4) See Note (6) on Schedule I.

(5) See Note (5) on Schedule I.

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART IIB

as of _____

SCHEDULE III
GEOGRAPHIC DISTRIBUTION (1) OF OTC DERIVATIVES EXPOSURES

Country	Credit Rating Category (2)	Current Net Exposure (3)	Net Replacement Value (4)	Gross Replacement Value (5) Receivable	Payable
A	XXX				
	XX				
	X				
	YYY				
	Y				
	Country A TOTAL				
B	XXX				
	XX				
	X				
	YYY				
	Y				
	Country B TOTAL				
	GRAND TOTAL				

(1) Top 10 country exposures (by residence of main operating company).

(2) See Note (4) on Schedule I.

(3) See Note (7) on Schedule I.

(4) See Note (6) on Schedule I.

(5) See Note (5) on Schedule I.

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
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OTC Derivatives Dealer:

as of _____

SCHEDULE IV
INTERNAL CREDIT RATING CONVERSION

<u>Internal Credit Rating</u>	<u>Equivalent Ratings</u>	
	<u>NRSRO 1</u>	<u>NRSRO 2</u>
	Aaa	AAA
	Aa1	AA+
	Aa2	AA
	Aa3	AA-
	A1	A+
	A2	A
	A3	A-
	Baa1	BBB+
	Baa2	BBB
	Baa3	BBB-
	Ba1	BB+
	Ba2	BB
	Ba3	BB-
	B3	B+
	B2	B
	B1	B-
	CCC	CCC

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as of _____

OTC Derivatives Dealer:

SCHEDULE V
NET REVENUES (1) FROM OTC DERIVATIVES AND RELATED ACTIVITIES

Quarter Ended [DATE]	[MONTH 3]	Month Ended [MONTH 2]	[MONTH 1]
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Product Category (2)

Fixed Income Products

OTC Options Swaps
Dollar
Non-Dollar

Currency & Foreign Exchange Products

Equity Products

Commodity Products

Other Products (specify)

Total All Products

(1) Report net revenues from OTC derivatives activities in the specified product category after taking into account related positions (including those that are not OTC derivatives), with net revenues defined as trading gains/losses plus interest and dividend income less dividend and interest expense (excluding all other expenses and allocable overhead).

(2) Product types should be organized by one or more principle market categories.

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART IIB

(Name of Dealer)	As of (MM/DD/YYYY)
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*SCHEDULE VI
AGGREGATE SECURITIES AND OTC DERIVATIVE POSITIONS*

I. AGGREGATE SECURITIES AND COMMODITIES POSITIONS

Aggregate Securities and Commodities Positions	<u>LONG</u>	<u>SHORT</u>
1. U.S. Treasury securities	\$ _____ 6200	\$ _____ 6201
2. U.S. Government agency	\$ _____ 6210	\$ _____ 6211
3. Securities issued by states and political subdivisions in the U.S.	\$ _____ 6220	\$ _____ 6021
4. Foreign securities:		
A. Debt securities	\$ _____ 6230	\$ _____ 6231
B. Equity securities	\$ _____ 6235	\$ _____ 6236
5. Banker's acceptances	\$ _____ 6240	\$ _____ 6241
6. Certificates of deposit	\$ _____ 6250	\$ _____ 6251
7. Commercial paper	\$ _____ 6260	\$ _____ 6261
8. Corporate obligations	\$ _____ 6270	\$ _____ 6271
9. Stocks and warrants (other than arbitrage positions)	\$ _____ 6280	\$ _____ 6281
10. Arbitrage:		
A. Index arbitrage and program trading	\$ _____ 6290	\$ _____ 6291
B. Risk arbitrage	\$ _____ 6295	\$ _____ 6296
C. Other arbitrage	\$ _____ 6300	\$ _____ 6301
11. Options:		
A. Market value of put options:		
1. Listed	\$ _____ 6310	\$ _____ 6311
2. Unlisted	\$ _____ 6315	\$ _____ 6316
B. Market value of call options:		
1. Listed	\$ _____ 6320	\$ _____ 6321
2. Unlisted	\$ _____ 6325	\$ _____ 6326
12. Spot commodities	\$ _____ 6330	\$ _____ 6331
13. Investments with no ready market:		
A. Equity	\$ _____ 6340	\$ _____ 6341
B. Debt	\$ _____ 6345	\$ _____ 6346
C. Other (include limited partnership interests)	\$ _____ 6350	\$ _____ 6351
14. Other securities or commodities	\$ _____ 6360	\$ _____ 6361
15. Summary of delta or similar analysis (if available)(attach analysis)		

000's OMITTED

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART IIB

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*II. FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND WITH CONCENTRATION OF CREDIT RISK
(Provide notional or contractual amounts where appropriate, or in the case of options, the values of the underlying instrument.)*

A. Securities	<u>LONG</u>	<u>SHORT</u>
1. When-issued securities:		
A. Gross commitments to purchase	\$ _____ 6400	\$ _____ 6401
B. Gross commitments to sell	\$ _____ 6405	\$ _____ 6402
2. Written stock option contracts:		
A. Market value, and the value of the underlying securities, of call contracts:		
1. Listed		
a. Market value.....	\$ _____ 6410	\$ _____ 6411
b. Value of underlying securities	\$ _____ 6415	\$ _____ 6416
2. Unlisted		
a. Market value	\$ _____ 6420	\$ _____ 6421
b. Value of underlying securities	\$ _____ 6425	\$ _____ 6426
B. Market value, and the value of the underlying securities, of put contracts:		
1. Listed		
a. Market value.....	\$ _____ 6430	\$ _____ 6431
b. Value of underlying securities	\$ _____ 6435	\$ _____ 6436
2. Unlisted		
a. Market value	\$ _____ 6440	\$ _____ 6441
b. Value of underlying securities	\$ _____ 6445	\$ _____ 6446
C. Market value, and the value of the underlying securities, of naked call contracts:		
1. Listed		
a. Market value.....	\$ _____ 6450	\$ _____ 6451
b. Value of underlying securities	\$ _____ 6455	\$ _____ 6456
2. Unlisted		
a. Market value	\$ _____ 6460	\$ _____ 6461
b. Value of underlying securities	\$ _____ 6465	\$ _____ 6466
D. Market value, and the value of the underlying securities, of naked put contracts:		
1. Listed		
a. Market value.....	\$ _____ 6470	\$ _____ 6471
b. Value of underlying securities	\$ _____ 6475	\$ _____ 6476
2. Unlisted		
a. Market value	\$ _____ 6480	\$ _____ 6481
b. Value of underlying securities	\$ _____ 6485	\$ _____ 6486

000's OMITTED

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PART IIB

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*II. FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND WITH CONCENTRATION OF CREDIT RISK
(Provide notional or contractual amounts where appropriate, or in the case of options, the values of the underlying instrument.)*

	<u>LONG</u>	<u>SHORT</u>
3. Futures:		
A. U.S. Treasury and mortgage-backed securities futures	\$ _____ 6500	\$ _____ 6501
B. Other futures (specify)	\$ _____ 6505	\$ _____ 6506
4. Forwards:		
A. U.S. Treasury and mortgage-backed securities	\$ _____ 6510	\$ _____ 6511
1. Aggregate current cost of replacing contracts by counterparty...	\$ _____ 6512	\$ _____ 6513
2. Per counterparty breakdown where credit risk exceeds the (attach schedule)		
B. Otherforwards (specify)	\$ _____ 6515	\$ _____ 6516
1. Aggregate current cost of replacing contracts by counterparty...	\$ _____ 6517	\$ _____ 6518
2. Per counterparty breakdown where credit risk exceeds the (attach schedule)		
B. Interest Rate Swaps		
1. U.S. dollar denominated swaps:		
A. Total notional or contractual amount	\$ _____ 6520	\$ _____ 6521
B. Aggregate current cost of replacing contracts by counterparty.....	\$ _____ 6525	\$ _____ 6526
C. Per counterparty breakdown (attach schedule)		
2. Cross currency swaps:		
A. Total notional or contractual amount	\$ _____ 6530	\$ _____ 6531
B. Aggregate current cost of replacing contracts	\$ _____ 6535	\$ _____ 6536
C. Per counterparty breakdown (attach schedule)		
C. Foreign exchange		
1. Swaps:		
A. Total notional or contractual amount	\$ _____ 6540	\$ _____ 6541
B. Aggregate cost of replacing contracts by counterparty.....	\$ _____ 6545	\$ _____ 6546
C. Per counterparty breakdown (attach schedule)		
2. Notional or contractual amounts of commitments to purchase foreign currencies and U.S. dollar exchange:		
A. Futures	\$ _____ 6550	\$ _____ 6551

000's OMITTED

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

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*II. FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND WITH CONCENTRATION OF CREDIT RISK
(Provide notional or contractual amounts where appropriate, or in the case of options, the values of the underlying instrument.)*

	<u>LONG</u>		<u>SHORT</u>	
B. Forwards.....	\$ _____	6560	\$ _____	6561
1. Aggregate current cost of replacing contracts by counterparty...	\$ _____	6562	\$ _____	6563
2. Per counterparty breakdown (attach schedule)				
3. Naked written option contracts:				
A. Contractual value	\$ _____	6570	\$ _____	6571
B. Value of the underlying instruments	\$ _____	6575	\$ _____	6576
D. All other swap agreements (specify type) (attach schedule if necessary)				
1. Total notional or contractual amount.....	\$ _____	6580	\$ _____	6581
2. Aggregate current cost of replacing contracts by counterparty.....	\$ _____	6585	\$ _____	6586
3. Per counterparty breakdown (attach schedule)				
E. Commodities				
1. Futures.....	\$ _____	6590	\$ _____	6591
2. Forwards	\$ _____	6595	\$ _____	6596
1. Aggregate current cost of replacing contracts by counterparty.....	\$ _____	6600	\$ _____	6601
2. Per counterparty breakdown (attach schedule)				
3. Sold option contracts (e.g., options on individual commodities and commodities indexes)				
A. Market value, and the value of the underlying instruments, of call contracts:				
1. Listed				
a. Market value.....	\$ _____	6610	\$ _____	6611
b. Value of underlying instruments	\$ _____	6612	\$ _____	6613
2. Unlisted				
a. Market value.....	\$ _____	6615	\$ _____	6616
b. Value of underlying instruments	\$ _____	6617	\$ _____	6618
B. Market value, and the value of the underlying instruments, of put contracts:				
1. Listed				
a. Market value.....	\$ _____	6620	\$ _____	6621
b. Value of underlying instruments	\$ _____	6622	\$ _____	6623

000's OMITTED

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

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(Name of Dealer)	As of (MM/DD/YYYY)
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*II. FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND WITH CONCENTRATION OF CREDIT RISK
(Provide notional or contractual amounts where appropriate, or in the case of options, the values of the underlying instrument.)*

	<u>LONG</u>	<u>SHORT</u>
2. Unlisted		
a. Market value.....	\$ _____ 6625	\$ _____ 6626
b. Value of underlying instruments	\$ _____ 6627	\$ _____ 6628
C. Market value, and the value of the underlying instruments, of naked call contracts:		
1. Listed		
a. Market value.....	\$ _____ 6630	\$ _____ 6631
b. Value of underlying instruments	\$ _____ 6632	\$ _____ 6633
2. Unlisted		
a. Market value.....	\$ _____ 6635	\$ _____ 6636
b. Value of underlying instruments	\$ _____ 6637	\$ _____ 6638
D. Market value, and the value of the underlying instruments, of naked put contracts:		
1. Listed		
a. Market value.....	\$ _____ 6640	\$ _____ 6641
b. Value of underlying instruments	\$ _____ 6642	\$ _____ 6643
2. Unlisted		
a. Market value.....	\$ _____ 6645	\$ _____ 6646
b. Value of underlying instruments	\$ _____ 6647	\$ _____ 6648

000's OMITTED

FORM X-17A-5, PART IIB

GENERAL INSTRUCTIONS

The FOCUS Report (Form X-17A-5IIB) constitutes the basic financial and operational report required of OTC derivatives dealers. Much of the information required by the FOCUS report is the same or similar to the information required to be reported by broker-dealers required to file Form X-17A-5 Part II. Consequently, for those items that appear on both forms, the instructions for X-17A-5 Part II are to be followed when completing Form X-17A-5 Part IIB. The following instructions apply to new information requests and to items appearing on both forms that have been altered to better reflect an OTC derivatives dealer's unique business.

Computation of Net Capital and Required Net Capital

(Under Rule 15c3-1 Appendix F)

For purposes of paragraph (a)(5) of Rule 15c3-1 of this chapter (§240.15c3-1, the term "tentative net capital" means the net capital of an OTC derivatives dealer before deducting the charges for market and credit risk as computed pursuant to Appendix F and increased by the balance sheet value (including counter-party net exposure) resulting from transactions in eligible OTC derivative instruments which would otherwise be deducted by virtue of paragraph (c)(2)(iv) of Rule 15c3-1.

Market risk exposure

The capital requirement for an OTC derivatives dealer electing to apply Appendix F of Rule 240.15c3-1 is computed as follows:

- (1) *Value-at-Risk.* An OTC derivatives dealer shall deduct from net worth an amount for market risk exposure for eligible OTC derivatives transactions and other positions in its proprietary or other accounts equal to the value at risk ("VAR") of these positions obtained from its proprietary VAR model, multiplied by the appropriate multiplication factor. See paragraph (e)(1)(v)(C) of Appendix F for more information on the multiplication factor. The proprietary model used to calculate the capital requirement for market risk must be approved by the Commission prior to its use.
- (2) *Alternative Method for Equities.* An OTC derivatives dealer may choose to use the Alternative Method to calculate market risk for equity instruments, including OTC options. An OTC derivatives dealer may also use this alternative method if the Commission does not approve the OTC derivatives dealer's use of VAR models for equity instruments. Under the alternative method, the deduction for market risk will be an amount equal to the largest theoretical loss calculated in accordance with the theoretical pricing model set forth in Appendix A of § 240.15c3-1. The OTC derivatives dealer may use its own theoretical pricing model as long as it contains the minimum pricing factors set forth in Appendix A.
- (3) *Non-Marketable Securities.* An OTC derivatives dealer may not use a VAR model to determine a capital charge for any category of securities having no ready market or any category of debt securities which are below investment grade, or any derivative instrument based on the value of these categories of securities, unless the Commission has granted, pursuant to paragraph (a)(1) of Appendix F, for an alternative treatment for any such category of securities, rather than calculate the market risk capital charge for category of securities under paragraphs (c)(2)(vi) and (vii) of §240.15c3-1.
- (4) *Residual Positions.* To the extent that a position has not been included in the calculation of the market risk charge in subparagraphs (1) through (3) of this paragraph, the market risk charge for the position shall be computed under paragraph (c)(2)(vi) of § 240.15c3-1.

Credit risk exposure

The capital requirement for credit risk arising from an OTC derivatives dealer's eligible OTC derivatives transactions consists of a counter-party charge and a concentration charge. The counter-party charge is computed as follows:

- (1) The net replacement value for each counter-party (including the effect of legally enforceable netting agreements and the application of liquid collateral) multiplied by 8% multiplied by the counter-party factor. The counter-party factors are 20% of entities with ratings for senior unsecured long term debt or commercial paper in the two highest rating categories by a nationally recognized statistical rating organization ("NRSRO"); 50% for entities with ratings for senior unsecured long term debt in the third and fourth highest ratings categories by an NRSRO; and 100% for entities with ratings for senior unsecured long term debt below the four highest rating categories.

- (2) The net replacement of value for each counter-party (including the effect for legally enforceable netting agreements and the application of liquid collateral) that is insolvent, or in bankruptcy, or that has senior unsecured long-term debt in default.

The concentration charge is computed as follows: where the net replacement value in the account of any one counter-party exceeds 25% of the OTC derivatives dealer's tentative net capital, deduct the following amounts:

- (1) For counter-parties with ratings for senior unsecured long-term debt or commercial paper in the two highest rating categories by an NRSRO, 5% of the amount of the net replacement value in excess of 25% of the OTC derivatives dealer's tentative net capital;
- (2) For counter-parties with ratings for senior unsecured long-term debt in the third and fourth highest rating categories by an NRSRO, 20% of the amount of the net replacement value in excess of 25% of the OTC derivatives dealer's tentative net capital;
- (3) For counter-parties with ratings for senior unsecured long-term debt below the four highest rating categories, 50% of the amount of the net replacement value in excess of 25% of the OTC derivatives dealer's tentative net capital;

Aggregate Securities and OTC Derivatives Positions

Provide information for each affiliated broker-dealer as of the end of each quarter indicating the name of each affiliated broker-dealer in a separate column, or complete a separate schedule for each affiliated broker-dealer. In the event of a separate listing of a position, financial instrument or other wise is required pursuant to any of the provisions of Section 240.17h-1T, the dealer should indicate as such in the appropriate section of this schedule. Where appropriate, indicate long and short positions separately.

Paper work Reduction Act Disclosure

Part IIB of Form X-15A-5 requires an OTC derivatives dealer to file with the Commission certain financial and operational information. The form is designed to enable the Commission to ascertain the nature and scope of a dealer's over-the-counter derivatives activity and to monitor the dealer's financial condition and risk exposure.

It is estimated that an OTC derivatives dealer will spend approximately 20 hours completing Part IIB of Form X-17A-5. Any member of the public may direct, to the Commission, any comments concerning the accuracy of this burden estimate and any suggestions for reducing this burden.

The information collected pursuant to Part IIB of Form X-17A-5 will be kept confidential.

This collection of information has been reviewed by the Office of Management and Budget (OMB) in accordance with the clearance requirements of 44 U.S.C. §3507. This collection of information has been assigned Control Number 3235-0498 by OMB.

An agency may or not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid number. Section 17(a) of the Securities Exchange Act of 1934 authorizes the Commission to collect the information on this Form from registrants. See 15 U.S.C. § 78q.