

# 2005

## TAX GUIDE

### *Explaining Your 1099 Forms*

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**B**ear Stearns' 2005 tax guide was prepared in a continuing effort to provide quality service and to keep you informed of any changes in tax reporting. The Consolidated Form 1099-INT-DIV-B-OID will include, if applicable, a separate Form 1099-MISC along with a detailed income statement of both taxable and nontaxable income.

In accordance with Internal Revenue Service (IRS) regulations, all tax information required to be sent to both you and the IRS on the Consolidated Form 1099 was prepared with detailed instructions on the back of each page, and specific instructions are shown on the front of Form 1099-MISC. Information reported in one category is not duplicated in another. *Bear Stearns*<sup>®</sup> mails a Consolidated Form 1099 to the last known address for each account held in the client's name. If you have received a Consolidated Form 1099 with an account number of 158-00001 through 159-99999, please refer to "Other Types of 1099s and Reportable Income" on page 11.

Only one copy of each form is produced. For additional copies, send us a written request. You also may be able to download them from [www.bearstearns.com](http://www.bearstearns.com). **RETAIN YOUR CONSOLIDATED FORM 1099, FORM 1099-MISC, AND THE DETAILED INCOME STATEMENT FOR YOUR TAX RECORDS.**

Please review all information on your 1099 forms and detailed income statement. While we verify the information reported, reclassification of income by an issuer or its paying agent may necessitate a corrected Consolidated Form 1099. If you have any questions relating to the information reported, or believe there is an error, immediately contact your account executive (AE). In addition, we suggest that you discuss your tax reporting questions with a qualified tax advisor.

**It is important that you understand all possible implications of the current tax laws. The penalties for incorrect reporting may greatly outweigh the cost of seeking professional advice.**

**THIS TAX GUIDE IS FOR INFORMATIONAL PURPOSES ONLY AND SHOULD NOT BE CONSTRUED AS TAX ADVICE.**

2005 CONSOLIDATED FORM 1099

**1** Payer's Name, Street Address, City, State, Zip Code and Telephone Number  
BEAR STEARNS

Telephone Number (212) 272-0495

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**2** INTRODUCING FIRM  
XYZ CORPORATION

**3** Recipient's Name, Street Address, City, State and Zip Code

CUSTOMER NAME  
ADDRESS  
CITY, STATE, ZIP CODE

Payer's Federal ID Number	Account Number
<b>4</b> 00-0000000	<b>5</b> 000-00000
Recipient's ID Number	Account Executive
<b>6</b> 000-00-0000	<b>7</b> XXXXXXXXXX

Copy B for Recipient

**8** Original / / 05 **9**  2nd TIN Notice

**10** PLEASE READ THE ENCLOSED TAX GUIDE FOR A COMPLETE EXPLANATION OF THE TAX INFORMATION ON YOUR 2005 CONSOLIDATED FORM 1099. INCLUDED WITH THE CONSOLIDATED FORM 1099 IS AN INCOME SUMMARY STATEMENT OF YOUR 1099 REPORTABLE AND NONREPORTABLE INVESTMENT ACTIVITY. ALL AMOUNTS ON THE CONSOLIDATED FORM 1099 WILL BE REPORTED TO THE IRS. KINDLY CONTACT YOUR ACCOUNT EXECUTIVE WITH QUESTIONS CONCERNING THE COST BASIS OR ANY OTHER INFORMATION.

**11** 2005 FORM 1099-INT: INTEREST INCOME (OMB NO. 1545-0112)

(BOX)	(AMOUNT)
1. Interest Income not Included in Box 3	.00
2. Early Withdrawal Penalty	.00
3. Interest on US Savings Bonds & Treas. Obligations	.00
4. <b>Federal Income Tax Withheld</b>	<b>.00</b>
5. Investment Expenses	.00
6. Foreign Tax Paid	.00

**12** 2005 FORM 1099-DIV: DIVIDENDS & DISTRIBUTIONS (OMB NO. 1545-0110)

(BOX)	(AMOUNT)
1a. Total Ordinary Dividends	.00
1b. Qualified Dividends	.00
2a. Total Capital Gain Distributions	.00
2b. Unrecaptured Section 1250 Gain	.00
2c. Section 1202 Gain	.00
2d. Collectibles (28%) Gain	.00
3. Nondividend Distributions	.00
4. <b>Federal Income Tax Withheld</b>	<b>.00</b>
5. Investment Expenses	.00
6. Foreign Tax Paid	.00
8. Cash Liquidation Distributions	.00
9. Noncash Liquidation Distributions	.00

**13** 2005 FORM 1099-B: PROCEEDS FROM BROKER & BARTER EXCH. TRANS. (OMB NO. 1545-0715)

(1A) DATE OF SALE	(7) DESCRIPTION	(1B) CUSIP	(2) STOCKS, BONDS, ETC. GROSS PROCEEDS	(4) FED TAX WITHHELD			
02/14	***Foster Wheeler Ltd Cl A Quantity 15,000	G36535139	268,000.00	0.00	SHORT SALE		
04/07	AT&T CORP NEW Quantity 1,500	001957505	27,500.00	0.00			
07/01	Delaware St HSG Auth Rev Quantity 50,000	246395AD9	50,000.00	0.00	REDEMPTION		
07/28	TranskaryoticTherapies Inc	893735100	310,800.00	0.00	MERGER		
08/22	Pfizer Inc Quantity 50	717081103	850.00	0.00	TENDER		
08/25	Federal National Mtg Assn Due 06/25/2035 06.675%	31394D4S6	2,398.98	0.00	PRN PAYDOWN		
	6 Items Total		380,548.98	0.00			
(1A) DATE OF SALE OR EXCH	CORPORATION'S NAME, STREET ADDRESS, CITY, STATE, AND ZIP CODE	(1B) CUSIP NO.	(2) STOCKS, BONDS, ETC. (SEE NOTE ON BACK)	(4) FED TAX WITHHELD	(5) NO. OF SHARES EXCH'D	(6) CLASSES OF STOCK EXCH'D	(12) NO LOSS (SEE NOTE ON BACK)
02/12	Coventry Corp 123 Evanston Road Rockville, MI 10637 EIN# 12-3456789	746935762	855.47	0.00	364	Common	X
06/05	A Second Corporation 8 Corporation Drive Spring Mill, MN 28749 EIN# 98-6457268	379283804	2,534.34	0.00	268	Preferred	
10/22	Reorganized Corp 1 The Reorganized Lane Springville, CA 03562 EIN# 64-8461231	537658337	83.56	0.00	54	Other	X
	3 Items Total		3,473.37	0.00			





















