

Why BDOS?

Think FOCUS...

Financial and **O**perational **C**ombined **U**niform **S**tatement

BDOS fully integrates your financial and operational systems. This synergy will provide a new level of efficiency and corresponding reduction of back office costs. Here is how.....

It starts with the trade.

BDOS records ticket data and financial data concurrently, transparently, and efficiently. Your accounting and operational systems are updated and are synchronized. Trades can be downloaded or manually entered. For each trade:

- the payouts are calculated
- the clearing fees are calculated
- all required general ledger entries are completed

In this trade, Nancy Reagan buys 100 shares of Abbott Labs @ \$40 through AllTrades Clearing.

Rep	Pay %	Payout \$
09	70.000	67.20
08	5.000	4.80
07	1.000	0.96

The **Gross** commission was \$120.00, and BDOS calculates:

\$22.00	CFee	(Clearing Fee)
\$98.00	NetBP	(Net Before any Payout: Gross - Cfee)
\$96.00	Basis	(Basis for Payout: Gross - CFee - \$2 ticket charge to rep)
\$72.96	Payout	(Total Payout to Reps (09, 08, 07))

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

\$67.20 **Payout Rep 09 @ 70% of Basis**
 \$4.80 **Payout Rep 08 @ 5% of Basis**
 \$.96 **Payout Rep 07 @ 1% of Basis**

(From a T-Account perspective) BDOS makes the following General Ledger entries:

	Debit	Credit
Accounts Receivable Clearing Revenue (Mutual Funds)	120.00	120.00
Accounts Payable Clearing Clearing Fee Expense	22.00	22.00
Accounts Payable Reps Commission Expense	72.96	72.96

A download of 100 trades is fully processed in a minute or so!

Without BDOS, two distinct operations are required.

Record The Trade: Trade data must be recorded. You may use a spread sheet which is highly labor intensive and error prone. Maybe you have commission software which is reasonably efficient, but only addresses half of your needs.

Do The Accounting: After the trade is recorded the accounting must be addressed. This is a major task and consumes critical and expensive labor hours. Of course, you can shortcut things by aggregating the gl entries and enter amounts by day or by batch. But, this gives rise to other problems. What happens when the “lumped” general ledger entries do not line up with the trades? How do you “unlump” the accounting data? You don’t. Or, when you have to, it really is a ton of work.

Then you get paid.

- the trade is marked for payment to all reps that participated in the trade
- the receivable from clearing is relieved
- the payable due clearing is relieved
- cash is automatically adjusted

R	A	P	Re	Rep	#T	Date	Client	Symbol	Principal	Gross	CFee	Net BP	Ref	PG	Rep N
✓					70	09	01/05 REAGARONA	ABC	4,000.00	120.00	25.00	95.00	138	MF	MARI
✓					71	09	01/05 REAGANANCY	ABS	7,600.00	180.00	24.00	156.00	136	ST	MARI
✓					72	09	01/05 REAGARONA	ABS	14,400.00	180.00	28.00	152.00	169	ST	MARI
✓					73	09	01/05 REAGARONA	ABS	14,800.00	200.00	28.00	172.00	167	ST	MARI
✓					74	09	01/05 REAGARONA	ABT	3,800.00	125.00	22.00	103.00	180	ST	MARI
✓					75	09	01/05 REAGANANCY	ABT	4,000.00	120.00	22.00	98.00	186	ST	MARI

BDOS only shows trades that correspond to the statement settlement dates and for which you have not been paid.

As with the recording the trade, journal entries for receiving payment are generated transparently. If necessary, adjusting entries are automatically generated.

The next step is to pay the rep.

You can pay reps as often as you want. You may set a minimum payout level say, \$2,000 and pay your reps weekly. If you do this, only reps with payouts greater than the minimal level are considered for payment. At the end of the month you can set the minimum payout level to \$100 to insure that each month reps that have earned more than \$100 are paid.

BDOS only shows trades for which you have not been paid and will not pay a rep twice for the same trade.

- the payable for rep commissions is relieved
- cash is adjusted

BDOS automatically generates the required general ledger entries.

You mark off rep payouts in the form shown below.

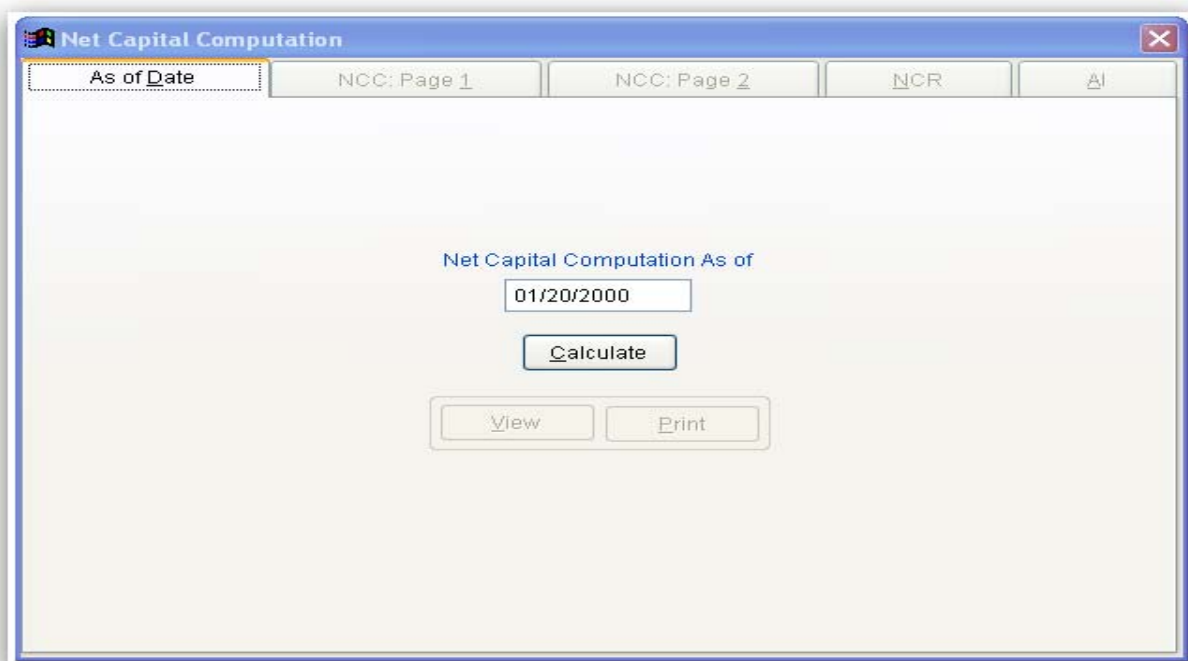
	PWRRep	Date	Payout	Gross	Principal	Client	Symbol	PG	Vendor
<input checked="" type="checkbox"/>	107 09	01/05	105.00	180.00	14,400.00	REAGARONA	ABS	ST	ATC
<input checked="" type="checkbox"/>	108 09	01/05	70.70	125.00	3,800.00	REAGARONA	ABT	ST	ATC
<input checked="" type="checkbox"/>	109 09	01/05	121.80	200.00	4,800.00	REAGARONA	AIN	ST	ATC
<input checked="" type="checkbox"/>	110 09	01/05	67.20	120.00	4,000.00	REAGANANCY	ABT	ST	ATC

Along the way, you decide to do a Net Capital Computation.

You can enter any date (past, present, future) in the Net Capital Computation and BDOS shows you what it was, is, or will be.

This powerful capability arises from the ability of BDOS to automatically age receivables and payables for any "As Of" date!

If necessary, you can make adjustments to modify the BDOS computation.



Verify your receivables.

A summary of the trading data shows:

Accounts Receivable Summary: All Vendors		
BD Operating Systems - Demo		
02/16/2010 12:03:57 PM	0 or More Days Old As Of 01/05/2000	Page: 1
Vendor	Gross	Payout
AIM MANAGEMENT GROUP	4,365.00	3,334.58
ALLTRADES CLEARING CORP	13,745.00	8,247.89
Report Totals -----	18,110.00	11,582.47

Your trial balance shows:

AR - Accounts Receivable		
AR *335	MUTUAL FUNDS	5,035.00
AR *350	STOCK-BOND-OPTION	13,075.00
Total.....		18,110.00

The totals look good pretty good. But, BDOS goes a step further. The receivables can be broken down by product group and compared to your general ledger balances!

Accounts Receivable - Reconcile to GL

BD Operating Systems - Demo

02/16/2010
11:34:20 AM

Page: 1

As Of: 01/05/2000

GL Account	Documented Allowable	Non allowable	Total Documented Receivables	General Ledger Balance	Difference	Total Rep Payables
*335 Mutual Funds	5,035.00		5,035.00	5,035.00		3,751.94
*350 Stock-bond-option	13,075.00		13,075.00	13,075.00		7,830.53
Totals	18,110.00		18,110.00	18,110.00		11,582.47

Documented Allowable: receivables from the trading system which are classed allowable and not more than 30 days old. Of course, BDOS lets you decide which product groups are to be classed as allowable.

Non Allowable: receivables from the trading system which are classed Non Allowable.

Total Documented Receivables: the sum of trading system Allowable and Non Allowable.

General Ledger Balance: the account balance from the BDOS General Ledger.

Difference: the difference between the trading system and the general ledger. **This difference should always be zero. If not, there is a problem that must be investigated.**

Verify your payables.

A rep payable summary (trading system) shows:

Rep Payable Summary: All Reps			
BD Operating Systems - Demo			
02/16/2010 12:54:41 PM	As Of 01/05/2000	Page:	1
Name	Trading	Adjustments	Payable
MARIS, ROGER	2,577.40		2,577.40
MANTLE, MICKEY	7,231.67		7,231.67
BERRA, YOGI	1,773.40		1,773.40
Total Credit Items-----	11,582.47		11,582.47
Total Debit Items-----			
Report Totals -----	11,582.47		11,582.47

The clearing payable (trading system) shows:

Clearing Payable Summary		
BD Operating Systems - Demo		
02/16/2010 12:58:21 PM	As Of 01/05/2000	Page: 1
Vendor	Gross	Clearing Fee
ALLTRADES CLEARING CORP	13,745.00	2,319.46
Report Totals -----	13,745.00	2,319.46

Your trial balance shows:

AP - Accounts Payable		
AP *424 CLEARING SECURED		2,319.46
AP *464 REP COMMISSIONS		11,582.47
Total.....		13,901.93

Do your financials.



Of course, you can run your financials for any day of the month. It is no problem with BDOS. Just provide an "As Of" date and indicate the statement you want to generate.

Use Ticket Plus to resolve questions.

There is a question about that Nancy Regan trade.

Here is the "Ticket".

TR#	186	TDate	01/05/2000	SDate	01/10/2000
Client	REAGAN, NANCY				CA
Account	NANCY REAGAN INDIVIDUAL				
Vendor	ALLTRADES CLEARING CORP		Act Numb	103056789011	
Security	ABBOTT LABS			PGroup	ST
L/O	L	Symbol	ABT	Cusip	002824100
BType		Par			
Rep	MARIS, ROGER			09	
S/U	U	Market	E	Capacity	A
Long/Short	L				
B/S	B	Quan	100.000000	Price	40.000000
Principal \$					4,000.00
U1		U2			

Here is the "Plus".

TR# Unique BDOS generated transaction reference
 TDate Trade Date
 VP Date Vendor Payment Date
 TR Can Cancelling transaction reference (if cancelled)

General Ledger Entries

Price Data

Gross: 120.00

Cfee: 22.00 Inside \$:

Net BP: 98.00 Sold Price:

Basis: 96.00 Inv Price:

Payout: 72.96 Firm Sec.:

General Ledger Data

CAT	ACTNO	AMOUNT
AP	*464	72.96
EXP	*605	72.96
AR	*350	120.00
REV	*536	120.00
AP	*424	22.00
COS	*704	22.00

Payout Data

REP	%	PAYOUT	BPPATE
07	1.000	0.96	01/20/2000
08	5.000	4.80	01/20/2000
09	70.000	67.20	01/20/2000

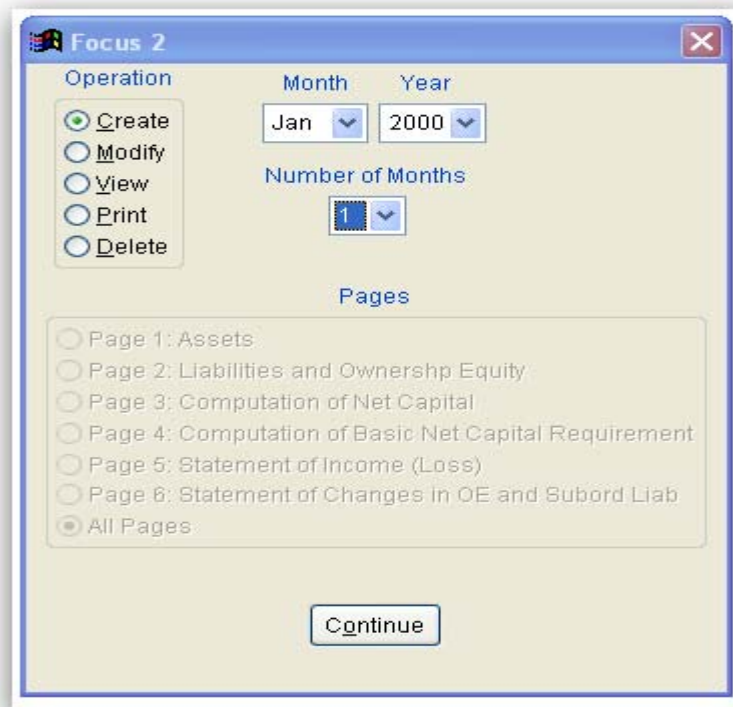
Buttons: View, Print

Trade Economics

Payout Data

- each rep participating
- per cent payout
- payout amount
- date paid

You finish the month with a FOCUS.



Tell BDOS to “Create” the FOCUS. Indicate the month, year, and number of months. Then push “Continue”. It is that simple!

So, “Why BDOS?”

We believe you can see the tremendous advantage that arises from the “FOCUS” concept – combining your Financial and Operational Systems in a single entity – BDOS.

There is no other back office software system that delivers the capabilities and efficiency of BDOS.

Using BDOS will save you money by:

- improving your back office operations
- saving hours of work spent on recording trades and doing separate accounting
- saving hours of work trying to resolve problems
- reducing the time spent with FINRA or the SEC
- reducing the hours required for your annual audit

We would like to show you more.

Give us a call (919-321-0716) to arrange for a full demo.