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Securities Investor Protection Corporation Assessment Changes

December 1, 2009

The Securities Investor Protection Corporation ("SIPC") which maintains a special reserve fund authorized by Congress to help investors at failed brokerage firms, announced that effective April 1, 2009, an assessment of a one-quarter of 1 percent of the net operating revenues will be required from member firms. Prior to April 1, 2009 the assessment was a flat \$150 per year for member firms. This new assessment which is defined more specifically by the SIPC as "one-quarter of one percent of gross revenues from the securities business" is payable no later than 60 days after the end of the fiscal year, or after membership termination. Click here for the SIPC required assessment form SIPC-7T. Questions pertaining to this form can be directed to SIPC via email at form@sipc.org or by telephoning 202-371-8300.

What does this mean for you?

In conjunction with other reporting requirements under Securities and Commission form X-17A-5, Rule 17A-5(e)(4) now requires Broker Dealers whose fiscal years end after April 30, 2009 to submit SIPC-7T together with their payment no later than 60 days after year end.

What does this mean for Rowbotham and Company?

As your auditors, we are required to apply certain agreed-upon procedures with respect to the filing of Form SIPC-7T, these include:

1. Comparing the listed assessment payment in Form SIPC-7T with respective cash disbursement record entries.
2. Comparing the amount reported on the Audited Form X-17A-5 for the Year ended December 31, 2009, as applicable, with the amounts reported in Form SIPC-7T for the year then ended.
3. Comparing any adjustments reported in Form SIPC-7T with supporting schedules and working papers.
4. Proved arithmetical accuracy of the calculations reflected in Form SIPC-7T and in the related schedules and working papers supporting the adjustments.
5. Comparing the amount of any overpayment applied to the current assessment with the Form SIPC-7T on which it was originally computed.

Audited financial statements are due 60 days after year end, mark your calendars for March 1, 2010. For more information contact [Mark Blumenfeld](#) or [Mark Kelly](#).

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