



BDOS

Broker Dealer Operating System

Quick Introduction

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BDOS

BDOS (Broker Dealer Operating System) is the comprehensive back office system for Introducing Broker Dealers and Bank Investment Programs. Version 1.0 of BDOS was released in 1989. Since that time, it has been the cornerstone of back offices throughout the country.

- *BDOS records trades*
- *BDOS receives payment for trades*
- *BDOS pays your reps*

When doing the above - **BDOS automatically creates and posts general ledger entries and also generates a precise audit trail.** Then, *with a few mouse clicks.....*

- *BDOS does the monthly financial statements*
- *BDOS does Net Capital Computations and FOCUS Reports*

Some are skeptical this can be done. Some, wonder how it can be done. Some just want to see it. We hope you fall in this group.

This document uses two trades to present BDOS. From these two trades you will see how BDOS can enhance your back office operations while adding both precision and simplicity.

Bill Clinton Trade

Trades are downloaded or manually entered. In either case, trades are initially contained in the Batch where they are checked for data integrity. A trade in the Batch contains information similar to old paper tickets.

The cyan background indicates items arising from a download or manual entry. Items in red with a shaded background are automatically generated by BDOS.

The screenshot shows a 'Batch' window with the following data:

- Client: CLINTON, WILLIAM JEFFERSON (Cyan background)
- Vendor: ALLTRADES CLEARING CORP (Cyan background)
- Account: WILLIAM JEFFERSON CLINTON IRA (Cyan background)
- Security: ABBOTT LABS (Cyan background)
- TD: 01/03/2000 (Cyan background)
- SD: 01/06/2000 (Cyan background)
- S/U: U (Cyan background)
- Mkt: E (Cyan background)
- Cap: A (Cyan background)
- L/S: L (Cyan background)
- B/S: B (Cyan background)
- Quan: 200.000000 (Cyan background)
- Price: 40.000000 (Cyan background)
- Gross: 100.00 (Cyan background)
- Cfee: 24.00 (Red background)
- NetBP: 76.00 (Red background)
- Basis: 74.00 (Red background)
- Payout: 51.80 (Red background)
- Rep: 07 (Red background)
- Pay %: 70.000 (Red background)
- Payout \$: 51.80 (Red background)

Bill Clinton buys 200 shares of Abbott Labs, through clearing, @ \$40.

Given the Gross commission was \$100.00, BDOS calculates:

- \$24.00 **CFee** (Clearing Fee)
- \$76.00 **NetBP** (Net Before any Payout: Gross - Cfee)
- \$74.00 **Basis** (Basis for Payout: Gross - CFee - \$2 ticket charge to rep)
- \$51.80 **Payout** (70% of the Basis – to rep 07)

Ronald Reagan Trade

The Reagan trade shows:

The screenshot shows a 'Batch' window with the following data:

- Batch Trade Data:** Order Reference, Find
- Client:** REAGAN, RONALD (REAGARONA)
- Vendor:** AIM MANAGEMENT GROUP (300000000008, ABC)
- Account:** RONALD REAGAN IRA - ABC (09, MARIS, ROGER)
- Security:** AIM BLUE CHIP FUND CLASS A (MF, ABCAX, 001413871)
- TD:** 01/03/2000, **SD:** 01/03/2000, **S/U:** U, **Mkt:** E, **Cap:** A, **L/S:** L
- B/S:** B, **Quan:** 1000.000000, **Price:** 12.000000
- U1:** Gross 300.00 (Auto/Manual)
- U2:** Ins\$, Cfee, NetBP 300.00
- Summary:** Ref, Src, SRef, Basis 298.00, Payout 226.48
- Rep Payout Table:**

Rep	Pay %	Payout \$
09	70.000	208.60
08	5.000	14.90
07	1.000	2.98

Ronald Reagan buys 1000 shares of Aim Blue Chip, from AIM, @ \$12.

Given the **Gross** commission was \$300.00, BDOS calculates:

	CFee	(Clearing Fee is zero – through distributor)
\$300.00	NetBP	(Net Before any Payout: Gross - Cfee)
\$298.00	Basis	(Basis for Payout: Gross - CFee - \$2 ticket charge to rep)
\$226.48	Payout	(76% of the Basis – to reps 09, 08, and 07)

In this trade, 3 reps split the payout as follows:

\$208.60	Payout Rep 09 @ 70% of Basis
\$14.90	Payout Rep 08 @ 5% of Basis
\$2.98	Payout Rep 07 @ 1% of Basis

Trades are transferred from the batch to the operating system via the Transfer form.

The screenshot shows a 'Transfer' dialog box with the following fields and options:

- Trades Ready For Transfer: 2
- Trades With Errors: 0
- Total Records: 2
- Vendor: ALL
- Dates: All (selected), Range (unselected); From: //, To: //
- General Ledger Reports: Do not create general ledger report. (unselected), Create general ledger summary report. (unselected), Create general ledger detail and summary reports. (selected)
- Transfer button

When a trade is transferred:

- *BDOS creates the general ledger entries for each trade*
- *BDOS posts the general ledger entries for each trade*
- *BDOS (at your request) creates an impeccable audit trail*

Transactions Filed From Batch is the Initial Audit Report. It shows:

<h2>Transactions Filed From Batch: GL Detail</h2>	
BD Operating Systems - Demo	
04/12/2006 12:38 PM	Page: 1
All Batch Trades	

01/03/2000

101 AP *464	226.48
101 EXP *605	226.48
101 AR *335	300.00
101 REV *528	300.00
102 AP *464	51.80
102 EXP *605	51.80
102 AR *350	100.00
102 REV *536	100.00
102 AP *424	24.00
102 COS *704	24.00

BDOS assigns a unique reference number to each trade. Posting is done to the following BDOS General Ledger Accounts:

- AP *464 Account Payable Rep Commissions
- AP *424 Account Payable Clearing Secured
- EXP *605 Expense Rep Commissions
- AR *335 Account Receivable Mutual Funds
- AR *350 Account Receivable Stock - Bond - Option
- REV *528 Revenue Commission - Mutual Funds
- REV *536 Revenue Commission - Stock – Listed
- COS *704 Cost of Sales Clearing Fees

The information is further simplified when viewed in T-Accounts.

		Reagan (101)	Clinton (102)
AR	*335	300.00	
REV	*528		300.00
EXP	*605	226.48	51.80
AP	*464		51.80
AR	*350		100.00
REV	*536		100.00
COS	*704		24.00
AP	*424		24.00

The next step is to receive payment. The form below shows BDOS receiving payment from AllTrades Clearing.

The screenshot shows a software window titled "Account Receivable" with a blue header bar. Below the header are four tabs: "Get Data", "Grid", "Details", and "File". The "Get Data" tab is active. The main area contains a form for "Receive Payment From" with the following fields and controls:

- "Receive Payment From" text box containing "ALLTRADES CLEARING CORP".
- "Sort Output By" section with a list of fields (Rep Number, Trade Date, Settle Date, Client Short Name, Client Name, Security Name, Symbol, Vendor Account, Branch) and four arrow buttons (right, double right, left, double left) to move items to the "Sort Output By" list.
- "Select Date Basis" section with radio buttons for "SD" and "TD" (selected).
- "Select As Of" text box containing "01/05/2000".
- "Mark As Of" text box containing "01/05/2000".
- "Receive Payment Date" text box containing "01/10/2000".
- "GL Reference" text box containing "ATC".
- "Cash Received" text box containing "76.00".
- "Fees" text box containing "24.00".
- "Check Number" text box containing "123".

At the bottom of the window are three buttons: "Get Data", "View", and "Print".

When payment for trades is received:

- *BDOS creates the general ledger entries for each trade*
- *BDOS posts the general ledger entries for each trade*
- *BDOS (at your request) creates an impeccable audit trail*

Receive Payment Detail is the second component of the audit trail. It shows:

<h2 style="margin: 0;">Receive Payment Detail</h2>				
<h3 style="margin: 0;">BD Operating Systems - Demo</h3>				
04/14/2006				Page: 1
11:43 AM	Detail For GL Reference: ATC , 01/10/2000			

TR Ref	Date	Rep #	Client	Security	Account	Principal \$	Gross \$	CFee \$	Payout \$
102	01/03/2000	07	CLINTONWJ	ABT	101456781235	8000.00	100.00	24.00	51.80
						Totals	100.00	24.00	51.80

The General Journal shows:

<h2 style="margin: 0;">General Journal</h2>				
<h3 style="margin: 0;">BD Operating Systems - Demo</h3>				
04/14/2006				Page: 1
11:45 AM	01/01/2000 - 01/10/2000			

01/03/2000				
101	101	AP	*464	226.48 ST
101	101	EXP	*605	226.48 ST
101	101	AR	*335	300.00 ST
101	101	REV	*528	300.00 ST
102	102	AP	*464	51.80 ST
102	102	EXP	*605	51.80 ST
102	102	AR	*350	100.00 ST
102	102	REV	*536	100.00 ST
102	102	AP	*424	24.00 ST
102	102	COS	*704	24.00 ST
01/10/2000				
	ATC	CA	*140	76.00 CR >
	ATC	AR	*350	-100.00 CR >
	ATC	AP	*424	-24.00 CR >

Working this back to the T-Account format we have:

		Reagan (101)	Clinton (102)
AR	*335	300.00	
REV	*528		300.00
EXP	*605	226.48	51.80
AP	*464	226.48	51.80
AR	*350		100.00
REV	*536		100.00
COS	*704		24.00
AP	*424		24.00
CA	*140		76.00
AR	*350		100.00
AP	*424		24.00

As you can see:

- the AllTrades receivable for transaction 102 is relieved (credit AR *350)
- the AllTrades payable for transaction 102 is relieved (debit AP *424)
- cash is received (debit CA *140)

Now that payment for the trade is received, the rep can be paid. BDOS pays reps with the following form:

Make Payment

Get Data | Grid | Mark Transactions | Mark Adjustments | Review | File

Date: 01/20/2000 Pay Period End Date: 01/15/2000

Method: One Rep at Time All Reps

Order Reps By: Pay Date, Rep Rep

Rep: [Empty Dropdown]

Options: Mark All Due

Minimum Payout: 0.00

Get Data | View | Print | Save | Delete

When reps are paid:

- *BDOS creates the general ledger entries for each trade*
- *BDOS posts the general ledger entries for each trade*
- *BDOS (at your request) creates an impeccable audit trail*

The Rep Payment List is the final audit trail component. It shows:

<h2 style="margin: 0;">Rep Payment List</h2> <p style="margin: 0;">BD Operating Systems - Demo</p>		Page: 1
04/14/2006 12:05 PM		

Paid	Name	Number	Payout	Adjustment	Total
	BERRA, YOGI	08			
*	MANTLE, MICKEY	07	51.80		51.80
	MARIS, ROGER	09			

This is an internal note for Mickey Mantle which was created during the receive payment session.

The General Journal shows:

<h2 style="margin: 0;">General Journal</h2> <p style="margin: 0;">BD Operating Systems - Demo</p>		Page: 1
04/14/2006 12:06 PM	01/01/2000 - 01/20/2000	

01/03/2000				
101	101	AP	*464	226.48 ST
101	101	EXP	*605	226.48 ST
101	101	AR	*335	300.00 ST
101	101	REV	*528	300.00 ST
102	102	AP	*464	51.80 ST
102	102	EXP	*605	51.80 ST
102	102	AR	*350	100.00 ST
102	102	REV	*536	100.00 ST
102	102	AP	*424	24.00 ST
102	102	COS	*704	24.00 ST
01/10/2000				
	ATC	CA	*140	76.00 CR >
	ATC	AR	*350	-100.00 CR >
	ATC	AP	*424	-24.00 CR >
01/20/2000				
	PAY-07	CA	*140	-51.80 CD >
	PAY-07	AP	*464	-51.80 CD >

In T-Account format we have:

		Reagan (101)	Clinton (102)
AR	*335	300.00	
REV	*528		300.00
EXP	*605	226.48	51.80
AP	*464		51.80
AR	*350		100.00
REV	*536		100.00
COS	*704		24.00
AP	*424		24.00
CA	*140		76.00
AR	*350		100.00
AP	*424		24.00
CA	*140		51.80
AP	*464		51.80

Before we go to consolidation we can examine another automated feature of the BDOS General Ledger. Some General Journal entries are followed by ">" this indicates there is further substantiating information as shown below:

General Journal Notes

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01/01/2000 - 01/20/2000

01/10/2000

ATC	CA	*140	76.00 CR	Vendor: ALLTRADES CLEARING CORP - Account Receivable
				Check Number: 123
				These are notes for receipt of payment from AllTrades Clearing.
ATC	AR	*350	-100.00 CR	
ATC	AP	*424	-24.00 CR	

01/20/2000

PAY-07	CA	*140	-51.80 CD	This is an internal note for Mickey Mantle which was created during the receive payment session.
PAY-07	AP	*464	-51.80 CD	

Consolidation of the T-Accounts shows:

		Reagan (101)	Clinton (102)
AR	*335	300.00	
REV	*528		300.00
EXP	*605	226.48	51.80
AP	*464		226.48
REV	*536		100.00
COS	*704		24.00
CA	*140		76.00

Further consolidation yields:

		Final
CA	*140	24.20
AR	*335	300.00
EXP	*605	278.28
COS	*704	24.00
AP	464	226.48
REV	*528	300.00
REV	*536	100.00

Let's summarize:

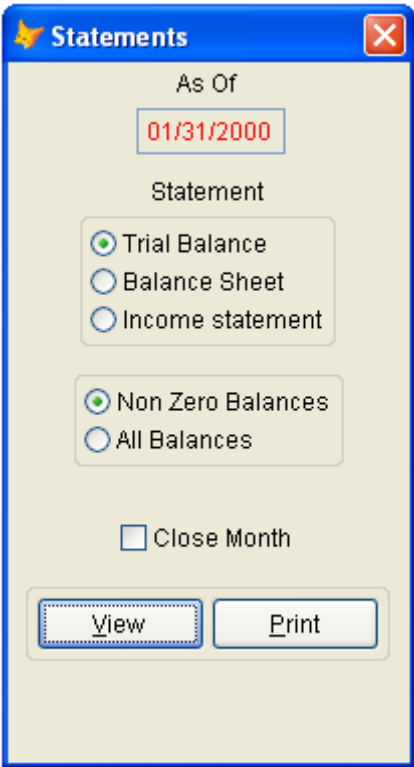
If you downloaded the trades from an external source all you did was open some BDOS forms. Then you did a few keystrokes, and some mouse clicks!

Even if you manually entered the trades it amounted to a few more keystrokes.

BDOS provides simplicity and structure. There is a form to guide you and minimizes the chance of error.

BDOS provides precision. It creates the General Ledger entries. Even, in the case of error, the audit trail provides the documentation for correction.

Now we use the Statement form, a couple of keystrokes and a couple of mouse clicks and produce the Financial Statements:



The Trial Balance, Balance Sheet, and Income Statements show:

Trial Balance: January 2000

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01/01/2000 - 01/31/2000

Page: 1

	Current Balance	Previous Month	Difference
CA - Current Assets			
CA *140 CASH-OPERATIONAL	100,024.20	100,000.00	24.20
Total.....	100,024.20	100,000.00	24.20
AR - Accounts Receivable			
AR *335 MUTUAL FUNDS	300.00		300.00
Total.....	300.00		300.00
AP - Accounts Payable			
AP *464 REP COMMISSIONS		226.48	226.48
Total.....		226.48	226.48
CAP - Capital			
CAP *850 RETAINED EARNINGS	100,000.00	100,000.00	
Total.....	100,000.00	100,000.00	
REV - Revenue			
REV *528 COMMISSION-MUTUAL FUNDS		300.00	300.00
REV *536 COMMISSION-STOCK-LISTED		100.00	100.00
Total.....		400.00	400.00
EXP - Expenses			
EXP *605 COMMISSION-REPS	278.28		278.28
Total.....	278.28		278.28
COS - Cost of Sales			
COS *704 CLEARING FEES	24.00		24.00
Total.....	24.00		24.00

Summary

	Current Balance	Previous Month	Difference
Current Assets	100,024.20	100,000.00	24.20
Accounts Receivable	300.00		300.00
Fixed Assets			
Accounts Payable		226.48	226.48
Capital	100,000.00	100,000.00	
Revenue		400.00	400.00
Expenses	278.28		278.28
Cost Of Sales	24.00		24.00
Totals -----	100,626.48	100,626.48	
Net Income -----	97.72		97.72

Balance Sheet: January 2000

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01/01/2000 - 01/31/2000

	----- Current Balance -----	Previous Month	Difference
CA - Current Assets			
CA *140 CASH-OPERATIONAL	100,024.20	100,000.00	24.20
Total.....	100,024.20	100,000.00	24.20
AR - Accounts Receivable			
AR *335 MUTUAL FUNDS	300.00		300.00
Total.....	300.00		300.00
AP - Accounts Payable			
AP *464 REP COMMISSIONS		226.48	226.48
Total.....		226.48	226.48
CAP - Capital			
CAP *850 RETAINED EARNINGS	100,097.72	100,000.00	97.72
Total.....	100,097.72	100,000.00	97.72

Summary

	----- Current Balance -----	Previous Month	Difference
Current Assets	100,024.20	100,000.00	24.20
Accounts Receivable	300.00		300.00
Fixed Assets			
Accounts Payable		226.48	226.48
Capital	100,097.72	100,000.00	97.72
Totals -----	100,324.20	100,324.20	

Income Statement: January 2000

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1:30 PM

01/01/2000 - 01/31/2000

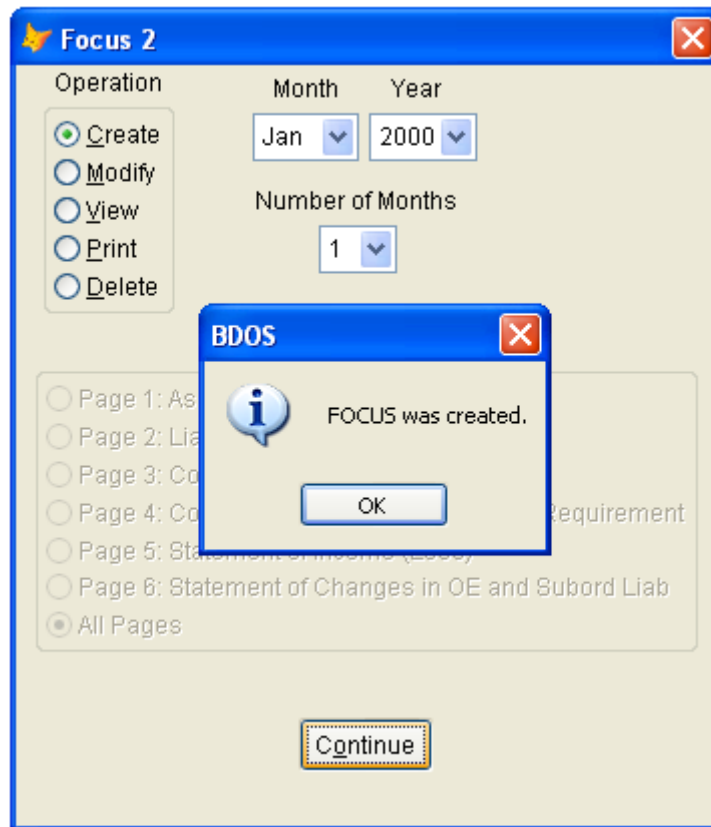
Page: 1

	Current Balance	Previous Month	Difference
REV - Revenue			
REV *528 COMMISSION-MUTUALFUNDS	300.00		300.00
REV *536 COMMISSION-STOCK-LISTED	100.00		100.00
Total.....	400.00		400.00
EXP - Expenses			
EXP *605 COMMISSION-REPS	278.28		278.28
Total.....	278.28		278.28
COS - Cost of Sales			
COS *704 CLEARING FEES	24.00		24.00
Total.....	24.00		24.00

Summary

	Current Balance	Previous Month	Difference
Revenue	400.00		400.00
Expenses	278.28		278.28
Cost Of Sales	24.00		24.00
Totals -----	302.28 400.00		
Net Income -----	97.72		97.72

Some spend a lot of time on the FOCUS. Again BDOS provides a form and requires just a few keystrokes and mouse clicks.



The FOCUS shows.....

FOCUS IIA

BD Operating Systems - Demo

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JAN00

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Assets

	<u>Allowable</u>	<u>Non-Allowable</u>	<u>Total</u>
1. Cash.....	100,024.20		100,024.20
2. Receivables from brokers or dealers:			
A. Clearance Account.....	0.00		
B. Other.....	300.00	0.00	300.00
3. Receivables from non customers.....	0.00	0.00	0.00
4. Securities and spot commodities owned at market value:			
A. Exempted securities.....	0.00		
B. Debt securities.....	0.00		
C. Options.....	0.00		
D. Other securities.....	0.00		
E. Spot commodities.....	0.00		0.00
5. Securities and/or other investments not readily marketable:			
A. At Cost \$\$\$ 0.00			
B. At estimated fair value.....	0.00	0.00	0.00
6. Securities borrowed under subordination agreements and partners' individual and capital securities accounts, at market value:	0.00	0.00	0.00
A. Exempted securities \$\$\$ 0.00			
B. Other securities \$\$\$ 0.00			
7. Secured demand notes.....	0.00	0.00	0.00
market value of collateral:			
A. Exempted securities \$\$\$ 0.00			
B. Other securities \$\$\$ 0.00			
8. Memberships in exchanges:			
A. Owned, at market \$\$\$ 0.00			
B. Owned, at cost.....		0.00	
C. Contributed for use of the company, at market value.....		0.00	0.00
9. Investments in and receivables from affiliates, subsidiaries, and associated partnerships.....	0.00	0.00	0.00
10. Property, furniture, equipment, leasehold improvements and rights under lease agreements, at cost net of accumulated depreciation.....	0.00	0.00	0.00
11. Other assets.....	0.00	0.00	0.00
12. TOTAL ASSETS.....	100,324.20	0.00	100,324.20

FOCUS IIA

BD Operating Systems - Demo

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JAN00

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Liabilities and Ownership Equity

Liabilities	<u>A.I. Liabilities</u>	<u>Non- A.I. Liabilities</u>	<u>Total</u>
13. Bank loans payable.....	0.00	0.00	0.00
14. Payable to brokers or dealers:			
A. Clearance Account.....	0.00	0.00	0.00
B. Other.....	226.48	0.00	226.48
15. Payable to non customers.....	0.00	0.00	0.00
16. Securities sold not yet purchased, at market value.....		0.00	0.00
17. Accounts payable, accrued liabilities, expenses and other.....	0.00	0.00	0.00
18. Notes and mortgages payable:.....			
A. Unsecured.....	0.00		
B. Secured.....	0.00	0.00	0.00
19. Liabilities subordinated to claims of general creditors:			
A. Cash borrowings:.....		0.00	0.00
1. from outsiders \$\$\$ 0.00			
2. Includes equity subordination (15c3-1 (d)) of			
of..... \$\$\$ 0.00			
B. Securities borrowings, at market value:		0.00	0.00
from outsiders \$\$\$ 0.00			
C. Pursuant to secured demand note collateral agreements:			
1. from outsiders \$\$\$ 0.00			
2. Includes equity subordination (15c3-1 (d)) of			
of..... \$\$\$ 0.00			
D. Exchange memberships contributed for use of			
company, at market value.....		0.00	0.00
E. Accounts and other borrowings not			
qualified for net capital purposes.....	0.00	0.00	0.00
20. TOTAL LIABILITIES	226.48	0.00	226.48
 Ownership Equity			
21. Sole proprietorship.....			0.00
22. Partnership (limited partners).....	0.00		0.00
23. Corporation:			
A. Preferred stock.....			0.00
B. Common stock.....			0.00
C. Additional paid in capital.....			0.00
D. Retained earnings.....			100,097.72
E. Total.....			100,097.72
F. Less capital stock in treasury.....			0.00
24. TOTAL OWNERSHIP EQUITY.....			100,097.72
25. TOTAL LIABILITIES AND OWNERSHIP EQUITY.....			100,324.20

FOCUS IIA

BD Operating Systems - Demo

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JAN00

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Computation of Net Capital

1. Total ownership equity from Statement of Financial Condition.....		100,097.72
2. Deduct ownership equity not allowable for Net Capital.....		0.00
3. Total ownership equity qualified for Net Capital.....		100,097.72
4. Add:		
A. Liabilities subordinated to claims of general creditors allowable in computation of Net Capital.....		0.00
B. Other deductions or allowable credits (List).....		0.00
5. Total capital and allowable subordinated liabilities.....		100,097.72
6. Deductions and/or charges:		
A. Total nonallowable assets from Statement of Financial Condition.....	0.00	
B. Secured demand note deficiency.....	0.00	
C. Commodity futures contracts and spot commodities proprietary capital charges.....	0.00	
D. Other deductions and/or charges.....	0.00	0.00
7. Other additions and/or allowable credits (List).....		0.00
8. Net Capital before haircuts on securities positions.....		100,097.72
9. Haircuts on securities (computed where applicable pursuant to 15c3-1 (f.)):		
A. Contractual securities commitments.....	0.00	
B. Subordinated securities borrowings.....	0.00	
C. Trading and investment securities:		
1. Exempted securities.....	0.00	
2. Debt securities.....	0.00	
3. Options.....	0.00	
4. Other securities.....	0.00	
D. Undue Concentration.....	0.00	
E. Other (List).....	0.00	0.00
10. Net Capital.....		100,097.72

FOCUS IIA

BD Operating Systems - Demo

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2:08 PM

JAN00

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Computation of Basic Net Capital Requirement

11. Minimum net capital required (6-20% of line 19).....	15.11
12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A).....	50,000.00
13. Net capital requirement (greater of line 11 or 12).....	50,000.00
14. Excess net capital (line 10 less 13).....	50,097.72
15. Excess net capital at 1000% (line 10 less 10% of line 19).....	100,075.07

Computation of Aggregate Indebtedness

16. Total A.I. liabilities from Statement of Financial Condition.....	226.48
17. Add:	
A. Drafts for immediate credit.....	0.00
B. Market value of securities borrowed for which no equivalent value is paid or credited.....	0.00
C. Other unrecorded amounts (List).....	0.00
19. Total aggregate indebtedness.....	226.48
20. Percentage of aggregate indebtedness to net capital (line 19 divided by line 10) dealers.....	0.23
21. Percentage of debt to debt-equity total computed in accordance with rule 15c3-1.....	0.00

FOCUS IIA

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04/14/2006

JAN00

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Statement of Income (Loss)

Revenue

1. Commissions:	
a. Commissions on transactions in exchange listed equity securities executed on an exchange.....	100.00
b. Commissions on listed options transactions.....	0.00
c. All other securities commissions.....	0.00
d. Total securities commissions.....	100.00
2. Gains on firm securities trading accounts:	
a. From market making in options on a national securities exchange.....	0.00
b. From all other trading.....	0.00
c. Total gain (loss).....	0.00
3. Gains or losses on firm securities investment accounts.....	0.00
4. Profit (loss) from underwriting and selling groups.....	0.00
5. Revenue from sale of investment company shares.....	300.00
6. Commodities revenue.....	0.00
7. Fees for account supervision, investment advisory and administrative services.....	0.00
8. Other revenue.....	0.00
9. Total revenue.....	400.00

Expenses

10. Salaries and other employment costs for general partners and voting stockholder officers.....	0.00
11. Other employee compensation and benefits.....	278.28
12. Commissions paid to other broker-dealers.....	0.00
13. Interest expense.....	0.00
a. Includes interest on accounts subject to subordination agreements.....	0.00
14. Regulatory fees and expenses.....	0.00
15. Other expenses.....	24.00
16. Total expenses.....	302.28

Net Income

17. Net Income (loss) before Federal Income taxes and items below (item 9 less item 16).....	97.72
18. Provision for Federal Income taxes (for parent only).....	0.00
19. Equity in earnings (losses) of unconsolidated subsidiaries not included above.....	0.00
a. After Federal Income taxes of.....	0.00
20. Extraordinary gains (losses).....	0.00
a. After Federal Income taxes of.....	0.00
21. Cumulative effect of changes in accounting principles.....	0.00
22. Net income (loss) after Federal Income taxes and extraordinary items.....	97.72

Monthly Income

23. Income (current month only) before provision for Federal Income taxes and extraordinary items.....	97.72
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FOCUS IIA

BD Operating Systems - Demo

04/14/2006

2:11 PM

JAN00

Page: 6

Statement of Changes in Ownership Equity (Sole Proprietorship, Partnership, or Corporation)

1. Balance, beginning of period.....		100,000.00
A. Net income (loss).....		97.72
B. Additions (includes non-conforming capital of).....	0.00	0.00
C. Deductions (includes non-conforming capital of).....	0.00	0.00
2. Balance end of period (From item 1800).....		100,097.72

Statement of Changes in Liabilities Subordinated To Claims of General Creditors

3. Balance, beginning of period.....		0.00
A. Increases.....		0.00
B. Decreases.....		0.00
4. Balance, end of period (From item 3520).....		0.00

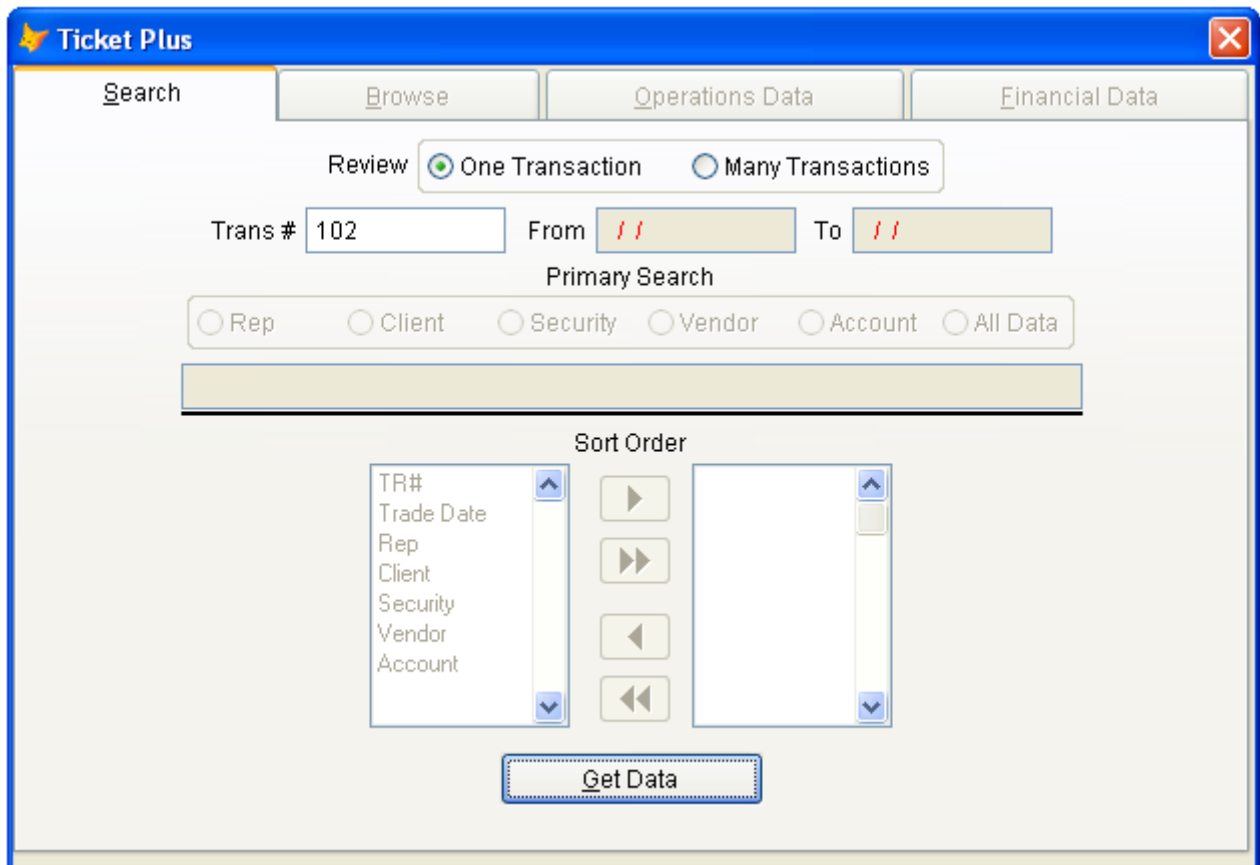
Net Capital Computations can be done at for any date and at any point in time. The following form is used to generate the NCC:

The screenshot shows a software window titled "Net Capital Computation" with a blue header bar. Below the header, there are four tabs: "As of Date" (which is selected and has a dotted border), "NCC: Page 1", "NCC: Page 2", "NCR", and "AI". The main content area is white and contains the following elements:

- The text "Net Capital Computation As of" centered above a text input field.
- The text "01/03/2000" entered into the text input field.
- A "Calculate" button centered below the input field.
- A group box containing two buttons: "View" and "Print".

There is a lot more we can show you, but for now we can wrap this document up by taking a look at a unique BDOS feature – Ticket Plus.

Ticket Plus ties everything together.



The Operations Data tab provides ticket data:

Ticket Plus

Search Browse **Operations Data** Financial Data

TR# TDate SDate [Navigation Buttons]

Client

Account

Vendor

Security PGroup

LJO Symbol Cusip BType Par

Rep

S/U Market Capacity Long/Short

B/S Quan Price Principal \$

U1 U2

The Financial Data tab shows:

The screenshot shows the 'Financial Data' tab in the 'Ticket Plus' application. At the top, there are navigation buttons for 'Search', 'Browse', 'Operations Data', and 'Financial Data'. Below these are input fields for 'TR#' (102), 'TDate' (01/03/2000), 'VP Date' (01/10/2000), and 'TR Can'. The main area is divided into three sections: 'Price Data', 'General Ledger Data', and 'Payout Data'. 'Price Data' includes fields for Gross (100.00), Cfee (24.00), Net BP (76.00), Basis (74.00), Payout (51.80), and others. 'General Ledger Data' is a table with columns CAT, ACTNO, and AMOUNT. 'Payout Data' is a table with columns REP, %, PAYOUT, and BDATE. There are 'View' and 'Print' buttons on the right side.

Price Data			
Gross	100.00	Inside \$	
Cfee	24.00	Sold Price	
Net BP	76.00	Inv Price	
Basis	74.00	Firm Sec.	
Payout	51.80		

General Ledger Data		
CAT	ACTNO	AMOUNT
AP	*464	51.80
EXP	*605	51.80
AR	*350	100.00
REV	*536	100.00
AP	*424	24.00
COS	*704	24.00

Payout Data			
REP	%	PAYOUT	BDATE
07	70.000	51.80	01/20/2000

The top most line shows:

TR# transaction reference
TDate trade date
SDate settlement date
VP Date vendor payment date
TR Can the canceling trade reference (if this trade was cancelled)

Price Data shows:

Gross commission or markup
Cfee clearing fee
Net BP net before payout (Gross – Cfee)
Basis number used to calculate the rep payout
Payout the total rep payout

Payout Data shows:

Rep	any rep involved in the payout
%	payout percent of the rep
Payout	the payout for the rep
BP Date	the date the rep was paid

General Ledger Data shows:

CAT	account category
ACTNO	account number
AMOUNT	the general ledger debit or credit

Conclusion

We thank you for taking your time to review this presentation. We believe BDOS can provide structure, accuracy, and reliability to your back office while at the same time providing simplicity.

This document is "only a peek" at the capabilities of BDOS and there is a lot more than has been presented here. If you are interested in further exploring BDOS we can provide a demo presentation. The demo is unique in that it is a full working system which you install on your PC. We will guide you through the broker dealer monthly cycle of:

- making trades (blotters, revenue and expense reports, consolidation, positions)
- receiving vendor payment
- rep payment (trails, compliance)
- closing the month (financial statements, Net Capital Comp, FOCUS)

When the presentation is complete you can further test BDOS at your leisure. It works as a superior back office system should. And, we are not afraid to let you test it until you are convinced.