

An Important Announcement from NetWorth Services, Inc.

October 2, 2008 Last night, the United States Senate passed the Wall Street Rescue Plan which also contained the Broker Reporting of Customer's Basis in Securities Transactions Bill, which will require broker reporting of customer's basis in securities transactions, and for other purposes. This version of the Cost Basis bill was inserted in the Wall Street Rescue Plan under Section 403, located on Page 244, and passed the Senate by a vote of 74 to 25, exceeding the 60 votes that were required.

(<http://senateconservatives.files.wordpress.com/2008/10/bailouttext.pdf>) The Rescue Plan has now been sent to the House of Representatives today with the intention of voting tonight.

What does this mean?

If the Bill passes in the House of Representatives, Brokers will now be **required** to report their client's adjusted cost basis on the 1099 Schedule. The exchange of cost basis information between brokers must also meet this reporting requirement.

What are the Applicable Dates?

The effective dates for this legislation include January 1, 2011 in the case of any equity and January 1, 2012 for mutual funds.

What Can my Firm Do to Comply with this Legislation?

An automated cost basis solution is a vital part of compliance. Having access to decades of historical pricing and corporate actions as well as automated calculations will allow your business to move forward without any disruptions. **NetBasis** can provide your firm with various solutions to determining and providing accurate adjusted cost basis for your 1099 Reporting.

To request a consultation on how we can provide you with a customized solution for your organization, which can also integrate with your proprietary systems, please contact Marisa Diaz at NetWorth Services (602) 222-6380 or by email at sales@networthservices.com