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AMENDED

Form 990

OMB No 1545-0047

# Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code  
(except black lung benefit trust or private foundation)

2010

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

The organization may have to use a copy of this return to satisfy state reporting requirements

A For the 2010 calendar year, or tax year beginning Nov 1, 2010, and ending Oct 31, 2011

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization: Securities Industry and Financial Markets Association		<b>D</b> Employer identification number: 32-0178959
	Doing Business As:		<b>E</b> Telephone number: (212) 313-1251
	Number and street (or P.O. box if mail is not delivered to street address): 120 Broadway		Room/suite: 35th Floor
	City, town or country: New York		State: NY ZIP code + 4: 10271
	<b>F</b> Name and address of principal officer: T. Timothy Ryan 120 Broadway, 35th Floor New York NY 10271		
<b>I</b> Tax-exempt status: 501(c)(3) <input checked="" type="checkbox"/> 501(c)(6) ( ) (insert no) 4947(a)(1) or 527		<b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all affiliates included? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If 'No,' attach a list (see instructions)	
<b>J</b> Website: www.sifma.org		<b>H(c)</b> Group exemption number	
<b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other		<b>L</b> Year of formation: 2006	<b>M</b> State of legal domicile: NY

## Part I Summary

<b>Activities &amp; Governance</b>	1 Briefly describe the organization's mission or most significant activities: The Securities Industry and Financial Markets Association (SIFMA) brings together the shared interests of hundreds of securities firms, banks and asset managers. SIFMA's core mission is to support a strong financial industry. The most significant activities SIFMA undertook this year pertained to advocacy on Dodd-Frank Wall Street Reform and Consumer Protection Act rule making - work strategically funded principally from association reserves (\$9.1m and \$2.5m in current and prior year respectively).		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	39
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	38
	5 Total number of individuals employed in calendar year 2010 (Part V, line 2a)	5	208
	6 Total number of volunteers (estimate if necessary)	6	6,054
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	27,640.
b Net unrelated business taxable income from Form 990-T, line 34		7b	
<b>Revenue</b>	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	62,954,068.	61,954,051.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	116,986.	103,319.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	2,015,853.	2,234,062.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	65,086,907.	64,291,432.
<b>Expenses</b>	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)		
	14 Benefits paid to or for members (Part IX, column (A), line 4)		
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	32,807,690.	33,330,166.
	16a Professional fundraising fees (Part IX, column (A), line 11e)		
	b Total fundraising expenses (Part IX, column (D), line 25)		
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	34,247,548.	37,331,863.
	18 Total expenses - add lines 13-17 (must equal Part IX, column (A), line 25)	67,055,238.	70,662,029.
19 Revenue less expenses - Subtract line 18 from line 12	-1,968,331.	-6,370,597.	
<b>Net Assets or Fund Balances</b>	20 Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21 Total liabilities (Part X, line 26)	83,288,316.	68,486,624.
	22 Net assets or fund balances - Subtract line 21 from line 20	38,874,824.	32,687,336.

## Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

<b>Sign Here</b>	Signature of officer: <i>Mark Jeong</i>	Date: 11/16/2012			
	Type or print name and title: MARK JEONG / VICE PRESIDENT & ASST. CONTROLLER				
<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self employed	PTIN
	Firm's name				
	Firm's address				Firm's EIN
					Phone no.

May the IRS discuss this return with the preparer shown above? (see instructions) ☐ Yes ☒ No

BAA For Paperwork Reduction Act Notice, see the separate instructions.

TEEA0101 03/25/11

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**Part III Statement of Program Service Accomplishments**

Check if Schedule O contains a response to any question in this Part III

☒**1** Briefly describe the organization's mission:

SIFMA's mission is to develop policies and practices which strengthen financial markets and which encourage capital availability, job creation and  
See Form 990, Page 2, Part III, Line 1 (continued)

**2** Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?☐ Yes ☒ No

If 'Yes,' describe these new services on Schedule O

**3** Did the organization cease conducting, or make significant changes in how it conducts, any program services?☐ Yes ☒ No

If 'Yes,' describe these changes on Schedule O

**4** Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.**4a** (Code \_\_\_\_\_) (Expenses \$ \_\_\_\_\_ including grants of \$ \_\_\_\_\_) (Revenue \$ \_\_\_\_\_)

Continued development and maintenance of best practices - See Schedule O

**4b** (Code \_\_\_\_\_) (Expenses \$ \_\_\_\_\_ including grants of \$ \_\_\_\_\_) (Revenue \$ \_\_\_\_\_)

Advocacy efforts - See Schedule O

**4c** (Code \_\_\_\_\_) (Expenses \$ \_\_\_\_\_ including grants of \$ \_\_\_\_\_) (Revenue \$ \_\_\_\_\_)

Conferences and Seminars - See Schedule O

**4d** Other program services (Describe in Schedule O )

(Expenses \$ \_\_\_\_\_ including grants of \$ \_\_\_\_\_) (Revenue \$ \_\_\_\_\_)

**4e** Total program service expenses ▶

**Part IV Checklist of Required Schedules**

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If 'Yes,' complete Schedule A		X
2 Is the organization required to complete Schedule B, Schedule of Contributors? (see instructions)		X
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If 'Yes,' complete Schedule C, Part I		X
4 <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If 'Yes,' complete Schedule C, Part II		
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If 'Yes,' complete Schedule C, Part III	X	
6 Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If 'Yes,' complete Schedule D, Part I		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If 'Yes,' complete Schedule D, Part II		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If 'Yes,' complete Schedule D, Part III		X
9 Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If 'Yes,' complete Schedule D, Part IV		X
10 Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If 'Yes,' complete Schedule D, Part V		X
11 If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings and equipment in Part X, line 10? If 'Yes,' complete Schedule D, Part VI	X	
b Did the organization report an amount for investments— other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If 'Yes,' complete Schedule D, Part VII		X
c Did the organization report an amount for investments— program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If 'Yes,' complete Schedule D, Part VIII		X
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If 'Yes,' complete Schedule D, Part IX		X
e Did the organization report an amount for other liabilities in Part X, line 25? If 'Yes,' complete Schedule D, Part X	X	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If 'Yes,' complete Schedule D, Part X	X	
12a Did the organization obtain separate, independent audited financial statements for the tax year? If 'Yes,' complete Schedule D, Parts XI, XII, and XIII	X	
b Was the organization included in consolidated, independent audited financial statements for the tax year? If 'Yes,' and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional		X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If 'Yes,' complete Schedule E		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? If 'Yes,' complete Schedule F, Parts I and IV		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If 'Yes,' complete Schedule F, Parts II and IV		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If 'Yes,' complete Schedule F, Parts III and IV		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If 'Yes,' complete Schedule G, Part I (see instructions)		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If 'Yes,' complete Schedule G, Part II		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If 'Yes,' complete Schedule G, Part III		X
20 a Did the organization operate one or more hospitals? If 'Yes,' complete Schedule H		X
b If 'Yes' to line 20a, did the organization attach its audited financial statements to this return? <b>Note.</b> Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)		

**Part IV Checklist of Required Schedules (continued)**

	Yes	No
<b>21</b> Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If 'Yes,' complete Schedule I, Parts I and II</i>	X	
<b>22</b> Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If 'Yes,' complete Schedule I, Parts I and III</i>		X
<b>23</b> Did the organization answer 'Yes' to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If 'Yes,' complete Schedule J</i>	X	
<b>24a</b> Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, and that was issued after December 31, 2002? <i>If 'Yes,' answer lines 24b through 24d and complete Schedule K. If 'No,' go to line 25</i>		X
<b>24b</b> Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
<b>24c</b> Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
<b>24d</b> Did the organization act as an 'on behalf of' issuer for bonds outstanding at any time during the year?		
<b>25a</b> <b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If 'Yes,' complete Schedule L, Part I</i>		
<b>25b</b> Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If 'Yes,' complete Schedule L, Part I</i>		
<b>26</b> Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If 'Yes,' complete Schedule L, Part II</i>		X
<b>27</b> Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If 'Yes,' complete Schedule L, Part III</i>		X
<b>28</b> Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)		
<b>28a</b> A current or former officer, director, trustee, or key employee? <i>If 'Yes,' complete Schedule L, Part IV</i>		X
<b>28b</b> A family member of a current or former officer, director, trustee, or key employee? <i>If 'Yes,' complete Schedule L, Part IV</i>		X
<b>28c</b> An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If 'Yes,' complete Schedule L, Part IV</i>		X
<b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? <i>If 'Yes,' complete Schedule M</i>		X
<b>30</b> Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If 'Yes,' complete Schedule M</i>		X
<b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? <i>If 'Yes,' complete Schedule N, Part I</i>		X
<b>32</b> Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If 'Yes,' complete Schedule N, Part II</i>		X
<b>33</b> Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If 'Yes,' complete Schedule R, Part I</i>		X
<b>34</b> Was the organization related to any tax-exempt or taxable entity? <i>If 'Yes,' complete Schedule R, Parts II, III, IV, and V, line 1</i>	X	
<b>35</b> Is any related organization a controlled entity within the meaning of section 512(b)(13)?		X
<b>a</b> Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If 'Yes,' complete Schedule R, Part V, line 2</i> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
<b>36</b> <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If 'Yes,' complete Schedule R, Part V, line 2</i>		
<b>37</b> Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If 'Yes,' complete Schedule R, Part VI</i>		X
<b>38</b> Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O	X	

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Form 990 (2010)

**Part V Statements Regarding Other IRS Filings and Tax Compliance**Check if Schedule O contains a response to any question in this Part V ☐

		Yes	No
<b>1 a</b> Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	135		
<b>b</b> Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	0		
<b>c</b> Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		X	
<b>2 a</b> Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return.	208		
<b>b</b> If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to <i>e-file</i> (see instructions).		X	
<b>3 a</b> Did the organization have unrelated business gross income of \$1,000 or more during the year?		X	
<b>b</b> If 'Yes,' has it filed a Form 990-T for this year? If 'No,' provide an explanation in Schedule O.		X	
<b>4 a</b> At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)? <b>b</b> If 'Yes,' enter the name of the foreign country: _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.			X
<b>5 a</b> Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?			X
<b>b</b> Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			X
<b>c</b> If 'Yes,' to line 5a or 5b, did the organization file Form 8886-T?			
<b>6 a</b> Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?			X
<b>b</b> If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			
<b>7 Organizations that may receive deductible contributions under section 170(c).</b>			
<b>a</b> Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?			
<b>b</b> If 'Yes,' did the organization notify the donor of the value of the goods or services provided?			
<b>c</b> Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			
<b>d</b> If 'Yes,' indicate the number of Forms 8282 filed during the year.	7 d		
<b>e</b> Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			
<b>f</b> Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?			
<b>g</b> If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			
<b>h</b> If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			
<b>8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			
<b>9 Sponsoring organizations maintaining donor advised funds.</b>			
<b>a</b> Did the organization make any taxable distributions under section 4966?			
<b>b</b> Did the organization make a distribution to a donor, donor advisor, or related person?			
<b>10 Section 501(c)(7) organizations.</b> Enter.			
<b>a</b> Initiation fees and capital contributions included on Part VIII, line 12.	10 a		
<b>b</b> Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	10 b		
<b>11 Section 501(c)(12) organizations.</b> Enter.			
<b>a</b> Gross income from members or shareholders.	11 a		
<b>b</b> Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).	11 b		
<b>12 a Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?			
<b>b</b> If 'Yes,' enter the amount of tax-exempt interest received or accrued during the year.	12 b		
<b>13 Section 501(c)(29) qualified nonprofit health insurance issuers.</b>			
<b>a</b> Is the organization licensed to issue qualified health plans in more than one state? <b>Note.</b> See the instructions for additional information the organization must report on Schedule O.			
<b>b</b> Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.	13 b		
<b>c</b> Enter the amount of reserves on hand.	13 c		
<b>14 a</b> Did the organization receive any payments for indoor tanning services during the tax year?			X
<b>b</b> If 'Yes,' has it filed a Form 720 to report these payments? If 'No,' provide an explanation in Schedule O.			

**Part VI Governance, Management and Disclosure** For each 'Yes' response to lines 2 through 7b below, and for a 'No' response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response to any question in this Part VI

☒**Section A. Governing Body and Management**

	Yes	No
<b>1 a</b> Enter the number of voting members of the governing body at the end of the tax year		
<b>1 b</b> Enter the number of voting members included in line 1a, above, who are independent		
<b>2</b> Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee or key employee?		X
<b>3</b> Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		X
<b>4</b> Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
<b>5</b> Did the organization become aware during the year of a significant diversion of the organization's assets?		X
<b>6</b> Does the organization have members or stockholders?	X	
<b>7 a</b> Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	X	
<b>7 b</b> Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	X	
<b>8</b> Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
<b>a</b> The governing body?	X	
<b>b</b> Each committee with authority to act on behalf of the governing body?	X	
<b>9</b> Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If 'Yes,' provide the names and addresses in Schedule O		X

**Section B. Policies** (This Section B requests information about policies not required by the Internal Revenue Code.)

	Yes	No
<b>10 a</b> Does the organization have local chapters, branches, or affiliates?		X
<b>10 b</b> If 'Yes,' does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?		
<b>11 a</b> Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	X	
<b>b</b> Describe in Schedule O the process, if any, used by the organization to review this Form 990		
<b>12 a</b> Does the organization have a written conflict of interest policy? If 'No,' go to line 13	X	
<b>12 b</b> Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
<b>12 c</b> Does the organization regularly and consistently monitor and enforce compliance with the policy? If 'Yes,' describe in Schedule O how this is done	X	
<b>13</b> Does the organization have a written whistleblower policy?	X	
<b>14</b> Does the organization have a written document retention and destruction policy?	X	
<b>15</b> Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
<b>a</b> The organization's CEO, Executive Director, or top management official	X	
<b>b</b> Other officers of key employees of the organization	X	
If 'Yes' to line 15a or 15b, describe the process in Schedule O. (See instructions.)		
<b>16 a</b> Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
<b>16 b</b> If 'Yes,' has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?		

**Section C. Disclosure**

**17** List the states with which a copy of this Form 990 is required to be filed ▶ \_\_\_\_\_

**18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.

☐ Own website ☐ Another's website ☒ Upon request

**19** Describe in Schedule O whether (and if so, how) the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.

**20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization

▶ Mark Jeong 120 Broadway, 35th Floor New York NY 10271-0080 (212) 313-1251

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**Check if Schedule O contains a response to any question in this Part VII ☐**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees****1 a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of 'key employee.'
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) John G. Taft Chairman of the Board	2.00	X						0.	0.	0.
(2) Benard B. Beal Vice Chair	2.00	X						0.	0.	0.
(3) Alexandra Lebenthal Treasurer	2.00	X						0.	0.	0.
(4) Frank P. Barron Director	1.00	X						0.	0.	0.
(5) Francois O. Barthelemy Director	1.00	X						0.	0.	0.
(6) Rosemary T. Berkery Director	1.00	X						0.	0.	0.
(7) Joan Binstock Director	1.00	X						0.	0.	0.
(8) Curt Bradbury, Jr. Director	1.00	X						0.	0.	0.
(9) Benjamin L. Brigeman Director	1.00	X						0.	0.	0.
(10) Richard F. Brueckner Director	2.00	X						0.	0.	0.
(11) Kent Christian Director	1.00	X						0.	0.	0.
(12) Jerry Del Missier Director	1.00	X						0.	0.	0.
(13) Didier Descamps Director	1.00	X						0.	0.	0.
(14) William Dwyer Director	1.00	X						0.	0.	0.
(15) Kenneth D. Gibbs Director	1.00	X						0.	0.	0.
(16) John R. Gidman Director	2.00	X						0.	0.	0.
(17) Thomas Harnett Director	1.00	X						0.	0.	0.

**Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (cont)**

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Sch O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) Robert W. Hawley, Jr. Director	1.00	X						0.	0.	0.
(19) Chet Helck Director	1.00	X						0.	0.	0.
(20) David B. Heller Director	1.00	X						0.	0.	0.
(21) Noe Hinojosa, Jr. Director	2.00	X						0.	0.	0.
(22) Doug Hodge Director	1.00	X						0.	0.	0.
(23) William Johnstone Director	1.00	X						0.	0.	0.
(24) Thomas M. Joyce Director	1.00	X						0.	0.	0.
(25) Edward J. Kelly, III Director	1.00	X						0.	0.	0.
(26) Ronald J. Kruszewski Director	1.00	X						0.	0.	0.
(27) Michael Lyublinsky Director	1.00	X						0.	0.	0.
(28) Blythe Masters Director	1.00	X						0.	0.	0.
(29) Naoki Matsuba Director	1.00	X						0.	0.	0.
<b>1 b Sub-total</b>								0.	0.	0.
<b>c Total from continuation sheets to Part VII, Section A</b>								9,645,946.	0.	520,480.
<b>d Total (add lines 1b and 1c)</b>								9,645,946.	0.	520,480.

**2** Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization **71**

**3** Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? If 'Yes,' complete Schedule J for such individual

**4** For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If 'Yes' complete Schedule J for such individual

**5** Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If 'Yes,' complete Schedule J for such person

	Yes	No
<b>3</b>		X
<b>4</b>	X	
<b>5</b>		X

**Section B. Independent Contractors**

**1** Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization

(A) Name and business address	(B) Description of services	(C) Compensation
Davis Polk & Wardwell 450 Lexington Avenue New York NY 10017	Legal	2,549,336.
Brunswick Group LLC 140 E. 45th Street New York NY 10017	Consulting	708,492.
Intermedia Events 50 E. 42nd Street New York NY 10017	Consulting	622,500.
Cleary Gottlieb Steen One Liberty Plaza New York NY 10006	Legal	502,773.
Threespot Media, LLC 33333 14th Street, NW Washington DC 20100	Consulting	407,929.

**2** Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **26**

**Part VIII Statement of Revenue**

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
<b>CONTRIBUTIONS, GIFTS, GRANTS AND OTHER SIMILAR AMOUNTS</b>	1a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations	1d				
	e Government grants (contributions)	1e				
	f All other contributions, gifts, grants, and similar amounts not included above	1f				
	g Noncash contributions included in lns 1a-1f \$					
<b>h Total.</b> Add lines 1a-1f						
<b>PROGRAM SERVICE REVENUE</b>		<b>Business Code</b>				
	2a Member Dues	541900	49,874,949.	49,874,949.	0.	0.
	b Conferences	541900	11,761,595.	0.	0.	11,761,595.
	c Publication Sales	541800	317,507.	0.	27,640.	289,867.
	d					
	e					
	f All other program service revenue					
<b>g Total.</b> Add lines 2a-2f			61,954,051.			
<b>OTHER REVENUE</b>	3 Investment income (including dividends, interest and other similar amounts)		103,319.	0.	0.	103,319.
	4 Income from investment of tax-exempt bond proceeds					
	5 Royalties		278,525.	0.	0.	278,525.
	6a Gross Rents	(i) Real (ii) Personal				
	b Less rental expenses					
	c Rental income or (loss)					
	d Net rental income or (loss)					
	7a Gross amount from sales of assets other than inventory	(i) Securities (ii) Other				
	b Less cost or other basis and sales expenses					
	c Gain or (loss)					
	d Net gain or (loss)					
	8a Gross income from fundraising events (not including \$ of contributions reported on line 1c) See Part IV, line 18	a				
	b Less direct expenses	b				
	c Net income or (loss) from fundraising events					
	9a Gross income from gaming activities See Part IV, line 19	a				
	b Less direct expenses	b				
	c Net income or (loss) from gaming activities					
	10a Gross sales of inventory, less returns and allowances	a				
	b Less cost of goods sold	b				
c Net income or (loss) from sales of inventory						
Miscellaneous Revenue		<b>Business Code</b>				
11a Proceeds from share service agreement	541800	1,705,704.	0.	0.	1,705,704.	
b Other Income	541800	249,833.	0.	0.	249,833.	
c						
d All other revenue						
<b>e Total.</b> Add lines 11a-11d			1,955,537.			
<b>12 Total revenue.</b> See instructions			64,291,432.	49,874,949.	27,640.	14,388,843.

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D)

<b>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</b>	<b>(A) Total expenses</b>	<b>(B) Program service expenses</b>	<b>(C) Management and general expenses</b>	<b>(D) Fundraising expenses</b>
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21	84,600.			
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	7,620,085.			
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	20,204,933.			
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)				
9 Other employee benefits	4,160,363.			
10 Payroll taxes	1,344,785.			
11 Fees for services (non-employees).				
a Management				
b Legal	13,940,759.			
c Accounting	227,630.			
d Lobbying	1,104,957.			
e Professional fundraising services See Part IV, line 17				
f Investment management fees				
g Other				
12 Advertising and promotion				
13 Office expenses	1,430,178.			
14 Information technology	1,152,993.			
15 Royalties				
16 Occupancy	5,308,660.			
17 Travel	1,474,349.			
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	7,866,741.			
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	2,921,429.			
23 Insurance				
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24f. If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O.)				
a Subscription and books	422,277.			
b Postage and messenger	165,800.			
c Bank charges and credit card processing	374,228.			
d Dues and registration	183,159.			
e Contribution and sponsorship	73,130.			
f All other expenses	600,973.			
25 Total functional expenses. Add lines 1 through 24f	70,662,029.			
26 Joint costs. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720). Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

**Part X Balance Sheet**

		(A) Beginning of year		(B) End of year
<b>ASSETS</b>	<b>1</b> Cash – non-interest-bearing	2,808,317.	<b>1</b>	1,417,858.
	<b>2</b> Savings and temporary cash investments	25,613,527.	<b>2</b>	12,700,403.
	<b>3</b> Pledges and grants receivable, net		<b>3</b>	
	<b>4</b> Accounts receivable, net	2,148,686.	<b>4</b>	1,151,712.
	<b>5</b> Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		<b>5</b>	
	<b>6</b> Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)		<b>6</b>	
	<b>7</b> Notes and loans receivable, net		<b>7</b>	
	<b>8</b> Inventories for sale or use		<b>8</b>	
	<b>9</b> Prepaid expenses and deferred charges	453,803.	<b>9</b>	2,721,684.
	<b>10a</b> Land, buildings, and equipment cost or other basis. Complete Part VI of Schedule D	<b>10a</b> 34,425,102.		
	<b>b</b> Less accumulated depreciation	<b>10b</b> 15,289,280.	<b>10c</b>	19,135,822.
	<b>11</b> Investments – publicly traded securities	30,463,263.	<b>11</b>	31,358,400.
	<b>12</b> Investments – other securities See Part IV, line 11		<b>12</b>	
	<b>13</b> Investments – program-related See Part IV, line 11		<b>13</b>	
	<b>14</b> Intangible assets		<b>14</b>	
	<b>15</b> Other assets See Part IV, line 11	18,827.	<b>15</b>	745.
<b>16 Total assets</b> Add lines 1 through 15 (must equal line 34)	83,288,316.	<b>16</b>	68,486,624.	
<b>LIABILITIES</b>	<b>17</b> Accounts payable and accrued expenses	13,504,376.	<b>17</b>	7,200,088.
	<b>18</b> Grants payable		<b>18</b>	
	<b>19</b> Deferred revenue	2,453,176.	<b>19</b>	2,665,903.
	<b>20</b> Tax-exempt bond liabilities		<b>20</b>	
	<b>21</b> Escrow or custodial account liability Complete Part IV of Schedule D		<b>21</b>	
	<b>22</b> Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		<b>22</b>	
	<b>23</b> Secured mortgages and notes payable to unrelated third parties		<b>23</b>	
	<b>24</b> Unsecured notes and loans payable to unrelated third parties		<b>24</b>	
	<b>25</b> Other liabilities Complete Part X of Schedule D	22,917,272.	<b>25</b>	22,821,345.
	<b>26 Total liabilities.</b> Add lines 17 through 25	38,874,824.	<b>26</b>	32,687,336.
<b>NET ASSETS OR FUND BALANCES</b>	<b>Organizations that follow SFAS 117, check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27 through 29 and lines 33 and 34.</b>			
	<b>27</b> Unrestricted net assets	44,413,492.	<b>27</b>	35,799,288.
	<b>28</b> Temporarily restricted net assets		<b>28</b>	
	<b>29</b> Permanently restricted net assets		<b>29</b>	
	<b>Organizations that do not follow SFAS 117, check here</b> <input type="checkbox"/> <b>and complete lines 30 through 34.</b>			
	<b>30</b> Capital stock or trust principal, or current funds		<b>30</b>	
	<b>31</b> Paid-in or capital surplus, or land, building, or equipment fund		<b>31</b>	
	<b>32</b> Retained earnings, endowment, accumulated income, or other funds		<b>32</b>	
	<b>33</b> Total net assets or fund balances	44,413,492.	<b>33</b>	35,799,288.
	<b>34</b> Total liabilities and net assets/fund balances	83,288,316.	<b>34</b>	68,486,624.

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Form 990 (2010)

**Part XI Reconciliation of Net Assets**Check if Schedule O contains a response to any question in this Part XI ☐

1	Total revenue (must equal Part VIII, column (A), line 12)	1	64,291,432.
2	Total expenses (must equal Part IX, column (A), line 25)	2	70,662,029.
3	Revenue less expenses Subtract line 2 from line 1	3	-6,370,597.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	44,413,492.
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-2,243,607.
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	35,799,288.

**Part XII Financial Statements and Reporting**Check if Schedule O contains a response to any question in this Part XII ☐

- 1 Accounting method used to prepare the Form 990 ☐ Cash ☒ Accrual ☐ Other \_\_\_\_\_  
If the organization changed its method of accounting from a prior year or checked 'Other,' explain in Schedule O
- 2a Were the organization's financial statements compiled or reviewed by an independent accountant?
- b Were the organization's financial statements audited by an independent accountant?
- c If 'Yes' to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?  
If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O
- d If 'Yes' to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both  
☒ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis
- 3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?
- b If 'Yes,' did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits

	Yes	No
2a		X
2b	X	
2c	X	
3a		X
3b		

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Form 990 (2010)

**SCHEDULE C**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Political Campaign and Lobbying Activities**

**For Organizations Exempt From Income Tax Under section 501(c) and section 527**

► **Complete if the organization is described below.**

► **Attach to Form 990 or Form 990-EZ. ► See separate instructions.**

OMB No 1545-0047

**2010**

**Open to Public  
Inspection**

**If the organization answered 'Yes,' to Form 990, Part IV, line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then**

- Section 501(c)(3) organizations Complete Parts I-A and B Do not complete Part I-C
- Section 501(c) (other than section 501(c)(3)) organizations Complete Parts I-A and C below Do not complete Part I-B
- Section 527 organizations Complete Part I-A only

**If the organization answered 'Yes,' to Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then**

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)). Complete Part II-A Do not complete Part II-B
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)) Complete Part II-B Do not complete Part II-A.

**If the organization answered 'Yes,' to Form 990, Part IV, line 5 (Proxy Tax) or Form 990-EZ, Part V, line 35a (Proxy Tax), then**

- Section 501(c)(4), (5), or (6) organizations Complete Part III

Name of organization

Employer identification number

Securities Industry and Financial Markets Association

32-0178959

**Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.**

- 1 Provide a description of the organization's direct and indirect political campaign activities in Part IV
- 2 Political expenditures ► \$
- 3 Volunteer hours

**Part I-B Complete if the organization is exempt under section 501(c)(3).**

- 1 Enter the amount of any excise tax incurred by the organization under section 4955 ► \$
- 2 Enter the amount of any excise tax incurred by organization managers under section 4955 ► \$
- 3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year?  
☐ Yes ☐ No
- 4a Was a correction made?  
☐ Yes ☐ No
- b If 'Yes,' describe in Part IV

**Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).**

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ► \$
- 2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ► \$
- 3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b ► \$
- 4 Did the filing organization file **Form 1120-POL** for this year? ☐ Yes ☐ No
- 5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds If none, enter -0-	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization If none, enter -0-
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

**BAA** For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule C (Form 990 or 990-EZ) 2010

**Part II-A** Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).

- A** Check ☐ if the filing organization belongs to an affiliated group
- B** Check ☐ if the filing organization checked box A and 'limited control' provisions apply

**Limits on Lobbying Expenditures**  
 (The term 'expenditures' means amounts paid or incurred.)

(a) Filing organization's totals

(b) Affiliated group totals

**1 a** Total lobbying expenditures to influence public opinion (grass roots lobbying)**b** Total lobbying expenditures to influence a legislative body (direct lobbying)**c** Total lobbying expenditures (add lines 1a and 1b)**d** Other exempt purpose expenditures**e** Total exempt purpose expenditures (add lines 1c and 1d)**f** Lobbying nontaxable amount Enter the amount from the following table in both columns

If the amount on line 1e, column (a) or (b) is	The lobbying nontaxable amount is
Not over \$500,000	20% of the amount on line 1e
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000
Over \$17,000,000	\$1,000,000

**g** Grassroots nontaxable amount (enter 25% of line 1f)**h** Subtract line 1g from line 1a. If zero or less, enter -0-**i** Subtract line 1f from line 1c. If zero or less, enter -0-**j** If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?☐ Yes ☐ No
**4-Year Averaging Period Under Section 501(h)**  
 (Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f.)
**Lobbying Expenditures During 4-Year Averaging Period**

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) Total
<b>2 a</b> Lobbying non-taxable amount					
<b>b</b> Lobbying ceiling amount (150% of line 2a, column (e))					
<b>c</b> Total lobbying expenditures					
<b>d</b> Grassroots nontaxable amount					
<b>e</b> Grassroots ceiling amount (150% of line 2d, column (e))					
<b>f</b> Grassroots lobbying expenditures					

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Schedule C (Form 990 or 990-EZ) 2010

**Part II-B** Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

	(a)		(b)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a Volunteers?			
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?			
c Media advertisements?			
d Mailings to members, legislators, or the public?			
e Publications, or published or broadcast statements?			
f Grants to other organizations for lobbying purposes?			
g Direct contact with legislators, their staffs, government officials, or a legislative body?			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?			
i Other activities? If 'Yes,' describe in Part IV			
j Total. Add lines 1c through 1i			
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?			
b If 'Yes,' enter the amount of any tax incurred under section 4912			
c If 'Yes,' enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

**Part III-A** Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

	Yes	No
1 Were substantially all (90% or more) dues received nondeductible by members?		X
2 Did the organization make only in-house lobbying expenditures of \$2,000 or less?		X
3 Did the organization agree to carryover lobbying and political expenditures from the prior year?	X	

**Part III-B** Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, lines 1 and 2 are answered 'No' OR if Part III-A, line 3 is answered 'Yes.'

1 Dues, assessments and similar amounts from members	1	49,874,949.
2 Section 162(e) nondeductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
a Current year	2a	5,230,000.
b Carryover from last year	2b	
c Total	2c	5,230,000.
3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	7,481,242.
4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5 Taxable amount of lobbying and political expenditures (see instructions)	5	0.

**Part IV** Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5; and Part II-B, line 1i. Also, complete this part for any additional information.

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**Part IV** Supplemental Information (continued)This image shows a full page of primary-ruled paper. It features multiple sets of horizontal dashed lines, each set consisting of three lines (two solid outer lines and one dashed middle line) repeated down the page. The paper is otherwise blank, with no text or other markings.

**SCHEDULE D  
(Form 990)**Department of the Treasury  
Internal Revenue Service

Name of the organization

**Supplemental Financial Statements**

- Complete if the organization answered 'Yes,' to Form 990, Part IV, lines 6, 7, 8, 9, 10, 11, or 12.  
► Attach to Form 990. ► See separate instructions.

OMB No 1545-0047

**2010****Open to Public  
Inspection**

Employer identification number

Securities Industry and Financial Markets Association

32-0178959

**Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

**Part II Conservation Easements.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply)

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or education)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ► \_\_\_\_\_

4 Number of states where property subject to conservation easement is located ► \_\_\_\_\_

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ► \_\_\_\_\_

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ► \$ \_\_\_\_\_

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.**

Complete if the organization answered 'Yes' to Form 990, Part IV, line 8.

1 a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1 ► \$ \_\_\_\_\_

(ii) Assets included in Form 990, Part X ► \$ \_\_\_\_\_

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items

a Revenues included in Form 990, Part VIII, line 1 ► \$ \_\_\_\_\_

b Assets included in Form 990, Part X ► \$ \_\_\_\_\_

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply).

a ☐ Public exhibition

b ☐ Scholarly research

c ☐ Preservation for future generations

d ☐ Loan or exchange programs

e ☐ Other \_\_\_\_\_

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes

☐ No

**Part IV Escrow and Custodial Arrangements.** Complete if organization answered 'Yes' to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1 a Is the organization an agent, trustee, custodian, or other intermediary for contributions or other assets not included on Form 990, Part X?

☐ Yes

☐ No

b If 'Yes,' explain the arrangement in Part XIV and complete the following table:

c Beginning balance

d Additions during the year

e Distributions during the year

f Ending balance

	Amount
1 c	
1 d	
1 e	
1 f	

2 a Did the organization include an amount on Form 990, Part X, line 21?

☐ Yes

☐ No

b If 'Yes,' explain the arrangement in Part XIV

**Part V Endowment Funds.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 10.

1 a Beginning of year balance

b Contributions

c Net investment earnings, gains, and losses

d Grants or scholarships

e Other expenditures for facilities and programs

f Administrative expenses

g End of year balance

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1 a					
b					
c					
d					
e					
f					
g					

2 Provide the estimated percentage of the year end balance held as:

a Board designated or quasi-endowment ▶ \_\_\_\_\_ %

b Permanent endowment ▶ \_\_\_\_\_ %

c Term endowment ▶ \_\_\_\_\_ %

3 a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

(i) unrelated organizations

(ii) related organizations

b If 'Yes' to 3a(ii), are the related organizations listed as required on Schedule R?

	Yes	No
3a(i)		
3a(ii)		
3b		

4 Describe in Part XIV the intended uses of the organization's endowment funds

**Part VI Land, Buildings, and Equipment.** See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1 a Land				
b Buildings				
c Leasehold improvements		21,352,462.	5,501,821.	15,850,641.
d Equipment		13,072,640.	9,787,459.	3,285,181.
e Other				
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c) )				19,135,822.

BAA

Schedule D (Form 990) 2010

**Part VII Investments—Other Securities.** See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) -----		
(B) -----		
(C) -----		
(D) -----		
(E) -----		
(F) -----		
(G) -----		
(H) -----		
(I) -----		
<b>Total.</b> (Column (b) must equal Form 990 Part X, column (B) line 12.)		

**Part VIII Investments—Program Related.** (See Form 990, Part X, line 13)

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
<b>Total.</b> (Column (b) must equal Form 990, Part X, column (B) line 13.)		

**Part IX Other Assets.** (See Form 990, Part X, line 15)

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, column (B), line 15)	

**Part X Other Liabilities.** (See Form 990, Part X, line 25)

(a) Description of liability	(b) Amount
(1) Federal income taxes	
(2) Deferred rent and construction allowance	9,313,826.
(3) Employee benefits payable	10,365,496.
(4) Unamortized loss on abandoned property	3,142,023.
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, column (B) line 25)	22,821,345.

**2. FIN 48 (ASC 740) Footnote.** In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740)

**Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements**

1	Total revenue (Form 990, Part VIII, column (A), line 12)	64,291,432.
2	Total expenses (Form 990, Part IX, column (A), line 25)	70,662,029.
3	Excess or (deficit) for the year Subtract line 2 from line 1	-6,370,597.
4	Net unrealized gains (losses) on investments	895,137.
5	Donated services and use of facilities	
6	Investment expenses	
7	Prior period adjustments	-25,403.
8	Other (Describe in Part XIV)	-3,138,744.
9	Total adjustments (net) Add lines 4 through 8	-2,269,010.
10	Excess or (deficit) for the year per audited financial statements Combine lines 3 and 9	-8,639,607.

**Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return**

1	Total revenue, gains, and other support per audited financial statements	1	65,166,569.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	875,137.
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	875,137.
3	Subtract line 2e from line 1	3	64,291,432.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investments expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	
5	Total revenue Add lines 3 and 4c. (This must equal Form 990, Part I, line 12)	5	64,291,432.

**Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return**

1	Total expenses and losses per audited financial statements	1	73,826,176.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	25,403.
c	Other losses	2c	
d	Other (Describe in Part XIV)	2d	3,138,744.
e	Add lines 2a through 2d	2e	3,164,147.
3	Subtract line 2e from line 1	3	70,662,029.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investments expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	
5	Total expenses Add lines 3 and 4c. (This must equal Form 990, Part I, line 18)	5	70,662,029.

**Part XIV Supplemental Information**

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

Pt X The Association is exempt from federal income taxes under the provision of Section 501(c)(6) of the Internal Revenue Code. Accordingly, the Association is not subject to income taxes except to the extent it has taxable income from activities that are not related to its exempt purposes. The Association utilizes a threshold of more likely than not for recognition and derecognition of tax positions taken or expected to be taken in a tax return. No provision for income taxes was required for fiscal 2011 or 2010.

Pt XI Line 8 Post-retirement related changes other than net periodic post retirement benefit cost - \$1,281,373

**Part XIV** Supplemental Information (continued)

Pt XI Line 8 Amortization of curtailment - \$1,129,391

Pt XI Line 8 Transfer out (Societies) - \$737,980

Pt XIII Line 2d Post-retirement related changes other than net periodic post retirement benefit cost - \$1,281,373

Pt XIII Line 2d Amortization of curtailment - \$1,129,391

Pt XIII Line 2d Transfer out (Societies) - \$737,980

**SCHEDULE I**  
(Form 990)

Department of the Treasury  
Internal Revenue Service

**Grants and Other Assistance to Organizations,  
Governments and Individuals in the United States**

Complete if the organization answered 'Yes,' to Form 990, Part IV, lines 21 or 22.  
▶ Attach to Form 990.

OMB No 1545-0047

**2010**

Open to Public  
Inspection

Name of the organization

Securities Industry and Financial Markets Association

Employer identification number

32-0178959

**Part I General Information on Grants and Assistance**

**1** Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?

☒ Yes ☐ No

**2** Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

**Part II Grants and Other Assistance to Governments and Organizations in the United States.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 21 for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000.

Part II can be duplicated if additional space is needed

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) Scholarship America One Scholarship Way Saint Peter MN 56082	04-2296967	501c(3)	53,100.	0.	FMV	0	Prgm. Support
(2) Lower Manhattan Cultural 125 Maiden Lane, #2 New York NY 10038	23-7348782	501c(3)	10,000.	0.	FMV	0	Prgm. Support
(3) NCSL Foundation for State 7700 East First Place Denver CO 80230	74-2232576	501c(3)	7,500.	0.	FMV	0	Prgm. Support
(4) Congressional Hispanic Ca 911 2nd Street, NE Washington DC 20002	52-1114225	501c(3)	7,000.	0.	FMV	0	Prgm. Support
(5) National Press Foundation 12100 Connecticut Ave, N Washington DC 20036	52-1069481	501c(3)	7,000.	0.	FMV	0	Prgm. Support
(6) -----							
(7) -----							
(8) -----							
<b>2</b> Enter total number of section 501(c)(3) and government organizations			5				
<b>3</b> Enter total number of other organizations			0				

**BAA For Paperwork Reduction Act Notice, see the Instructions for Form 990.**

TEEA3901 10/29/10

Schedule I (Form 990) 2010



**SCHEDULE J**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Compensation Information**

**For certain Officers, Directors, Trustees, Key Employees, and Highest  
Compensated Employees**

- **Complete if the organization answered 'Yes' to Form 990, Part IV, line 23.**  
► **Attach to Form 990.** ► **See separate instructions.**

OMB No 1545-0047

**2010**

**Open to Public  
Inspection**

Name of the organization

Securities Industry and Financial Markets Association

Employer identification number

32-0178959

**Part I Questions Regarding Compensation**

**1 a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> First-class or charter travel  | <input checked="" type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions                     | <input type="checkbox"/> Payments for business use of personal residence            |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees              |
| <input type="checkbox"/> Discretionary spending account            | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)            |

**b** If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If 'No,' complete Part III to explain

**2** Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

**3** Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply.

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Compensation committee              | <input type="checkbox"/> Written employment contract                                |
| <input checked="" type="checkbox"/> Independent compensation consultant | <input type="checkbox"/> Compensation survey or study                               |
| <input type="checkbox"/> Form 990 of other organizations                | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

**4** During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization:

**a** Receive a severance payment or change-of-control payment from the organization or a related organization?

**b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?

**c** Participate in, or receive payment from, an equity-based compensation arrangement?

If 'Yes' to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

**Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.**

**5** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

**a** The organization?

**b** Any related organization?

If 'Yes' to line 5a or 5b, describe in Part III.

**6** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

**a** The organization?

**b** Any related organization?

If 'Yes' to line 6a or 6b, describe in Part III.

**7** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If 'Yes,' describe in Part III.

**8** Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If 'Yes,' describe in Part III.

**9** If 'Yes' to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

Yes No

1 b X

2 X

4 a X

4 b X

4 c X

5 a

5 b

6 a

6 b

7

8

9

**BAA For Paperwork Reduction Act Notice, see the Instructions for Form 990.**

Schedule J (Form 990) 2010

**Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use Schedule J-1 if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations described in the instructions on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

**Note.** The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

(A) Name	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
	(i) Base compensation	(ii) Bonus and incentive compensation	(iii) Other reportable compensation				
1 T. Timothy Ryan	(i) 2,510,476. (ii) 0.	436,000. 0.	0. 0.	29,400. 0.	23,889. 0.	2,999,765. 0.	3,002,672. 0.
2 David B. Krasner	(i) 401,662. (ii) 0.	175,000. 0.	0. 0.	29,400. 0.	15,717. 0.	621,779. 0.	496,282. 0.
3 Randolph C. Snook	(i) 604,818. (ii) 0.	395,000. 0.	0. 0.	31,269. 0.	19,549. 0.	1,050,636. 0.	1,021,305. 0.
4 Kenneth E. Bentsen	(i) 791,674. (ii) 0.	175,000. 0.	0. 0.	29,400. 0.	20,041. 0.	1,016,115. 0.	377,976. 0.
5 Ira D. Hammerman	(i) 447,233. (ii) 0.	330,000. 0.	0. 0.	29,000. 0.	20,239. 0.	826,472. 0.	803,782. 0.
6 Ileana Rosenthal	(i) 409,740. (ii) 0.	150,000. 0.	0. 0.	29,400. 0.	2,799. 0.	591,939. 0.	585,129. 0.
7 Cheryl L. Crispin	(i) 135,341. (ii) 0.	50,000. 0.	0. 0.	22,241. 0.	8,114. 0.	215,696. 0.	0. 0.
8 Richard A. Dorfman	(i) 506,014. (ii) 0.	150,000. 0.	0. 0.	29,400. 0.	13,694. 0.	699,108. 0.	0. 0.
9 Timothy W. Cameron	(i) 393,120. (ii) 0.	100,000. 0.	60,000. 0.	29,400. 0.	16,610. 0.	599,130. 0.	0. 0.
10 Michael Decker	(i) 316,788. (ii) 0.	175,000. 0.	0. 0.	29,400. 0.	16,609. 0.	537,797. 0.	0. 0.
11 Cory N. Strupp	(i) 375,000. (ii) 0.	100,000. 0.	0. 0.	29,400. 0.	125. 0.	504,525. 0.	504,400. 0.
12 Joseph W. Sack	(i) 408,080. (ii) 0.	50,000. 0.	0. 0.	31,269. 0.	14,415. 0.	503,764. 0.	514,910. 0.
13	(i) --- (ii) ---	--- ---	--- ---	--- ---	--- ---	--- ---	--- ---
14	(i) --- (ii) ---	--- ---	--- ---	--- ---	--- ---	--- ---	--- ---
15	(i) --- (ii) ---	--- ---	--- ---	--- ---	--- ---	--- ---	--- ---
16	(i) --- (ii) ---	--- ---	--- ---	--- ---	--- ---	--- ---	--- ---

TEEA4102 07/20/10

Schedule J (Form 990) 2010

BAA

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

Pt I Line 1a SIFMA provided a housing allowance for the benefit of Timothy W. Cameron, Managing Director; the housing allowance was included as taxable compensation on the individual's form W-2 and is reported on schedule J, Part II, Col.B(iii).

Pt I Line 1a SIFMA provided first class air travel when traveling for SIFMA business for T. Timothy Ryan, President and CEO; the first class air travel was excluded as taxable compensation on the individuals' form W-2 because it was incurred for business reasons.

**SCHEDULE O**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990 or 990-EZ**

**Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.**  
▶ **Attach to Form 990 or 990-EZ.**

OMB No 1545 0047

**2010**

**Open to Public  
Inspection**

Name of the organization

Securities Industry and Financial Markets Association

Employer identification number

32-0178959

Pt VI-B, Line 12c See attachment

Pt VI-B, Line 15 See attachment

Pt VI-C, Line 19 See attachment

Pt VI-A, Line 6 See attachment

Pt VI-B, Line 11a See attachment

Pt VI-A, Line 7a See attachment

Pt VI-A, Line 7b See attachment

**SCHEDULE R**  
(Form 990)

Department of the Treasury  
Internal Revenue Service

**Related Organizations and Unrelated Partnerships**

► Complete if the organization answered 'Yes' to Form 990, Part IV, line 33, 34, 35, 36, or 37.  
► Attach to Form 990. ► See separate instructions.

OMB No 1545-0047

**2010**

Open to Public Inspection

Name of the organization

Securities Industry and Financial Markets Association

Employer identification number

32-0178959

**Part I Identification of Disregarded Entities** (Complete if the organization answered 'Yes' to Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) -----					
(2) -----					
(3) -----					
(4) -----					
(5) -----					
(6) -----					

**Part II Identification of Related Tax-Exempt Organizations** (Complete if the organization answered 'Yes' to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501 (c)(3))	(f) Direct controlling entity	(g) Sec 512(b)(13) controlled entity?
(1) SIEMMA FOUNDATION FOR INVESTOR EDUCATION (EIN) 52-1087193 120 BROADWAY 35TH FL, NEW YORK NY 10271	NOT FOR PROFIT CHARITY	DE	501 (C) (3)	9		X
(2) -----						
(3) -----						
(4) -----						
(5) -----						
(6) -----						
(7) -----						

**Part III Identification of Related Organizations Taxable as a Partnership** (Complete if the organization answered 'Yes' to Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Dispropor- tionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) -----												
-----												
-----												
-----												
(2) -----												
-----												
-----												
-----												
(3) -----												
-----												
-----												

**Part IV Identification of Related Organizations Taxable as a Corporation or Trust** (Complete if the organization answered 'Yes' to Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) -----							
-----							
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(2) -----							
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-----							
(3) -----							
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**Part V Transactions With Related Organizations** (Complete if the organization answered 'Yes' to Form 990, Part IV, line 34, 35, 35a, or 36.)**Note.** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule**1** During the tax year did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?**a** Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity**b** Gift, grant, or capital contribution to other organization(s)**c** Gift, grant, or capital contribution from other organization(s)**d** Loans or loan guarantees to or for other organization(s)**e** Loans or loan guarantees by other organization(s)**f** Sale of assets to other organization(s)**g** Purchase of assets from other organization(s)**h** Exchange of assets**i** Lease of facilities, equipment, or other assets to other organization(s)**j** Lease of facilities, equipment, or other assets from other organization(s)**k** Performance of services or membership or fundraising solicitations for other organization(s)**l** Performance of services or membership or fundraising solicitations by other organization(s)**m** Sharing of facilities, equipment, mailing lists, or other assets**n** Sharing of paid employees**o** Reimbursement paid to other organization for expenses**p** Reimbursement paid by other organization for expenses**q** Other transfer of cash or property to other organization(s)**r** Other transfer of cash or property from other organization(s)**2** If the answer to any of the above is 'Yes,' see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

(a) Name of other organization	(b) Transaction type (a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) SIFMA FOUNDATION FOR INVESTOR EDUCATION (FIE)	kq	1,610,806.	actual collected
(2) SIFMA FOUNDATION FOR INVESTOR EDUCATION (FIE)	pr	1,431,997.	actual reimbursed
(3) SIFMA FOUNDATION FOR INVESTOR EDUCATION (FIE)	mn	395,866.	Estimated
(4)			
(5)			
(6)			

**Part VI** Unrelated Organizations Taxable as a Partnership (Complete if the organization answered 'Yes' to Form 990, Part IV, line 37.)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Are all partners section 501(c)(3) organizations?		(e) Share of end-of-year assets	(f) Dispropor- tionate allocations?		(g) Code V-UBI amount in box 20 of Schedule K-1 Form (1065)	(h) General or managing partner?	
			Yes	No		Yes	No		Yes	No
(1) ----- ----- ----- -----										
(2) ----- ----- ----- -----										
(3) ----- ----- ----- -----										
(4) ----- ----- ----- -----										
(5) ----- ----- ----- -----										
(6) ----- ----- ----- -----										
(7) ----- ----- ----- -----										
(8) ----- ----- ----- -----										

**Part VII** Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions).

This image shows a full page of white paper with horizontal dashed lines, typical of primary-ruled notebook paper. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings present.

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Schedule O (Form 990), Supplemental Information to Form 990**Form 990, Page 2, Part III, Line 1 (continued)**

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Briefly describe the organization's mission:

economic growth while building trust and confidence in the financial  
industry. SIFMA, with offices in New York and Washington, D.C., is the U.S.  
refional member of the Global Financial Markets Association (GFMA).

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Schedule O (Form 990), Supplemental Information to Form 990

**Form 990, Page 2, Part III, Line 4d (continued)**

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Describe the exempt purpose achievements for each of the organization's other program services. Section 501(c)(3) and (4) organizations and 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

Code.	Description:
Expenses	<u>Continued serving as a source of market information, including</u>
Grants Of	<u>statistics on many facets of the markekplace and publishing</u>
Revenue	<u>research reports, trade newsletters and other periodicals</u>
	<u>and books.</u>

## Supplemental Information to Form 990

Securities Industry and Financial Markets Association

Tax ID# 32-0178959

**Part I, Line 6:**

The number of volunteers was derived from SIFMA committee participants per the membership data base.

**PART III, Line 4a: Continued development and maintenance of suggested practices that are conducive to efficient conduct of the business of members of the organization:**

**Cross-Border Trade and Investment**

Free Trade Agreements (FTA) and the reduction of barriers to trade and investment offer a vehicle for economic growth during a global recession. SIFMA's Cross-Border Policy and Advocacy Committee, which seeks to improve and solidify U.S. competitiveness in the international arena, strongly supported U.S. participation in FTAs finalized this year with South Korea, Colombia and Panama. These represented the biggest agreements since the 1993 North American Free Trade Agreement (NAFTA). It is projected they will significantly boost American exports, support tens of thousands of American jobs and protect labor rights, the environment and intellectual property. They also include significant provisions for financial services and set a new standard for open and fair markets in financial products and services. SIFMA continues to support U.S. participation in the Trans-Pacific Partnership (TPP), representing one of the fastest growing trade zones in the world. We also will closely follow talks that remain open through the World Trade Organization (WTO), known as the Doha Round. In addition, SIFMA continues to advocate for liberalization and opening of China's capital markets.

**Retirement and Savings**

SIFMA's Retirement and Savings Committee advocates on regulatory and legislative issues affecting retirement and savings products, including products to help save for education. In September 2011, after significant objections were raised by SIFMA, the Department of Labor (DOL) withdrew a proposed change to the definition of fiduciary under the Employee Retirement Income Security Act (ERISA) and the Internal Revenue Code. The definition would have brought many additional providers within the scope of ERISA, affecting the many retail brokers, prime brokers, institutional trading desks, swap dealers, and others who work with pension and 401(k) plans and IRAs. SIFMA's Retirement and Savings Committee will continue to work with DOL to protect 401(k) plan and IRA participants through a re-proposed rule. SIFMA will also continue to advocate for the preservation of retirement savings incentives in the current tax code; provide feedback to the IRS and DOL on the impact of new proposals, particularly fee disclosure and the electronic delivery of information; educate policymakers on the

impact of derivatives legislation on pension plans; and engage state governments by educating them about what retirement plan options are currently available to small and non-profit employers.

### **Tax Policy**

Taxes impact the investment and savings decisions of businesses, investors and families; a comprehensive reform of our business tax laws is a necessary step that would help to grow our economy and create jobs. SIFMA's Tax Policy Group supports comprehensive tax reform that keeps tax rates on capital gains and dividends low and a corporate tax structure that maintains the competitiveness of U.S. businesses in the global economy. Over the past year, SIFMA has advocated on numerous other tax provisions including capital gains and dividends tax policy, active financing exemption, taxation of exchange-traded notes (ETNs), cross border tax provisions such as new regulations governing total return equity swaps, novation of swaps related to the Dodd-Frank Act, cost basis, domestic and foreign financial transaction tax proposals, and the Foreign Account Tax Compliance Act (FATCA). At the state level, over the past year, SIFMA has advocated for equitable state taxation of financial services firms, tax-exempt bond markets and incentives in retirement and higher education savings plans. We have aggressively opposed proposals that would tax services or transactions or that would substantially increase registration fees for registered representatives. In New York, specifically, we are seeking reforms to the corporate tax rules that reflect Dodd-Frank and other changes in the financial services industry.

### **Credit Rating Agency Reform**

During the financial crisis, the volatile movement of credit ratings on certain fixed-income securities – especially, mortgage-backed securities – called the accuracy and effectiveness of these ratings and the agencies that provided them into question. Globally, both legislators and regulators have introduced reforms to address many of these concerns; however, the extraterritorial implications of some reforms have raised additional issues. SIFMA has been working closely with our European partner, the Association for Financial Markets in Europe (AFME), in engaging global regulators and assisting our members in evaluating these domestic EU proposals with significant cross-border impact. In particular, our members have concerns about the negative consequences of European Securities and Markets Authority's (ESMA) proposed credit rating agency endorsement regime. For ratings to be used in EU capital requirement calculations, this regime requires third country jurisdictions establish, by law or regulation, conduct of credit rating activities that are at least as stringent as those in the EU. While we continue to engage in close dialogue with regulators, ESMA has importantly allowed for a maximum delay to determine the effectiveness of individual CRA registrations under the regime as we have encouraged.

### **Expert Networks**

SIFMA issued a set of best practices in September 2011 for its member firms to provide guidance to broker-dealers on engaging and interacting with expert networks and their associated consultants who

provide information that might be useful in forming investment views and in making investment decisions. Expert Networks are entities that refer paid industry professionals ("consultants") to third parties for a fee. These consultants provide third parties with information, advice, analysis, market expertise, or industry expertise for use in formulating investment views and in making investment decisions. SIFMA's best practices include recommendations for a core assessment, training, the role of firm supervision, firm monitoring and oversight, agreements between firms and expert networks, advising consultants of firm policies, and other firm policies and controls related to the use of expert networks.

### **Accounting Policy**

Working closely with committees throughout the Association, SIFMA's Accounting and Capital Division advocates on the multitude of accounting policy issues that impact the operations of our member firms. As part of the International Reporting Standards (IFRS) accounting convergence project, early in 2011, the International Accounting Standards Board (IASB) and the US-based Financial Accounting Standards Board (FASB) published a proposal to align offsetting (or netting) requirements for assets and liabilities on balance sheets. While they have since decided to move forward with different offsetting models, they have agreed to work together on converging disclosure requirements. SIFMA has consistently and strongly advocated for allowing U.S. companies to continue to net derivatives that are subject to a master netting agreement.

### **Cyber Security**

Technology and operations professionals are charged with keeping the financial industry humming while constantly searching for new ways to make industry processes safer. In addition to successfully persuading regulators to extend various technology-related compliance deadlines and to withdraw onerous proposals, SIFMA's Technology and Operations Group established a Cyber Security Working Group to develop industry positions on proposed cyber security legislation and regulations. The working group will also be prepared for legislative and regulatory initiatives at both the federal and state levels.

### **Patent Reform**

SIFMA worked with several financial trade associations to influence the passage of sweeping patent reform legislation in September 2011. The legislation will revolutionize the U.S. patent system by transitioning to a "first-to-file" system, overhauling the Patent and Trademark Office's post-issue review and examination regime, and modifying the procedural and substantive provisions governing patent infringement litigation. This legislation will help to limit frivolous litigation by "patent trolls" which has become increasingly prevalent in the financial services industry.

### **State Government Relations**

SIFMA State Government Relations addresses state legislative and regulatory issues. With states facing significant budget shortfalls, SIFMA spends substantial time in the tax and budget arena. We oppose proposals that unfairly target or burden the industry, affirmatively seek corporate tax reform in places

such as New York, and fight state efforts to reduce escheatment periods for unclaimed property. SIFMA also works to ensure that the state registration process for broker-dealers and registered representatives is streamlined and that the fees are reasonable. We oppose state initiatives that would restrict the sale of specific products, such as structured products, derivatives, and credit default swaps, or would limit state investment in such products. We work to ensure that securities firms can continue to perform criminal and credit background checks on prospective employees, oppose unduly burdensome independent contractor and identity theft bills, and oppose legislation that bans or restricts the states' use of legitimate placement agents. One issue of note, California's new placement agent law, AB 1743, went into effect on January 1, 2011. The law was written such that placement agents were to be treated as lobbyists, subject to both a ban on contingency fee payments and somewhat cumbersome registration and reporting requirements. Its scope, however, was so broad that it improperly captured even routine trading relationships. SIFMA drafted and successfully advocated for amendments to the statute which allow for certain exemptions from these requirements for broker-dealers and mutual fund firms doing business with various state pension funds. These exemptions enabled the focus of the statute to remain on true placement agent activities. In addition, state governments have begun to respond to the Dodd-Frank Act with heightened enforcement and regulatory modernization bills. Under Dodd-Frank, the states have an expanded role over smaller investment advisers. In addition, in New York, Governor Cuomo's bill to consolidate the New York Insurance and Banking Departments into a single entity, the Department of Financial Services, offers the industry modernized regulations reflective of the federal legislation. In Delaware, non-uniform enforcement changes to the securities laws were deferred, but increases in penalties were adopted.

#### **Compliance and Regulatory Policy**

In addition to our advocacy efforts to help shape changes to the compliance infrastructure required by the Dodd-Frank Act, SIFMA continued to aggressively advocate on regulatory or legislative proposals impacting member firms' compliance programs or supervisory systems. This includes proposals on sales practices, registration and qualification of personnel, regulatory examinations, and reporting to and interacting with regulators. We support regulatory changes that promote strong compliance and supervisory systems, but that also take into account the often high costs associated with them. In 2011, SIFMA continued to voice support for a robust, cross-market Consolidated Audit Trail (CAT), but strongly encouraged the Securities and Exchange Commission (SEC) to leverage an existing reporting scheme, such as that required by the Financial Industry Regulatory Authority's (FINRA) Order Audit Trail System (OATS). SIFMA also continued to work closely with FINRA to achieve our shared goal of protecting investors. In 2011, we led industry efforts to help implement FINRA's new Suitability Rule. We succeeded in gaining favorable interpretations of the rule by FINRA and received an extended effective date to allow firms to implement the rule in a responsible manner. We also worked closely with FINRA to help shape the new Operations Professional registration requirements and implementation dates. In addition, SIFMA filed comment letters and continued to advocate on behalf of its members regarding nearly every other rule FINRA proposed in 2011, including among others those rules regarding Mark-Ups, Commissions and Fees; Debt Research; Outsourcing; Communications with the Public; and Supervision.

### **Litigation**

In 2011, SIFMA filed 20 amicus briefs in court cases that raised important policy issues impacting our industry. Most of our briefs concentrated on securities cases where plaintiffs' lawyers sought to expand legal theories, ease pleading standards, or tilt procedural rules in their favor. Our briefs directly contributed to key, pro-industry decisions in Wal-Mart (US Supreme Court), Wilson v. Merrill Lynch (2d Circuit), and Citigroup ERISA litigation (2d Circuit), among others. We also submitted detailed comment letters and met with regulators on litigation-related studies arising from Dodd-Frank, specifically on foreign-cubed jurisdiction and secondary actor liability. These studies were intended to reexamine recent U.S. Supreme Court precedents which set limits on industry liability. In addition to our amicus program, together with the International Swaps and Derivatives Association (ISDA), SIFMA filed a legal challenge to the CFTC's final rules that limit the positions investors may own in certain commodities. The rule – which was poorly crafted, based on an incorrect reading of the law, and lacked sufficient economic and cost-benefit analysis – may adversely impact markets and their participants by reducing liquidity and increasing price volatility.

### **Arbitration**

SIFMA continued our advocacy efforts to improve the quality and fairness of securities arbitration as the exclusive forum to resolve disputes between firms and customers. In doing so, our objective is to preserve the enforceability of pre-dispute agreements to arbitrate (PDAA's), and obviate any SEC action under Dodd-Frank to prohibit or limit the use of PDAA's. Throughout 2011, we worked closely with the Financial Industry Regulatory Authority (FINRA) on all securities arbitration-related matters and submitted mark-ups and amendments to numerous state legislators and regulators on proposals that would affect securities arbitration.

### **The GFMA Partnership**

In light of the increasingly global nature of regulatory reform initiatives, SIFMA has been an active participant in the Global Financial Markets Association (GFMA), the trade association representing global systemically important financial institutions. Together with our partner trade associations – the Association for Financial Markets in Europe (AFME) and the Asia Securities Industry & Financial Markets Association (ASIFMA) – GFMA develops policies and strategies for global policy issues in the financial markets that encourage sound regulation and effectively functioning markets, thereby promoting coordinated advocacy efforts across our partners. Through the GFMA partnership, each member trade association operates independently and is funded by its own regional members. When a specific issue clearly represents a common interest that transcends regional perspectives, GFMA coordinates on-the-ground advocacy efforts in each region.

### **Consistency of Implementation**

GFMA's overarching goal is to coordinate regulatory reform implementation across borders to ensure regulatory arbitrage does not pose a risk to the financial system and to avoid negative extra-territorial effects. As part of this process, we request more transparency and coordination among global regulators and the industry.

### **Basel III Capital and Liquidity Ratios**

As Basel III is implemented across the globe, several timing and consistency issues will arise in different jurisdictions. It is imperative that more robust peer reviews by G-20 countries take place with industry involvement to ensure consistent implementation. While there has been a consensus reached among global regulators on capital requirements, we have yet to reach the same for liquidity coverage ratios (LCRs) and net stable funding ratios (NSFRs).

### **Compensation**

There is no question that compensation must be tied to sustainable long-term performance and effective, independent risk management. However, further mandates on compensation from global bodies such as the FSB must be limited. In the event of pre-existing frameworks, local and regional regulatory authorities must provide appropriate flexibility in the application of compensation provisions.

### **Cross-Border Resolution**

The need for effective cross-border resolution of compromised financial institutions was seen clearly during the 2008 financial crisis. Global harmonization of recovery and resolution planning documentation, firm-specific cooperation agreements, and robust peer reviews are imperative to the safety and soundness of our markets in the event of a firm failure. GFMA has argued that progress on orderly resolution regimes should reduce the amount of any G-SIFI surcharge currently being considered.

### **Financial Transaction Taxes**

The case against a financial transaction tax is strong, and the arguments against it are well known. Such a tax would cycle through the economy, harming retirees and those planning for retirement, issuers, investors, pensioners and businesses. Major economies that have adopted similar tax laws have had overwhelmingly negative results, including reduced asset prices, a shift in trading to other venues, market dislocation and decreased liquidity.

### **Foreign Exchange (FX)**

The Global FX Division was formed to promote efficiency in the global FX market, the world's largest financial market, and to build an infrastructure for the future. It has taken a proactive role in ensuring the industry meets enhanced transparency requirements driven by the G-20, coordinated the selection

of an industry partner to develop an FX trade repository, and taken a leading role in discussions around clearing, execution and reporting consultations.

#### **G-SIFI Identification and Capital Buffer Implications**

In 2011, 29 institutions were identified as global systemically important financial institutions (G-SIFIs) who will be subject to additional capital requirements. Requiring additional capital comes at a cost – most importantly in decreased lending ability which constrains future economic growth. We encourage the Financial Stability Board (FSB) to allow for a five-year phase-in period for these new requirements, as well as optionality and discretion for domestic regulators.

#### **Legal Entity Identifier (LEI)**

A unique ID associated with a single legal entity, LEIs allow for consistent identification of parties to financial transactions. The establishment of an LEI system is a foundational and critically important element towards the improved measurement and monitoring of systemic risk. A global, standardized LEI will enable organizations to more effectively measure and manage counterparty exposure, while providing substantial operational efficiencies and customer service improvements to the industry. Through a coordinated initiative between GFMA and other trade associations, the industry has been working to develop a global, consensus-based LEI solution.

#### **OTC Derivatives**

The swaps market is truly global and requires harmonization of regulatory initiatives across many global regulators on issues including registration, trading, clearing, and pre- and post-trade reporting. Ensuring cross-border cooperation to prevent contradictory and duplicative regulatory oversight in key areas is also necessary, particularly in terms of phase-in, margin requirements for sovereign end users, clearing, trading and reporting requirements, and registration requirements for foreign boards of trade.

#### **Securitization**

International regulatory bodies must view securitization on a global platform; there must be consistency on key issues such as risk retention, international accounting standards and Basel III requirements affecting securitizations. High-quality securitizations should be recognized in global investment-side regulations so as to create a more level playing field with other high quality products and in turn encourage investment and economic growth.

#### **Shadow Banking**

Recently, there has been increased global regulatory attention on shadow banking, an important source of alternative funding and liquidity to corporations, consumers, and other financial market participants. Significant changes to bank prudential requirements in Basel III could lead to a need for increased non-bank funding to complement funding provided by banks. To assist regulators and market participants in

monitoring activity and managing potential sources of risk, GFMA is working with its partner associations to identify and prioritize aspects of the shadow banking system that require the most significant attention.

**PART III, Line 4b: Advocacy for issues of importance to its members:**

**The Dodd-Frank Act**

If you were to take every major financial regulatory act from the early twentieth century – the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Company Act of 1940, the Investment Advisers Act of 1940, the Glass-Steagall Act of 1933 and the Bank Holding Company Act of 1956 – and combine them into one, that is the Dodd-Frank Wall Street Reform and Consumer Protection Act. While Dodd-Frank establishes reams of new law, like most legislation, much of it only provides a framework for a new regulatory architecture requiring volumes of new rules and guidance. It leaves room for interpretation by the regulators who must write and enforce the rules implementing the law. Since its passage in July 2010, regulators have been working to transform this new law into reality through the rulemaking process. In fact, over 70 new rules have been finalized thus far. SIFMA has been a major participant in the process, working closely with our members to provide regulators with substantive comment and analysis to ensure the final rules developed are responsible and workable. The Dodd-Frank Act affects every corner of U.S. financial markets and many global markets, including the customers of the members we serve. Importantly, despite its size and breadth, Dodd-Frank is not the only financial reform effort in the global context. Throughout the world, simultaneous and sometimes conflicting regulatory initiatives are currently underway. There is an increasing web of new and existing regulations, moving at different paces and taking many different forms. It is important to not underestimate the impact of the reforms already in place and the changes the financial industry has already made. We should also not lose sight of the fact that while regulators implement Dodd-Frank, and other reforms are implemented on a regional and global stage, the industry remains subject to a multitude of existing rules, regulations and legislation outside the Dodd-Frank context. In a normal year, SIFMA will engage with regulators and legislators on a whole range of issues related to regulation, compliance and tax. When we look ahead to the next several years and to the next phase of the regulatory process, global policymakers should endeavor to coordinate efforts, avoid duplication and ensure new regulations are supported by sound cost-benefit analysis. Some reforms in the Dodd-Frank Act are beneficial to the financial system, the investors we serve and the greater economy at large.

- Perhaps the single most important new provision of the Dodd-Frank Act is ending the concept of "too big to fail" through the creation of orderly liquidation authority and living wills to wind down failing systemically important financial institutions.
- Also of great importance, Dodd-Frank established the Financial Stability Oversight Council (FSOC) and its Office of Financial Research (OFR), a new systemic risk regulator that will enhance risk management by regulators through monitoring and overseeing risk throughout the financial system.

- To assist FSOC in identifying and monitoring potential systemic risk in financial markets, the OFR is working with the industry to create a Legal Entity Identifier (LEI) that will establish a unique ID associated with a single corporate entity to be used for comprehensive, efficient regulatory reporting.
- The Securities and Exchange Commission (SEC) is developing a proposed rule to establish a uniform fiduciary standard of conduct for brokers and investment advisers providing personalized investment advice. SIFMA has strongly advocated for such a standard, making clear that it must preserve investor choice for the type of account, products and services the retail customer prefers. Other provisions of Dodd-Frank, however, could well prove detrimental to U.S. financial markets and the securities industry's potential to fulfill our role in facilitating capital formation, economic growth and job creation.
- The Volcker Rule, which SIFMA strongly opposed as unworkable and unrelated to the financial crisis, could result in a diminished capacity for traditional market making activities by banks and broker-dealers with bank affiliates. This would reduce liquidity in most, if not all financial product markets, increasing the cost of capital and credit to commercial issuers, lenders and customers.
- The new OTC derivatives market regulatory structure, if poorly constructed – particularly rules governing capital and margin, mandatory clearing and trading, and public reporting requirements – could diminish the availability of important risk management tools for the commercial, municipal and pension fund sectors.
- Proposals such as the prohibition on premium recapture for asset-backed securities would dramatically impact the cost of credit to issuers and lenders who have relied on a robust securitization market to fund capital formation.
- Overly broad and incorrect interpretations of certain provisions run contrary to the original intent of the law. For example, the municipal advisor registration rule could have the effect of putting registered municipal broker-dealers at a distinct disadvantage to unregistered municipal financial advisors. As regulators continue to implement the Dodd-Frank Act, it is vital that financial market participants be actively engaged. We must ensure U.S. financial markets continue to provide sufficient depth and liquidity to match investors with issuers, efficiently allocating capital and fostering economic growth. SIFMA and our members will remain actively engaged with regulators to meet this goal.

### **Corporate Credit Markets**

Corporate bond issuance, a critical source of funding for businesses large and small, has been steadily increasing since dropping dramatically during the financial crisis. High yield issuance continued near record levels. Composite spreads for both investment-grade and speculative-grade bonds continued to widen, mostly due to falling yields on Treasury bonds, a result of investors' flight to quality from continued worries over the European debt crisis and slower-than-expected U.S. economic recovery. However, default rates showed significant improvement from prior quarters. Throughout 2011, SIFMA's Corporate Credit Division led efforts to interpret and comment on several new rules with wide-ranging impact. In close cooperation with SIFMA's Equity Division, a substantial multi-month engagement was undertaken to facilitate our members' interpretation of the Securities and Exchange Commission (SEC)

Market Access Rule. The rule requires brokers and dealers to have risk controls in place before providing their customers with direct access to the market. The rule also mandates certain risk controls be in place for a broker-dealer's own access to the market on alternative trading system (ATS) platforms. SIFMA was able to secure a delay in the effective date for certain aspects of the rule and also facilitated productive dialogue with the SEC to aid market compliance.

### **Covered Bond Markets**

A fundamental component of recent market conditions has been a constraint on liquidity caused in large part by the near dormancy in many areas of the securitization market including, in particular, non-agency residential mortgage-backed issuance. Many market participants believe that covered bonds, while not a replacement for mortgage-backed securities, could provide U.S. domestic institutions with vital access to an additional funding source and added investor base, creating much needed liquidity in our system. Foreign financial institutions have recently ignited domestic investor interest in this market through the issuance of U.S. dollar-denominated covered bonds. Financial institutions in the U.S. have not, however, been able to tap that same investor demand due to the lack of an adequate domestic legal framework for the issuance of covered bonds. SIFMA believes a dedicated legislative covered bond framework will provide investors with the certainty necessary for a robust covered bond market to develop in the U.S. Efforts to further support sustained economic growth should ensure that financial intermediaries have more rather than fewer tools at their disposal to maintain a constant flow of credit through the economy. SIFMA has worked with legislators in both the House of Representatives and the Senate to develop legislation enabling a robust covered bond market in the United States. This year, H.R. 940, the United States Covered Bond Act of 2011, was introduced by Representatives Garrett (R-NJ) and Maloney (D-NY); a corresponding bill in the Senate, S. 1835, was introduced by Senators Hagan (D-NC), Corker (R-TN), Schumer (D-NY) and Crapo (R-ID). These Acts would establish a legal framework that will enable credit to flow more readily from the capital markets to households, small businesses, and state and local governments in a way that further stabilizes the broader financial system. Fundamental aspects of the framework are legal certainty for covered bond programs and public supervision by federal regulators. Through our U.S. Covered Bond Council (USCBC), SIFMA has continued to reiterate our strong support for a dedicated U.S. covered bond legislative framework such as that proposed by the U.S. Covered Bond Act of 2011.

### **Derivatives Markets**

The OTC derivatives markets were already undergoing change when the Dodd-Frank Act was passed. Projects undertaken as part of a Federal Reserve Bank of New York initiative have already transformed significant portions of the credit default and interest rate swaps markets, providing improved transparency, both regulatory and public, via trade warehouses. The Bank of International Settlements (BIS), which has tracked global swap outstandings for years, recently reported that after an increase of only 3 percent in the second half of 2010, total notional amounts outstanding of over-the counter (OTC) derivatives rose by 18 percent in the first half of 2011, reaching \$708 trillion by the end of June 2011.

Throughout 2011, SIFMA engaged in a number of important projects relating to Title VII rulemaking under the Dodd-Frank Act, submitting over 60 comment letters and working with members, policy makers and regulators to ensure a practical and effective regulatory framework is put in place. On behalf of both our buy-side and sell-side members, and in conjunction with other financial trade associations, we have urged the CFTC and SEC to release a thoughtful and coordinated rulemaking implementation phase-in schedule that takes into account the interdependent nature of Title VII rules, as well as the significant operational difficulties and costs associated with compliance. SIFMA has highlighted the need for guidance on the extraterritorial application and the treatment of inter-affiliate transactions under Title VII; these two issues will dictate how market participants structure themselves and operate in the global swap markets. A joint trade association initiative led by SIFMA succeeded in gaining temporary exemption from both CFTC and SEC provisions which were to become self-operative on July 16, 2011 (and again on December 31, 2011, prior to proposed amendments), successfully arguing that these provisions relied on key rules and definitions not yet finalized – thus making compliance near impossible. Further, SIFMA has been working closely with the SEC and the Financial Industry Regulatory Authority (FINRA) to ensure that the Securities Exchange Acts of 1933 and 1934, as well as self regulatory organization (SRO) rules, are sensibly applied to security-based swaps, which are now defined as securities, in a manner which does not unduly burden markets. SIFMA continues to work to ensure practical and effective rules are implemented as it relates to Title VII's entity-level and transactional requirements, highlighted by several notable efforts. SIFMA led a coalition of associations in dialogue and comment submissions on business conduct standards, which played an integral role in assisting the SEC to develop a thoughtful and balanced proposal. In addition, we continue to engage in significant dialogue with the SEC, CFTC, and FINRA in regards to capital and margin requirements.

### **Equity Markets**

The volatility we have seen in the equity markets over the last few years, and in 2011 in particular, has shaken investor confidence in the financial system. When investors experience such volatility, they often pull back from investing which in turn diminishes our chances for economic recovery. The volatility in 2011, coupled with disappointing economic indicators, led to decreases in daily share and trading volumes. Equity underwriting also remained low, and we saw decreases in initial public offerings (IPOs), secondary offerings and M&A activity. SIFMA has been working diligently on behalf of the financial industry to ensure that our markets are stable and just, and that investors can have confidence to invest in them. In the primary markets, the Securities and Exchange Commission (SEC) approved a new Financial Industry Regulatory Authority (FINRA) rule, Rule 5131, which addresses conflicts of interest in the allocation and distribution of initial public offerings (IPOs). SIFMA worked closely with our members to ensure that the final version of the rule was both workable and effective. In the secondary markets, regulators, exchanges and the industry have taken a number of steps to address flaws in the underlying structure of our markets, including those exposed by the May 2010 Flash Crash. Single stock circuit breakers were quickly instituted, and we have seen proposals for a limit up-limit down mechanism and newly-defined market-wide circuit breakers. In addition, a new sponsored access rule was put in place and a new large trader reporting rule is in the process of being implemented. SIFMA will continue to

provide regulators with insights and analyses as they continue to explore other market structure issues, including the impact of computer-based and algorithmic trading on the markets.

### **Housing and Securitization Markets**

While issuance and trading of consumer asset-backed securities (ABS) returned to equilibrium this past year, privately issued mortgage-backed securities (MBS) markets remained depressed. The success of our economic recovery is dependent on the health of our housing markets, which in turn are critically dependent on the revitalization of MBS markets. SIFMA has remained committed to ongoing initiatives that seek to improve market conditions for new issuances and liquidity for secondary market trades. Persistent elevated levels of fails for Agency MBS deliveries create market inefficiencies and increases counterparty risk in these markets. The Treasury Market Practices Group (TMPG) of the New York Federal Reserve and SIFMA recommended a financial penalty to provide an incentive to sellers to deliver securities in a timely fashion. SIFMA worked closely with TMPG and our members to arrive at a two percent fails charge for MBS, as opposed to the originally proposed three percent. This level meets the TMPG's goal to increase market efficiency but also ensures such a rate will not hamper market liquidity. Reform of the government-sponsored enterprise (GSE) housing markets cannot be contemplated without a solid understanding of the importance of the to-be-announced (TBA) markets. These extremely liquid markets involve the forward trades of MBS issued by Freddie Mac, Fannie Mae and Ginnie Mae. Throughout the past year, SIFMA has engaged policymakers in educational dialogue to illustrate the value that the liquid TBA markets provide, and has succeeded in bringing the preservation of TBA trading to the forefront of the housing debate in Washington. In further efforts to increase market transparency, SIFMA led the industry's implementation of the Financial Regulatory Authority (FINRA) TRACE reporting for securitized products. SIFMA and FINRA have exchanged guidance and concerns through ongoing dialogues, and have also developed a more efficient and useful framework. For example, we joined together with CUSIP Global Services to develop standard identifiers for off-the-run TBA trades, avoiding the need for manual identification of each transaction. In addition, SIFMA has provided comprehensive feedback to regulators on a myriad of Dodd-Frank related initiatives. These efforts include detailed industry responses to proposals on risk retention, credit rating agencies and Section 621, which addresses conflicts of interest in securitization transactions. SIFMA supports the alignment of interests of securitization participants through such initiatives, but has repeatedly requested that regulators be mindful of the cumulative impact of all proposed rules as well as that of the general economic climate.

### **Money Markets**

After an initial increase in outstanding volume, the underlying instruments of money market funds – critical sources of short-term funding, including large time deposits and commercial paper – began to decline in the latter half of 2011. Investors, however, continue to show confidence in the product, holding over \$2.5 trillion in assets in these funds. Despite substantial redemptions and wide variances in day-to-day flows this past summer, they were able to provide a consistent and reliable source of funding to retail and institutional investors alike. The Securities and Exchange Commission (SEC) has recently enacted several reforms to money market funds. These reforms included tightened credit quality

standards, shortened weighted average maturities and new liquidity requirements. Moreover, initiatives were taken to improve transparency in the marketplace through mandatory reporting requirements that provide an important window to aid in the evaluation of systemic risk and public access to mark-to-market valuations of funds. In November 2011, the SEC announced its intention to pursue further structural reforms of this industry in coordination with the Financial Stability Oversight Council (FSOC). Specifically, they plan to evaluate forcing money market funds to adopt market-based net asset values (NAVs), or “floating NAVs” – a proposal that will not alleviate concerns regarding potential runs on funds and will create more complications and difficulties for shareholders than it will resolve. In addition, the SEC announced its intention to explore other reforms including capital buffers through liquidity facilities, redemption fees, and subordinated share classes. While SIFMA is supportive of reforms that make markets safer, we cannot support rules that do not have a clear vision of the structural market issues they are trying to solve, especially when the proposed rules threaten the vitality of instruments investors heavily rely on for intra-day cash management needs. SIFMA has stated our strong opposition to such rules, in particular mandatory floating NAVs, in multiple communications including to the SEC and the President’s Working Group on Financial Markets. In other developments, SIFMA and the Depository Trust Clearing Corporation (DTCC) published a joint report on the work of the Money Market Blue Sky Task Force, making specific short- and long-term recommendations to reduce intra-day risk that arises in the settlement process for the commercial paper market. SIFMA and DTCC also partnered to encourage DTCC’s capability to handle very short-term notices for calls of commercial paper, which will be complete by the first quarter of 2012.

### **Municipal Bond Markets**

The recession and subsequent sluggish recovery has affected everyone, including states and municipalities. Primary issuance levels remained subdued throughout the year, trending at levels last seen in 2000. While the municipal sector did experience a handful of defaults and bankruptcies in 2011, industry experts agree the incidents are isolated, de minimis and in line with historical norms as a percentage of issuers and debt outstanding. Importantly, they also agree that, contrary to earlier speculation, there appears to be no substantial systemic credit issues in the municipal market. We do expect to see fiscal pressures continue to exert stress, however, as the economy slowly recovers. To maintain municipal markets as a reliable source for funding and investment opportunities, SIFMA historically has been a vocal proponent of preserving the tax-exempt status for municipal securities. Without tax-exemption, state and local governments would see their costs of credit rise dramatically at the expense of local taxpayers. The pool of retail investors for these securities would decrease; if an issuer cannot find investors, there is a possibility many, especially small issuers, would have difficulty accessing the capital markets efficiently and could instead be restricted to conventional financing such as bank loans. At SIFMA’s urging, in September 2011, the Municipal Securities Rulemaking Board (MSRB) withdrew five premature regulatory proposals related to municipal advisors. SIFMA voiced concerns with imposing a regulatory compliance regime for municipal advisors without a final definition from the Securities and Exchange Commission (SEC), as mandated under the Dodd-Frank Act, on what types of firms or activities are covered. SIFMA worked closely with Rep. Dold (R-IL) to help formulate legislation that would correct the definition of municipal advisor which the SEC has interpreted to capture classes

of activities that Congress did not intend to be included, such as banking services and investment banking activities. We expect the SEC will produce a final municipal advisor registration rule shortly and the MSRB could then move forward on a fulsome regulatory regime. In November 2010, SIFMA joined with state, local and civic leaders in opposing Colorado Amendment 61 and several related initiatives, a little-known proposition with enormous potential impact. This defeated Amendment would have nearly halted all public borrowing in the state and made it nearly impossible for Colorado municipalities to fund such projects as road construction and schools.

### **Rates Markets**

On the whole, issuance of U.S. Treasury securities decreased throughout 2011. In addition, U.S. Treasury yields continued to decline as a result of the continued sovereign crisis in Europe and speculation that the agreement to curb the U.S. budget deficit may impede economic growth. A poll by SIFMA of primary dealers found they expected yield rates to slightly increase through the beginning of 2012. During the U.S. debt ceiling debate this past summer, market volatility rivaled that which we experienced just a few years earlier during the financial crisis of 2008. The trigger for this volatility was not S&P's downgrade of U.S. debt, but rather general concerns about underlying market fundamentals, specifically about the potential for economic growth. In 2008, we needed tools to inject liquidity into a credit freeze. In 2011, we sought fiscal reforms and innovations that drive growth to prove that our economy does, in fact, have the potential to grow. Throughout this period, market participants carefully evaluated the government bond and repo markets, a principal method for brokers to finance inventory used for market-making purposes. While there was some initial choppiness in the markets, they quickly settled down; in fact, Treasury markets rallied and proved a safe haven as investors moved out of volatile equity markets. In connection with the debt ceiling debate, SIFMA worked with our member firms on specific guidance from the New York Federal Reserve to be prepared for a possible default on bill redemption and/or missed coupon payment. In tri-party repo markets, which support Fed-eligible securities financing, SIFMA and our members worked closely with the New York Federal Reserve's U.S. Tri-Party Repo Reform Task Force to address weaknesses by implementing recommendations outlined in their May 2010 report. In particular, dealers are ready for three-way confirmation implementation. In addition, certain statistics have begun to be published, including disclosure of general collateral financing (GCF) repo data.

### **PART III, Line 4c**

SIFMA offers many conference and seminars tailored to meet the diverse needs of its members. They act as a medium through which ideas, experience and information can be exchanged by members for their mutual benefit.

**PART VI, Line 6**

SIFMA is membership organization with following classes of membership:

**Broker-Dealer Members and Asset Manager Members**

Each Broker-Dealer Member and Asset Manager Member shall be entitled to vote with respect to the election of Directors and other matters as may be submitted at any annual or other meeting of Members entitled to vote.

**Associate Members**

Associate Members shall not be entitled to vote with respect to the election of Directors and other matters as may be submitted at any annual or other meeting of Members entitled to vote, and shall not be eligible to serve as Directors of the Association.

**PART VI-A, Line 11A**

The Accounting department of the Organization prepares the Form 990 based on audited financial information. The draft Form 990 is then reviewed by the management and the external independent tax accountant. The Audit and Finance Committee will review the final draft signed off by the external independent tax accountant. This review will be noted as an agenda item at an Audit and Finance Committee meeting and will be duly noted in the minutes. The Form 990 will be provided to all voting members of the Board of Trustees prior to submission to the IRS.

**PART VI-B, Line 12c**

Any employee in a position where his or her objectivity may be questioned because of an individual interest or family or personal relationship is required to notify the General Counsel. Similarly, any employee aware of any transaction or relationship that could reasonably be expected to give rise to a personal conflict of interest is required to discuss the matter promptly with the General Counsel. In addition, once every year directors and all the employees of SIFMA are required to review a copy of the Conflict of Interest Policy and to acknowledge in writing that he or she is compliant.

**PART VI-B, Line 15**

The Executive Committee and the Board acting as compensation committee hires consultants to review comparable packages for any new incoming CEO and officers. The consultant presents data for comparable positions both locally and nationally and the Board's Executive Committee makes the final decision for the salary package.

Currently, CEO and a key senior officer have employment contracts which were approved by the Executive Committee and the Board, governing annual salary increase and any bonus payments. For the remaining senior officers, the annual salary increase and bonus payments are determined by the annual evaluation process which must be approved by the Board's Executive Committee.

**PART VI-C, Line 19**

The Organization does not make public other information, including its governing documents, conflict of interest policy and financial statements.

**PART XI, Line 5**

Net unrealized appreciation on long-term investments	895,137
Post-retirement related changes other than net periodic post retirement benefit cost	(1,281,373)
Amortization of curtailment	(1,129,391)
Transfer out	<u>(727,980)</u>
Total other changes:	(2,243,607)

## Continuation Sheet for Form 990

2010

Department of the Treasury  
Internal Revenue Service

Name of the Organization

Employer identification number

Securities Industry and Financial Markets Association

32-0178959

**Part VII** Continuation: Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
30 Shawn P. Matthews Director	1.00	X						0.	0.	0.
31 Kathleen Murphy Director	1.00	X						0.	0.	0.
32 Timothy P. O'Hara Director	1.00	X						0.	0.	0.
33 Thomas Patrick Director	1.00	X						0.	0.	0.
34 Walter S. Robertson, III Director	1.00	X						0.	0.	0.
35 Timothy C. Scheve Director	1.00	X						0.	0.	0.
36 Joseph E. Sweeney Director	1.00	X						0.	0.	0.
37 James A. Tricarico, Jr. Director	1.00	X						0.	0.	0.
38 David W. Wiley III Director	1.00	X						0.	0.	0.
39 T. Timothy Ryan President and CEO	40.00	X		X				2,946,476.	0.	53,289.
40 David B. Krasner CFO and CAO	40.00			X				576,662.	0.	45,117.
41 Randolph C. Snook Executive Vice President	40.00			X				999,818.	0.	50,818.
42 Kenneth E. Bentsen Executive Vice President	40.00			X				966,674.	0.	49,441.
43 Ira D. Hammerman Senior Managing Director	40.00			X				777,233.	0.	49,239.
44 Ileana Rosenthal Executive Vice President	40.00			X				559,740.	0.	32,199.
45 Cheryl L. Crispen Executive Vice President	40.00			X				185,341.	0.	30,355.
46 Richard A. Dorfman Managing Director	40.00					X		656,014.	0.	43,094.
47 Timothy W. Cameron Managing Director	40.00					X		553,120.	0.	46,010.
48 Michael Decker Managing Director	40.00					X		491,788.	0.	46,009.
49 Cory N. Strupp Managing Director	40.00					X		475,000.	0.	29,525.
50 Joseph W. Sack Deputy Executive Director	40.00					X		458,080.	0.	45,384.