

Back to Basics: Portfolio Accounting 301 Marketable Securities and Transactions Transcript

“Back to Basics: Portfolio Accounting 301” was a live webinar on September 29, 2010. Jim Powell, CPA gave an introductory course on the fundamentals of marketable securities and transactions that culminated in a question and answer session.

Back to Basics: Portfolio Accounting 301 – Marketable Securities and Transactions Transcript

Moderator:

Good morning and good afternoon. I want to welcome you to our Back to Basics webinar with our host and presenter Jim Powell. Today we will be discussing Marketable Securities and Transactions as well as corporate actions.

As you can see this is our agenda for today. We will be talking about Introduction and Objectives; we will be working with Marketable Securities and Portfolio, Purchasing Securities into Portfolio. Talking about Sales of Dividend Reinvestment, Cash in Lieu, Stock Merger, Bond Amortization/Accretion and Investment and Tax Reports.

Jim:

Our webinar objective today is to provide you with education, experience and insight to help you tackle the day-to-day challenges of working with and for high-net-worth individuals.

This comes back to our purpose for Portfolio Accounting: "To provide accurate, meaningful and timely information for effective and efficient investment decision-making, financial reporting and management."

I'm a CPA and a retired CFE. I have worked with Financial Navigator as a consultant since 1998 and have used the Navigator software for over 25 years. And as you can see virtually all of my prior experiences is in the accounting field including 11 years as a Vice-President, Purina in St. Louis.

This session will focus on marketable securities and introduce you to various methods that will enable you to better track and report on such investments.

At the conclusion of this session, all of you will be able to understand the underlying concepts of: recording marketable securities transactions, marketable securities information to be tracked in your portfolio accounting solution, how to set up your portfolio, record several types of marketable securities transactions, and a few of the investment tax reports that can be created and used to present Marketable Securities information to your investors.

The proper reporting of marketable securities is one of the most critical elements for proper financial management and tracking these securities involves the following procedures. First determine if you have anything that has come forward from a prior year. If so, set up your existing portfolio. You will need to record the purchase of new securities, update your portfolio to current market prices or FMV, record the sale of marketable securities, and record certain types of special security transactions.

The first step in tracking the investments is to identify the various security posi-

tions that you have and decide how to organize them into portfolios. They can be organized according to the holder, the type of security, the ownership of the security, or the purpose of the security depending on what the needs are of your particular investor.

In Navigator, we typically create portfolios on the front end when we establish or set up the Chart of Accounts. The screen below is an example of a small section of a Chart of Accounts. With this example we have created an entity called the Financial Navigator Sample Revocable Trust (FinNav Sample Revocable Trust) and established certain types of portfolio and transactions that you might expect to find in such accounts.

To track securities properly, you need to know the date the shares were purchased, the number of shares, the tax and cost basis and (normally that's nothing more than the price paid to purchase of security, including any commissions and fees) the current price per share, which is used to update securities for the current market values, the symbol or the CUSIP number, which is needed for running certain types of investment reports and the dividends for interest rate which is optional for reporting purposes.

There are two ways to enter information regarding marketable securities into Navigator. The first method is for securities you already own and for those you created account in the Chart of Accounts for each security enter the FMV of the security at the beginning of the year as the starting balance. Then enter all the other information pertaining to security in the Asset and Liability Information screen.

Asset and Liability information is what we refer to as the detail information for each asset and liability account. For securities it's typical the date acquired, the cost basis what you paid for the stock, the tax basis, the cost of the investment for tax purposes normally it's the same as the cost basis except for items such as unrecognized capital losses in estate trust funding or a number of foundations also keep track of the original donor basis in the tax basis field, the number of shares and the symbol or the CUSIP number and the format. The format is simply a code that tells the system what type of security it is based on where it's placed in the Chart of Accounts.

So typical Asset/Liability screen might look like this for the block 10 of PEPSICO you can see that the date acquired is October 27, 1985. The cost and tax basis of 15K, the number of shares is 500, the symbol is PEP which is the three digit stock symbol for Pepsi and the format type is Common/Preferred Stocks.

The second method of the securities to be purchased, you have to have exactly the same information for when you first set up your portfolio but now simply enter transactions to record the purchase; the system prompts you for the information required and then automatically fill in the Asset/Liability screen. For example, let's say next block in order of PEPSICO is block number No. 11 and you disbursed \$50,000.00 (fifty thousand dollars) on September 1st, the purchase of 1,000 shares of Pepsi at \$50.00 (fifty dollar) per share. When you enter that information into your

data entry screen the system automatically captures the date acquired, the quantity acquired, the symbol, if you enter the symbol and the amount that is dispersed.

All this information is automatically recorded but with new version 9 if you need to go back and change any of these information later you can in fact do so.

Multiple Purchases of the same security to record the purchase of additional shares of a security which you already owned, you simply add a new account with the same name and a different block number. For example, the next PEPSICO block would be PEPSICO block number 12 (PEPSICO- 12/P).

The advantage of this method is that the tax basis for each security is tracked separately and when you sell the security Navigator will automatically compute the tax gain or loss for the sale, and include the information in the capital gains tax report.

Pricing: Navigator will also automatically updates portfolios to FMV. The system records the new prices in the system and updates the account balances to FMV. The balance sheet then will show the current FMV as of the valuation date. At the same time your unrealized gain or loss for your portfolio is also automatically updated for the change in the prices. It will also automatically update multiple accounts with the same symbol, so if you have got like in this example, 12 block PEPSI if you enter the updated price once, it will automatically run through and update all 12 blocks.

Let say that on September 30th, 2010, the price of PEPSICO increases to \$55.00 (fifty five dollars) per share. When you enter a price per share of \$55.00 (fifty five dollars) the system automatically recalculates the FMV, it tells you what the previous prices and it fills in the valuation date. You can then go through obviously and recalculate all 12 of them just using the \$55.00 (fifty five dollars).

The acquisition date stays the same, your tax and cost basis stays the same, but now that you recalculated the FMV the system shows that you got an unrealized gain/loss on this security at the end of September of \$5,000.00 (five thousand dollars).

Selling Marketable Securities: Navigator will handle the sale of a marketable security when you record the proceeds. It automatically calculates the capital gain and puts the information in your tax reports. It allows for the full or partial sale of the security.

And on the next slide is an example of a full sale. In general we have 2,000 shares of GENERAL ELECTRIC and it hit \$50.00 (fifty dollars) a share. I don't think it's been out for a while but it's sold for \$100,000.00 (hundred thousand dollars). The system will automatically displays the unrealized gain or loss and since you have now sold the assets the system reverses the net UGL (unrealized gains or losses) amount for that account. And the screen for this sale looks like this, we sold it on 1st of September, we sold 2000 shares, the tax basis is \$62,824.00 (sixty two thousand eight hundred and twenty four dollars) and our capital gain is \$37,176.00 (thirty seven thousand one hundred and seventy six dollars). The capital gain will automatically be filled then based on the date acquired or the date sold but if you need to override it you

can do that also.

Sometimes you may only sell part of the shares in a block or a group of blocks. And when selling part of a block, the system will automatically records the partial sale so let say for example, we own 400 shares of SYSCO/P and we sell 150 shares at \$35.00 (thirty five dollar) per share. The bank automatically deposits the money in the MONEY MARKET CHECKING account. The trade date is September 1st, so when you drop \$5,250.00 (five thousand two hundred and fifty dollars) into the initial sales amount the screen initially appears as follows; but when the screen pops up, it doesn't know until you tell it that you haven't sold all 400 shares. So what you do is you over type the 400, with the 150 and the system automatically then recalculates the basis, and the long term capital gain, based on the fact that you sold 150 shares or in this case 37.5% of the total.

What happens then is that two screens are prepared or two asset liability accounts are prepared in Financial Navigator.

The first one shows you what the basis is and how many shares remain from the original block. In this case, 250 shares out of 400 were the tax basis of 7785 and a second account is created within that shows that this is sold stock number 1. It reports the 37.5% that you sold and notice that the format changes to Sold Stocks. And this tells that the stock should now appear on the capital gain or loss report.

Stock Splits: This is one of the areas that sometimes cause people problems. My experience shows the simplest way to record the Stock Splits is just like purchases, except the dollar amount is always zero (0) and the new shares from the splitter are added to each of the existing blocks. So let's say on September 4th, the trust receives 300 shares of KIMBERLY CLARK in a 2-for-1 split. The transaction is recorded; I usually suggest that you record them in an INVESTMENT CLEARING account which is nothing more than a dummy cash account set up in the cash account section which allows these transactions to appear on the cash flow report.

In this case the quantity acquired is 300, the dollar amount is zero. All that happens here is that the quantity acquired in total is changed from 300 to 600, all the detail information and everything is updated on the Asset/Liability screen but you keep the acquisition date the same, so basically all you've done is double the number of shares of KIMBERLY CLARK.

For Reverse Stock Splits, you will also use the Investment Clearing Account. The new version of Navigator now allows you to record negative sales without a problem, so basically what you do, let say in this case you got a 5 for 1 reverse split, so since you have a 1000 shares of Kellogg, you are going to enter 800 shares as sold, reducing your balance of Kellogg to 200 shares. You record this exactly like any other share... any other sale in this case again. You do not reduce any dollar value or any tax basis, all you do is sell 800 shares and your quantity acquired reduces from 1,000 to 200 and again, you have the situation where all the asset and liability information is automatically updated through this sale.

Spin-Offs: the same way you record them through this investment of clearing account. Many people like it to show up on their cash flow reports and that's the reason why we run it through the investment clearing account. In a spin-off, the portion of the cost basis of the shares of the existing company must be allocated to the shares of the new company and usually the prospectus received from the parent company or the online website of the parent company will give the details of the transaction and allocation ratios etc. Many times I've found that the information that comes from the brokers on spin-offs is not very good and that you really need to go to the broker website to get the appropriate information.

So let's say that Target (TGT) spins-off the shares of a new entity Low Cost, Inc. (LCI). Thirty percent (30%) of the Target cost according to the information provided by Target, 30% of the Target cost basis is allocated to LCI. Two shares of LCI are received for every five (5) shares of Target that are owned. The cost basis of the Target shares is \$19,230.00 (nineteen thousand two hundred and thirty dollars) and we own 500 shares of Target.

So we record this transaction, on the date acquired which is January 30th, 2009. We record a zero share sale and a purchase. So the first thing we do is we record zero quantity sold of Target and tax basis of \$5,769.00 (five thousand seven hundred and sixty nine dollars). That's 30% of the original cost basis of the Target share, so what we've done is we simply reduced our basis in the 500 shares of Target by 30% of what we originally paid for. Then we create block of stocks in the Chart of Accounts for each block of the new LCI share and we purchase the new shares at the allocated cost basis from the previous sale. So the screen looks like this the date acquired stays the same so even though this transaction is taking place on September 10th, the date acquired is January 30th, 2009 the original date of the acquisition of the Target stock.

The quantity acquired is 200 we said we got two shares of LCI for every share of Target stock so since we have 500 shares of Target, we get 200 shares of the new company and the purchase price of those 200 shares is recorded as \$5,769.00 (five thousand seven hundred and sixty nine dollars) again the 30%. When we get done our investment clearing account has a zero balance. We have reduced the cost basis of the Target shares and we have recorded the purchase of the spin-off.

Dividend Reinvestment: lot of times owners of security like to have certain dividend reinvestment in the shares of the company or mutual fund paying the dividend. And most brokers handle the transaction as cash in and out via the brokerage cash account. So when you get the equivalent of the cash dividend in, you record it in the normal manner as a debit to cash and a credit to dividend income. And then your reinvestment is then recorded in the cash account as an off setting entry as a purchase of a new block of stock.

So for example, Emerson Electric issues a \$1,950.00 (nineteen hundred and fifty dollars) cash dividend on September 15th, so we record that dividend and the shares have a FMV of \$65.00. We immediately re-invested the \$1,950.00 (nineteen hundred

and fifty dollars) in shares of Emerson and purchases 30 shares at \$65.00 (sixty five dollars) on the same day.

And like I said this is normally set up by the brokers to reinvest that's how you want it done. So what we do is simply record a purchase of 30 shares of Emerson Electric for \$1,950.00 (nineteen hundred and fifty dollars). We create the new account and the new block of stock for Emerson and it updates the tax basis and everything else and the net effect of the transaction is \$1,950.00 (nineteen hundred and fifty dollars) coming in for the dividend and \$1,950.00 (nineteen hundred and fifty dollars) going out for the purchases.

Another very common situation is the receipt of Cash in Lieu from a spin off or a dividend reinvestment. These are partial or fractional shares that result from the transaction.

Instead of issuing the partial or fractional shares, the holders of the shares usually receive cash in lieu, which is a cash payment for the FMV of the partial or fractional share that would have otherwise been issued.

In these cases, the spin off or reinvestment is first handled like the two examples that we just talked about, and then the cash in lieu is handled as a partial sale via the broker cash account.

So let's say that Exxon Mobil spin-off the shares of new entity known as Tiger-in-the-Tank, Inc. or (TIG). Twenty per cent (20%) of the cost of Exxon is allocated to TIG, and 1.1073 shares are received for every five (5) shares of Exxon owned. The cost basis of the shares is \$18,010.00 (eighteen thousand ten dollars), we owned 500 shares, and the date acquired is May 25th, 2002. So the tax and cost basis of the shares is \$3,602.00 (three thousand six hundred and two dollars) which is 20%. The shares acquired are a 110.73. The cash in lieu received for the 0.73 fractional shares is \$40.00 (forty dollars). How do we record this?

Ok, well first we record the spin-off in the same example in the same manner as the Target (TGT) and the Low Cost, Inc (LCI), allocating \$3,602.00 (three thousand six hundred and two dollars) of the cost to TIG, and recording a purchase of 110.73 shares of TIG as of May 25th, 2002, the original purchase date of Exxon. The screen for the purchase of the TIG shares is as follows:

The original purchase date of May 25th, 2002 remains the same, we acquire 110.73 and the cost basis the 20% is \$3,602.00 (three thousand six hundred and two dollars). Then we simply record a partial share of the 0.73 shares. We sell the 0.73 shares for \$40.00 (forty dollars) which is the amount cash in lieu, the system automatically will then calculate the tax basis and calculate, and notice that we have put it as long term capital gain because we are going back to original acquisition date of May 25th, 2002 and after the sale the shares on hand are reduced to 110 that show on the broker statement and the remaining tax basis is \$3,578.25 (three thousand five and seventy eight dollars and twenty five cents) which is of course the original 20% of \$3,602 less the \$23.75 for the partial shares.

Another example where we will have an unusual transaction that needs to be recorded is a Stock Merger. In a stock merger the cost basis of the shares of the existing company typically must be transferred to the shares of the new or the surviving company.

And the prospectus received from the ongoing company will usually give the details of the transactions, usually the information on the brokerage statement isn't too good or you'll need to go to the website of the merged company to get the information.

The easiest way to handle this type of transaction is also to use a clearing account and treat the disposition of the old shares as a sale and the issue of the new shares as a purchase.

So let's say for example, that Johnson & Johnson (JNJ) and Merck (MRK) may merge, and form a new company called DRUGCO and the symbol is DRU. And I realize this... these next few screens are going to have quite a bit of information on them but again all of this is on the website in PDF format. So all the shares of JNJ, 1,000 and a cost basis \$50,650 (fifty thousand six hundred and fifty dollars) and Merck a 1,000 shares \$24,350 are exchanged for shares of DRU, three (3) shares for every share of Johnson & Johnson and two (2) shares for every share of Merck. JNJ was acquired in March 31st, 2000, and Merck in January 1st, 1945.

We want to record a sale of all of the Johnson & Johnson stock, so we record 1000 shares and a tax basis of \$50,650.00 (fifty thousand six hundred and fifty dollars).

Second thing we do is we record the sale of Merck again a 1000 shares tax basis of \$24,350.00 (twenty four thousand three hundred and fifty dollars) remember we are putting this into investment clearing account and then we are done, should zero.

Then we create new accounts for the merged company and we create one new block of stock for each block of the old company that we had. In this case we are assuming that all of JNJ and all of Merck were in one block so we set up two new blocks of DRU.

The first block we purchase the shares of DRU we go back to the original date for Johnson & Johnson, March 31st, 2000, we record the 3000 shares and we record the original tax basis of the Johnson & Johnson shares or the \$50,650.00 (fifty thousand six hundred and fifty dollars).

Then we do something for block two, we record the old Merck shares on January 1st, 1945 after this. I made an error on the screen that should have been a 1000 but we record the number of shares and we record the tax basis of the Merck shares and we are done we made four (4) entries we made two (2) sales entries and two purchase entries into the dummy cash clearing account and we zeroed out the investment clearing account and we now have the merger recorded on the books.

One other accounting problem that we have in special types of entries is recording

Bond Amortization or Accretion. What I've found is that most brokers will provide some type of analysis of the cash account for each month. It shows the beginning balance, the monthly activity and the ending balance. Unfortunately, bond amortization or accretion is a non cash item, and, typically, it is difficult to determine the monthly amounts. Since a detail or summary analysis of the amounts is not provided by most of the brokers. I've noticed there are a few brokers now that are actually showing the Bond Amortization amounts on their broker statement but in most cases you still have to calculate it manually.

Once we determine the amounts to be recorded, which is typically the difference between the cost basis shown on the previous month statement and the cost basis shown on the current month statement. The process is relatively straightforward in Navigator. Amortization is a Debit/Charge to bond amortization and a Credit/Deposit to the bond asset account. An Accretion is a Credit/Deposit to the bond amortization account and a Debit/Charge to the bond asset account. The key is to make sure that the entry updates to the cost and tax basis of the bond.

So how we do that, well below we have a screen that shows on September 30th, the trust purchased four (4) bonds. The first three (3) on the list were purchased at a premium and the fourth one was purchased at discount. So what we want to do is record the bond amortizing and the bond accretion and again we will use that transfer clearing account. After this session we are only going to record the amortization for the second bond Jefferson County for October. We treat the amortization as a zero (0) dollar quantity sale just like we did in some of the split or spin-off transactions with an offsetting entry to bond amortization expense and the amortization amount is a 103.96. So from the previous screen the cost and tax basis has been reduced by the 103.96 (hundred and three dollars and ninety six cents) from the original purchase price of \$25,933.41 to \$25,829.45.

Accretion is done essentially the same way except that we record the amortization as a zero (0) quantity purchase with an offsetting entry to Bond Amortization Expense. So in this case the accretion on this Missouri bond is \$28.17 (twenty eight dollars and seventeen cents). And that's how much the cost basis has gone up from the original price.

So that gets the adjustment to the bond asset account recorded and then we have one last thing that we have to do, we have to record the expense and you can either record the Amortization-Accretion on an item-by-item basis, or as a net one-line entry after all of the bond accounts have been adjusted. We recommend the one-line entry after the postings are complete.

For two reasons, one it's obviously if you got 30 bonds it's a lot easier just to record one-line item for the net expense or income and secondly since you know that the this investment clearing account needs to go to zero the offsetting entry to the bond amortization expense is going to be simply the net banking account in this case \$75.79 (seventy five dollars and seventy nine cents) which is the between the Amortization of the one bond and the Accretion of the other bond you simply

record the \$75.79 as a bond amortization expense. The balance in the account goes to zero and your screen looks like what is shown below.

Ok, once we are done recording all of those transactions there are numerous investment reports that are available in Navigator. I wanted you to take a look at the Securities Portfolio Analysis which compares the new current FMV against the cost basis. And like all the other reports in Navigator, the Investment Reports can be tailored to your specific needs, based on numerous options that we have within Navigator. And here is an example of the Securities Portfolio Analysis. It shows again this is just a partial report for a Revocable Sample Trust but it shows the security that we have on hand. Notice that the reverse split of Kellogg is automatically reflected the new shares of KIMBERLY CLARKE updated, the reduced shares of SYSCO reflected and the spin-off of Tiger-in-the-Tank, and Low Cost Inc., are all reflected on this report and the amortize value of the bonds are shown on the reports. There are other columns on this report but for my purposes I use these it shows the date acquired, the original cost, unit cost, the cost basis for the bond, current FMV as on September 30th, what the market value is, what the percentage is of the total portfolio, what the unrealized gains or losses are on this securities and the symbol or in the case of the bond the CUSIP number. Again and this is only one relatively straight forward example of the investment reports. There is a significant amount of additional reports that you can obtain in the investment area.

One other thing that we have in built in Financial Navigator is the ability to capture certain types of tax information. One of the reports that is captured automatically as you make the entries is the information for schedule D. You have as for all the reports, you have a certain number of available options and you can set reports of to be calculated and prepared exactly the way you want to based on those options and here is a real simple example of what the Schedule D might look like for the three (3) transactions that we showed you earlier in this presentation. The sale of 2000 shares of GENERAL ELECTRIC, the partial sale of 450 shares, and the cash in lieu sale of the Tiger-in-the-Tank on the spin-off. Note that all of those others dummy transactions that we made for into the investment clearing account, although they run through the cash report we set them up in such a manner that they don't show as in and out on the capital gain... capital gain and losses report because that exactly what we want them to do, we don't want them to appear here because they are in fact from a tax point of a no affect transaction.

This presentation has attempted to explain several of the various types of marketable securities transaction you may encounter on a day-to-day basis. As we mentioned before, without an integrated financial and management reporting system, it's very difficult to obtain meaningful accounting and financial information and produce reports in a timely, effective and efficient manner.

If any of you is interested we have two-day training sessions that covers all of the basics and some of the more complicated procedures in Financial Navigator 9.0 and if you would like any of that type of information, just get in touch with Customer Service reps of Navigator.

Moderator:

Jim, thank you so much for that informative presentation on Marketable Securities Transactions and Corporate Actions. If any one has any questions for Jim feel free to type them in now. We'll take couple of questions that have come through. Jim I got a question here asking if you can show the purchases sale screen for the bond Amortization-Accretion entries not just the A/L screen after the entry. Is that something that you can go back into the presentation?

Jim:

I'm sorry, which one do they want to see?

Moderator:

They want to see the Purchase Sales screen for the Bond Amortization-Accretion entries... not just the A/L screen after the entry Ok ...Purchase Sales screen.

Jim:

The only thing I have for the bonds is the original purchase screen. I don't know if that's what they are asking for but I can if they are asking for the sales screen it just it's nothing more than entering a zero (0)dollar sale or a zero (0) dollar purchase depending on whether it's Amortization or Accretion for the amount of the... for the amount of the amortization for the month. So I don't have a screen specifically that shows entry for this. But in this case for example, we would do nothing more than record a zero sale and what will pop up on the data entry screen is it will ask you if it's a return of capital and you click Yes and then what it does is it automatically updates the cost and tax basis for what it effect as a zero quantity sale.

And the same thing with discretion except that I forget exactly what the pop up entry is but whatever the pop-up entry is, you hit Yes and you basically have a purchase for \$28.17 (twenty-eight dollars and seventeen cents) with a zero quantity. If anybody specifically needs that they can send you an email and get the screenshot or I'll make up a screenshots and send them to you.

Moderator:

I don't understand how you get the purchase for the sale the bond amortization accretion expense account.

Jim:

Ok that is the additional entry so basically what you have done is you've recorded the sale purchase in the transfer clearing account. And then the net bond amortization or accretion to be expense account right here is an additional entry where you make debit or credit to an expense account just as you would in a bank account or in a credit account.

Moderator:

Ok

Jim:

So you are basically treating bond amortization as a purchase in the sale and then a charge to expense the same way as the re-invested dividend. You first treat the dividend as cash received and then you treat the reinvestment as a purchase.

You are essentially doing the same thing here; you got a purchase or sale for the amortization accretion and then an offsetting entry to the expense account through the journal.

Moderator:

Ok great. Jim, when is the best time to record amortization or accretion entries in a system.

Jim:

Well that depends on what your investor wants. I have one client that wants it recorded every month. I have one client that has it recorded quarterly but the absolute minimum is you effectively have to go back and record it at a minimum the day before you sell or redeem the bonds. Because you need to get that cost basis correct. Again it depends on what your particular investor wants like I say the absolute minimum is making sure you will get that cost and tax basis adjusted just before it is redeemed or sold.

Moderator:

Ok, great, thank you. I'm not getting too many questions but we do have a couple of minutes left for the webinar and if anyone else has anything regarding corporate actions that anything they have seen during today's webinar or corporate actions in general. Jim is happy to answer that...and if you don't then we will be ending the webinar in just a little bit.

And next slide please Jim; there is some information on us. Information there on website if you want to contact me, we do have a resource centre where a number of white papers and accounting guides are available. All those who have registered for the webinar today will be receiving an email with the application for the CPE credits and you will also be receiving an email from us telling you that the webinar is available to watch and all the PowerPoint slides will be available for download in about 24 – 48 hours, so when you will find that you can go back and retrieve that.

Another note we have a number of our other webinars available on our site as well and you'll get a link to that so you can see the first two of our Back to Basics series on Private Equity Accounting and on Marketable Securities and Transaction as well and the recorded webinar, a transcript, the PowerPoint slides are all available for you to download and review and watch at your convenience. And if you have any other questions about this or any of our previous webinars feel free to email us and we'll be happy to answer those questions for you.

And with no more questions coming in so what we are going to go ahead and do

is end the webinar. I want to thank you Jim for taking the time to put together the presentation and explain to our users and friends out there in the community our approach to handling marketable security in corporate action. For everyone else thank you for attending, we look forward to our next webinar series which will be probably in 2011 or early in the year and you'll get information about that as it comes back. Everyone thanks again and have a wonderful afternoon. Thank you, Jim.

Jim:

Thanks, take care everyone. Bye bye.

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