

# 2009

## TAX GUIDE

### Explaining Your 1099 Forms

Sample Consolidated Form 1099 .....	2	Miscellaneous Income Form (1099-MISC)	9
Explanation of Illustrated 1099	4	Explanation of Detailed Income Statement	10
Administrative Information	4	Collateralized Obligations (REMIC/CMO Information)	11
Dividends & Distributions (1099-DIV)	5	Other Types of 1099s & Reportable Income	11
Interest Income (1099-INT)	6	Corrected 1099s	12
Gross Proceeds (1099-B)	7	Not Reported on This 1099	12
Original Issue Discount (1099-OID)	8	Contact Information	12

This 2009 tax guide was prepared in a continuing effort to provide quality service and to keep you informed of any changes in tax reporting. We have modified the format of our 2009 Consolidated Form 1099. 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 tax exempt income.

Please review all information on your 1099 forms and detailed income statement. While we verify the information reported, reclassification of income by an issuer such as a mutual fund may necessitate a corrected Consolidated Form 1099. Please refer to page 12 for additional details. If you hold mutual funds and/or REIT securities, you may wish to consider this before filing your return. 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.

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 and specific instructions are shown on the front of Form 1099-MISC. Information reported in one category is not duplicated in another. J.P Morgan Clearing Corp. 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 & Reportable Income" on page 11.

Only one copy of each form is produced. For additional copies, send us a written request. **RETAIN YOUR CONSOLIDATED FORM 1099, FORM 1099-MISC, AND THE DETAILED INCOME STATEMENT FOR YOUR TAX RECORDS.**

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.

**Sample 2009 Consolidated Form 1099**

J.P. MORGAN CLEARING CORP. 3 CHASE METROTECH CENTER BROOKLYN, NY 11245-0001	Account No:	000-00000	5	INTRODUCING FIRM XYZ CORPORATION
	Account Name:	CUSTOMER NAME	6	2
	Taxpayer Identification Number	000-00-0000	7	
	Account Executive No:	xxx	8	
<i>Original:</i>		/ /10	9	

RECIPIENT'S Name, Street Address, City, State, and Zip Code 3

Payer's Federal Identification Number: 00-0000000 4

CUSTOMER NAME

Payer's Name, Street, City, State, Zip Code:

ADDRESS

CITY, STATE, ZIP CODE

10

J.P. MORGAN CLEARING CORP. 1

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2<sup>nd</sup> TIN Notice

Telephone Number: (212) 272-0495

**2009 Consolidated 1099 Form**

11

2009 FORM 1099-DIV: DIVIDENDS AND DISTRIBUTIONS (OMB NO. 1545-0110)		
1a	Total Ordinary Dividends	\$ 6,585.98
1b	Qualified Dividends	\$ 5,412.00
2a	Total Capital Gains Distribution	\$ 1,008.80
2b	Unrecap Sec. 1250 gain	-
2c	Section 1202 gain	-
2d	Collectibles (28%) gain	-
3	Non dividend distributions	-
<b>4</b>	<b>Federal income tax withheld</b>	-
5	Investment Expenses	-
6	Foreign tax paid	\$ 204.00
7	Foreign country or US possession	Various
8	Cash liquidation distributions	-
9	Noncash liquidation distributions	-

12

2009 FORM 1099-INT: INTEREST INCOME (OMB NO.1545-0112)		
1	Interest Income not included in box 3	\$ 16,279.53
2	Early withdrawal penalty	-
3	Interest on U.S. Savings Bonds and Treasury obligations	-
<b>4</b>	<b>Federal income tax withheld</b>	-
5	Investment Expenses	-
6	Foreign tax paid	\$ 88.09
7	Foreign country or US possession	Various
8	Tax-Exempt Interest	-
9	Specified private activity bond interest	-

Sample 2009 Consolidated Form 1099 (cont'd)

2009 GROSS PROCEEDS

13 2009 FORM 1099-B: PROCEEDS FROM BROKER & BARTER EXCHANGE TRANSACTIONS (OMB NO. 1545-0715)							
(Box 1a)	(Box 7)	(Box 1b)	(Box 2)	(Box 4)	(Box 5)	(Box 6)	(Box 12)
Date of Sale or Exch	Corporation's Name, Street Address, City, State, and Zip Code	CUSIP	Stocks, Bonds, etc. Gross proceeds less commission & option premiums	Federal Income Tax Withheld	No. of Shares Exch'd	Classes of Stock Exch'd	No Loss
02/12	COVENTRY CORP 123 EVANSTON ROAD ROCKVILLE, MI 10637 EIN # 12-3456789	746935762	\$ 855.47		-	364 Common	X

2009 ORIGINAL ISSUE DISCOUNT

14 2009 FORM 1099-OID: ORIGINAL ISSUE DISCOUNT (OMB NO. 1545-0117)			
Date	(Box 5) Security Description	(Box 1) Original Issue Discount for 2009	(Box 6) Original Issue Discount on US Treasury Obligations
05/14	FEDERAL HOME LOAN MTG CORP DUE 07/15/2035 AT 4.517%	\$ 221.31	-
09/28	US TREASURY DUE 08/25/2009 AT 5.006%	-	\$ 1,217.08
<b>Total Original Issue Discount Activity</b>			
1 ITEM - Other than U.S. Treasury obligations		\$ 221.31	
1 ITEM - U.S. Treasury obligations			\$ 1,217.08

- This may not be the correct figure to report on your income tax return. See instructions for Form 1099-OID.

END OF 2009 CONSOLIDATED FORM 1099

This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanctions may be imposed on you if this income is taxable and the IRS determines that it has not been reported.

## Explanation of Illustrated 1099

J.P. MORGAN CLEARING CORP. 3 CHASE METROTECH CENTER BROOKLYN, NY 11245-0001	Account No:	000-00000	<input type="checkbox"/> 5	INTRODUCING FIRM XYZ CORPORATION
	Account Name:	CUSTOMER NAME	<input type="checkbox"/> 6	<input type="checkbox"/> 2
	Taxpayer Identification Number	000-00-0000	<input type="checkbox"/> 7	
	Account Executive No:	xxx	<input type="checkbox"/> 8	
	<i>CORRECTED:</i>		/ /10	<input type="checkbox"/> 9

RECIPIENT'S Name, Street Address, City, State, and Zip Code  3

Payer's Federal Identification Number: 00-000000  4

**CUSTOMER NAME**

Payer's Name, Street, City, State, Zip Code:

**ADDRESS**

**CITY, STATE, ZIP CODE**

10

J.P. MORGAN CLEARING CORP.  1

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2<sup>nd</sup> TIN Notice

Telephone Number: (212) 272-0495

## 1-10 Administrative Information

- 1 J.P. Morgan Clearing Corp. is the payer that clears and reports your transactions both to you and the IRS. The firm's name, address and telephone number are provided for questions regarding this Consolidated Form 1099.
- 2 Telephone number of introducing firm that handles your transactions, if applicable. This firm clears its transactions on a fully disclosed basis through J.P. Morgan Clearing Corp., making J.P. Morgan Clearing Corp. the payer and tax reporting agent.
- 3 Your name and address on file as of December 31, 2009.
- 4 Tax identification number of J.P. Morgan Clearing Corp.
- 5 Your account number at J.P. Morgan Clearing Corp.
- 6 Your account name at J.P. Morgan Clearing Corp.
- 7 Your Social Security number or employer identification number. Please check to ensure that this number corresponds with the name in the recipient's name and address box. Advise your AE of any discrepancy.
- 8 Account executive's (AE) identification number. The name and number of your AE appear on your monthly statement.
- 9 The original and/or corrected Consolidated Form 1099 will be dated.
- 10 2nd TIN Notice: This box will be checked if J.P. Morgan Clearing Corp. has notified you twice within the past three years that your tax identification number (TIN) is incorrect or missing. To rectify this discrepancy, contact your local Social Security Administration (SSA) office and request a copy of Form SSA-3288, which will verify your Social Security number (SSN). To find the office nearest you, call Social Security's toll-free number, 800-772-1213. If you have an employer identification number (EIN), verify this number by requesting Letter 147C from the IRS. The toll-free number for the IRS is 800-829-1040. In accordance with IRS regulations, failure to correct an SSN or EIN will result in government-regulated 28% backup withholding tax on all reportable transactions.

## 11 Dividends & Distributions (1099-DIV)

### 2009 FORM 1099-DIV: DIVIDENDS AND DISTRIBUTIONS (OMB NO. 1545-0110)

1a	Total Ordinary Dividends	\$ 6,585.98
1b	Qualified Dividends	\$ 5,412.00
2a	Total Capital Gains Distribution	\$ 1,008.80
2b	Unrecap Sec. 1250 gain	-
2c	Section 1202 gain	-
2d	Collectibles (28%) gain	-
3	Non dividend distributions	-
<b>4</b>	<b>Federal income tax withheld</b>	-
5	Investment Expenses	-
6	Foreign tax paid	\$ 204.00
7	Foreign country or US possession	Various
8	Cash liquidation distributions	-
9	Noncash liquidation distributions	-

**Line 1a.** Includes all taxable ordinary dividends and any short-term capital gain distributions from mutual funds that are fully taxable.

- 1b.** The portion of the amount in box 1a that may be eligible for the 15% or 0% capital gains rates. See the Form 1040/1040A instructions for how to determine this amount. Report the eligible amount on line 9b, Form 1040/1040A.
- 2a.** Total capital gain distributions (long term) from a regulated investment company (RIC) or real estate investment trust (REIT). Report the amount shown on line 2a on line 13 of Schedule D (Form 1040). However, if no amount is shown on lines 2c-2d and your only capital gains and losses are capital gain distributions, you may be able to report the amount shown on line 2a on line 13 of Form 1040 (line 10 of Form 1040A), rather than Schedule D. See Form 1040/1040A for instructions.
- 2b.** The portion of the amount in box 2a that is Unrecaptured Section 1250 Gain from certain depreciable real property. Report this amount on the Unrecaptured Section 1250 Gain Worksheet-Line 19 in the Schedule D instructions (Form 1040).
- 2c.** The portion of the amount in box 2a that is section 1202 gain from certain small business stock that may be subject to a 50% exclusion and certain empowerment zone stock that may be subject to a 60% exclusion. See the Schedule D (Form 1040) instructions.
- 2d.** 28% rate gain from sales or exchanges of collectibles. If required, use this amount when completing the 28% Gain Worksheet-Line 18 in the instructions for Schedule D (Form 1040).
- 3.** The total amount of nontaxable distributions, if determinable. This includes return-of-capital payments that reduce your cost basis of the stock. This part of the distribution is nontaxable because it is a return of your cost (or other basis).  
You must reduce your cost (or other basis) by this amount for calculating gain or loss when you sell your stock. But if you receive all your cost (or other basis), you must report future nontaxable distributions as capital gains, even though

this form shows them as nontaxable. For more information, see Publication 550, Investment Income and Expenses.

- 4.** Federal income tax withheld (TEFRA) and remitted to the IRS, either by IRS mandate or if you have not provided certification of your tax TIN. Include this amount on your income tax return as tax withheld.
- 5.** The stockholder's pro rata share of certain amounts deductible by a nonpublicly offered RIC (generally a nonpublicly offered mutual fund) in computing its taxable income. If you file Form 1040, you may deduct these expenses on the "Other expenses" line on Schedule A (Form 1040), subject to the 2% limit. This amount is included in line 1a.
- 6.** All money withheld by foreign governments at the time of distribution. The gross amount of the distribution and the amount of the withholding is reflected on your monthly statement, followed by the notation "foreign taxes paid." You can determine the foreign country to which taxes were paid by referring to the prospectus for the specific security or by contacting your AE. You may be able to claim the foreign tax as a deduction or a credit on Form 1040.
- 8.** Cash amount distributed as a partial liquidating payment.
- 9.** The fair market value (noncash) of stock on the date of distribution.

#### What dividend income is reported?

The 1099-DIV section reports all ordinary dividend income, return-of-capital payments, capital gain distributions, partial liquidations and short-term capital gain distributions paid by tax-exempt mutual funds.

#### Why do the December statement and 1099-DIV totals differ?

There are three reasons why the total on your Form 1099-DIV may differ from your December statement totals. Any or all of the following may contribute to the discrepancy:

- 1.** Certain mutual funds and REITs may reclassify part or all of the distributions made. The reclassifications often occur after year end and are not recorded on the December statement.
- 2.** Some mutual funds and REITs are considered constructive receipt payers. Their dividends will have a record date in 2009, but are payable in January 2010. Even though these dividends are not recorded on your December statement, they are reportable in 2009.

#### How are capital gain distributions reported?

The 2009 Form 1099-DIV reports dividend distributions separately by capital gain types. The detailed income statement that is enclosed with your 2009 Consolidated Form 1099 categorizes the type of income received for each security distribution. We suggest that you consult with your tax advisor or use the 2009 IRS Instructions for Schedule D (Form 1040), Capital Gains and Losses, and Publication 550, Investment Income and Expenses, to assist you in filing your Form 1040 return.

#### How is alternative minimum tax reported?

A percentage of the income generated from mutual funds that include municipal bond funds may be subject to the alternative minimum tax (AMT). As required by recent tax law changes, income subject to AMT is reported on Form 1099-INT, line 9, when available. We suggest that you discuss your tax reporting questions with a qualified tax advisor.

## 12 Interest Income (1099-INT)

### 2009 FORM 1099-INT: INTEREST INCOME (OMB NO.1545-0112)

1	Interest Income not included in box 3	\$ 16,279.53
2	Early withdrawal penalty	-
3	Interest on U.S. Savings Bonds and Treasury obligations	-
4	<b>Federal income tax withheld</b>	-
5	Investment Expenses	-
6	Foreign tax paid	\$ 88.09
7	Foreign country or US possession	Various
8	Tax-Exempt Interest	-
9	Specified private activity bond interest	-

- Line 1.** Includes all taxable interest, except on US savings bonds and Treasury obligations. May include total amount of credits from clean renewable energy bonds and Gulf bonds that must be included in your interest income. These amounts were treated as paid to you during 2009 on the credit allowance dates (March 15, June 15, September 15 and December 15). For more information, see Form 8912, Clean Renewable Energy Bond and Gulf Bond Credit.
- Interest or principal forfeited because of early withdrawal of time savings.
  - Includes the periodic interest earned on long-term (greater than one year) debt obligations, US savings bonds, Treasury notes and Treasury bonds. Also includes short-term OID interest on US Treasury bills. This interest is exempt from state and local income taxes. **This amount is not included on line 1.**
  - Federal income tax (TEFRA) withheld and remitted to the IRS either by IRS mandate or if you have not provided certification of your tax TIN. **Include this amount on your income tax return as tax withheld.**
  - Any amount shown is your share of investment expenses of a single-class REMIC. If you file Form 1040, you may deduct these expenses on the "Other expenses" line on Schedule A (Form 1040), subject to the 2% limit. **This amount is included in line 1.**
  - All money withheld by foreign governments at the time of distribution. The gross amount of the distribution and the amount of the withholding is reflected on your monthly statement, followed by the notation "**foreign taxes paid.**" You can determine the foreign country to which taxes were paid by referring to the prospectus for the specific security or by contacting your AE. You may or may not be eligible to take the entire amount shown in line 6 as a foreign tax credit.

- All tax-exempt interest, including exempt-interest dividends from mutual funds or other regulated investment companies. Report this amount on line 8b of Form 1040 or Form 1040A.
- Tax-exempt interest subject to alternative minimum tax. This amount is included in line 8. See the Instructions for Form 6251, Alternative Minimum Tax-Individuals.

#### What interest income is reported?

The interest income reported on Form 1099-INT includes interest paid from corporate bonds, federal agency bonds, credit balances, commercial paper, tax-exempt dividends, taxable and tax-exempt municipal bonds. The rebate fee earned on short security positions in your account will be included on line 1. Municipal bond interest is generally not taxable if it relates to a debt obligation issued by the state or locality. However, some municipal bond interest may be taxable for federal tax purposes. Municipal bonds issued after August 7, 1986 may be subject to the alternative minimum tax. As required by recent tax law changes, when available, J.P. Morgan Clearing Corp. reports AMT income on Form 1099-INT, line 9.

J.P. Morgan Clearing Corp. tracks the purchase price of short-term (less than one year) instruments (on line 1) and US Treasury bills (on line 3), and calculates the accurate short-term OID amount. However, if the securities are not redeemed from the account in which they were originally purchased, J.P. Morgan Clearing Corp. defers to IRS Publication 1212. Therefore, the amount reported may require an adjustment upon preparing your tax return.

#### Why do the December statement and 1099-INT totals differ?

Interest relating to Real Estate Mortgage Investment Conduit (REMICs), Financial Asset Securitization Investment Trust (FASITs) and Collateralized Mortgage Obligation (CMOs) is not included on the original Form 1099; instead it will be recalculated on an accrual basis and reported on a corrected Form 1099 no later than March 15, 2010. Interest income from these obligations is reported on Form 1099-OID and/or Form 1099-INT, line 1. These obligations are not treated as US Treasuries for federal and state income tax purposes because the underlying obligations (i.e., mortgages) are not issued by the US government.

Some Monthly Income Debt Securities (MIDS), Quarterly Income Debt Securities (QUIDS), etc. are subordinated debt securities paying deferrable interest on a monthly or quarterly basis, and are actually OID instruments. An interest payment previously shown on a monthly statement is recalculated on an accrual basis and reported on Form 1099-OID. The interest payment will continue to accrue income for US federal income tax purposes even though interest may not be paid on a current basis.

#### How is accrued interest reported?

Accrued interest earned on the sale of bonds is reported as interest income on the settlement date. Accrued interest paid by you on bond purchases is included on the detailed income statement as "short accrued interest." It is not deducted by J.P. Morgan Clearing Corp. from the reportable interest income total. Accordingly, you should subtract the accrued interest paid on the purchase of a bond from the amount reported on Form 1099-INT. Both of these amounts should be listed separately on Form 1040, Schedule B.

## 2009 GROSS PROCEEDS

## 2009 FORM 1099-B: PROCEEDS FROM BROKER &amp; BARTER EXCHANGE TRANSACTIONS (OMB NO. 1545-0715)

(Box 1a)	(Box 7)	(Box 1b)	(Box 2)	(Box 4)	
Date of Sale or Exch	Description	CUSIP	Stocks, Bonds, etc. Gross proceeds less commissions & option premiums	Federal Income Tax Withheld	Transaction Description
02/12	COVENTRY CORP QUANTITY: 2,138	222853101	\$ 19,159.88	-	
03/12	**EURO PACIFIC GROWTH FUND-SBI QUANTITY: 164	298706102	\$ 891.00	-	SHORT SALE
10/24	SUBMICRON SYSTEMS CORP QUANTITY: 125,000	864313AC3	\$ 91,983.30	-	
<b>3 ITEMS - Total</b>			<b>\$ 112,034.18</b>	-	

## 2009 FORM 1099-B: PROCEEDS FROM BROKER &amp; BARTER EXCHANGE TRANSACTIONS (OMB NO. 1545-0715)

(Box 1a)	(Box 7)	(Box 1b)	(Box 2)	(Box 4)	(Box 5)	(Box 6)	(Box 12)
Date of Sale or Exch	Corporation's Name, Street Address, City, State, and Zip Code	CUSIP	Stocks, Bonds, etc. Gross proceeds less commission & option premiums	Federal Income Tax Withheld	No. of Shares Exch'd	Classes of Stock Exch'd	No Loss
02/12	COVENTRY CORP 123 EVANSTON ROAD ROCKVILLE, MI 10637 EIN # 12-3456789	746935762	\$ 855.47	-	364	Common	X

Form 1099-B reports both gross proceeds and changes in corporate control and capital structure, net of commissions, on a trade or effective date basis. Each transaction listed on Form 1099-B includes the trade date, brief security description, CUSIP reference number, total amount of money received from the transaction, federal income tax (TEFRA) withheld on settlement date, if applicable, and quantity. Additionally, changes in control or changes in capital structure transactions will include the corporation's name, address and EIN number, class type of the exchange and whether or not you can report the loss.

Any sale with a 2009 trade date settling in January 2010 will be recorded on the 2009 Form 1099-B. If federal income tax (TEFRA) was withheld, it is deducted on settlement date and will not be reported until 2010. Proceeds from Treasury bills sold before redemption are reported on Form 1099-B. Exchanges involving MIDS, QUIDS, mutual funds, etc. are reported at fair market value on the date the new security commences trading. Consult with your tax advisor to analyze the federal, state and local tax consequences on these securities.

Accrued interest earned as part of the gross proceeds on a bond sale is reported separately on Form 1099-INT based on settlement date. Principal payment for mortgage- and asset-backed securities is reported based on effective date.

Proceeds required to be reported on your Capital Gain and Loss Schedule may be different than the amount reported on Form 1099-B. For example, opening short sales listed on Form 1099-B may not be taxable this year. Also, the original cost basis for obligations receiving principal paydowns and reported in 2009 must be adjusted. You are required to reconcile and explain any differences to the IRS on Form 1040, Schedule D. Additionally, you may be required to recognize a gain from the receipt of cash, stock or other property that was exchanged by the corporation's stock. However, if box 12 is checked, you cannot take a loss on your tax return based on gross proceeds from an acquisition of control or substantial change in capital structure reported in line 2.

### 13 Gross Proceeds (1099-B) (Continued)

The detailed income statement provides investment activity transactions not required to be reported on Form 1099-B by broker-dealers. It includes 2009 purchases, principal accretions and dividend reinvestments. Details for option purchases, sales and expired option transactions will be listed separately. The detailed statement will include the trade date, description, type of transaction, price, CUSIP number, amount, comment and quantity. The information for proceeds on sales will be listed only on the Consolidated Form 1099-B.

When a security is purchased or sold, you receive a trade confirmation and a monthly statement, both reflecting the cost basis. If you need a copy of your statement for transaction-specific information, please contact your AE or the introducing firm shown on the Consolidated Form 1099.

The column to the right of each transaction denotes the source of revenue as shown here:

Adjustment	Foreign transactions converted to US dollars; corrections of previous 1099-B entries
Cancel	
Cash-in-Lieu	Greater than \$20
Merger	
No Code	Sale
PRN Paydown	Principal paydown
Redemption	
Short Sale	
Tender	For any stock or debt obligation

### 14 Original Issue Discount (1099-OID)

#### 2009 ORIGINAL ISSUE DISCOUNT

##### 2009 FORM 1099-OID: ORIGINAL ISSUE DISCOUNT (OMB NO. 1545-0117)

Date	(Box 5) Security Description	(Box 1) Original Issue Discount for 2009	(Box 6) Original Issue Discount on US Treasury Obligations
05/14	FEDERAL HOME LOAN MTG CORP DUE 07/15/2035 AT 4.517%	\$ 221.31	-
09/28	US TREASURY DUE 08/25/2009 AT 5.006%	-	\$ 1,217.08
<b>Total Original Issue Discount Activity</b>			
1 ITEM - Other than U.S. Treasury obligations		\$ 221.31	
1 ITEM - U.S. Treasury obligations			\$ 1,217.08

- **This may not be the correct figure to report on your income tax return. See instructions for Form 1099-OID.**

**Line 1.** Shows the OID on the obligation for the part of the year you owned it. Report the amount in box 1 as interest income on your tax return. However, you may need to adjust this amount if you paid acquisition premium or bond premium (see IRS Publication 1212 for more information).

- Description and maturity date of an individual obligation.
- OID on a US Treasury obligation. Report this amount on your federal income tax return; refer to IRS Publication 1212 for any adjustments to this amount. **This OID is exempt from state and local income taxes and is not included in line 1.**

The OID interest reported on Form 1099-OID is based on the assumption that the debt instrument was bought on the date it was originally offered to the public at the initial offering price. OID represents the difference between the stated redemption price at

maturity and the original issue price of the bond, debenture, note or other debt instrument. OID is reported as it accrues, whether or not any payments are received prior to maturity. OID is taxable over the life of the obligation and is calculated based upon the number of days during the year that you actually held the security.

If the debt instrument was not bought at original issue price, an adjustment to the amount reported on Form 1099-OID may be necessary when preparing your tax return. However, the amount reported on Form 1099-OID should be included on Schedule B of your federal income tax return and adjusted based on your cost. We recommend that you obtain a copy of IRS Publication 1212 and/or consult with your tax advisor.

**Details on OID for REMIC and CMO securities are not included on the original Consolidated Form 1099; instead they will be reported on a corrected Consolidated Form 1099, mailed and postmarked no later than March 15, 2010.**



## Miscellaneous Income Form (1099-MISC)

J.P. MORGAN CLEARING CORP.  
3 CHASE METROTECH CENTER  
BROOKLYN, NY 11245-0001

Account No: 000-00000 [5]  
Account Name: CUSTOMER NAME [6]  
Taxpayer Identification Number 000-00-0000 [7]  
Account Executive No: xxx [8]

INTRODUCING FIRM  
XYZ CORPORATION

CORRECTED: / / 10 [9]

RECIPIENT'S Name, Street Address, City, State, and Zip Code [3]

Payer's Federal Identification Number: 00-0000000 [4]

CUSTOMER NAME

Payer's Name, Street, City, State, Zip Code:

ADDRESS

CITY, STATE, ZIP CODE

[10]

J.P. MORGAN CLEARING CORP. [1]

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### 2009 MISCELLANEOUS INCOME

Telephone Number: (212) 272-0495

#### 2009 FORM 1099-MISC: MISCELLANEOUS INCOME (OMB NO. 1545-0115)

(Box 1)	(Box 2)	(Box 3)	(Box 4)	(Box 7)	(Box 8)	(Box 14)
Rents	Royalties	Other Income	Federal Income Tax Withheld	Non-Employee Compensation	Substitute Payments in lieu of Dividends or Interest	Gross Proceeds Paid to an Attorney
-	-	-	-	-	\$ 117.00	-

#### END OF 2009 FORM 1099-MISC

- Box 1.** Report rents from real estate on Schedule E (Form 1040). If you provided significant services to the tenant, sold real estate as a business, or rented personal property as a business, report on Schedule C or C-EZ (Form 1040).
- Income from royalty trust payments has been reported if you own a certificate or unit of beneficial interest in a royalty trust and you have not been issued a Schedule K-1.
  - Other income may include prizes, awards (not for services rendered), punitive and other taxable damages paid over \$600.00 (e.g., contract fees).
  - Federal income tax withheld, either by IRS mandate or if you have not provided certification of your tax TIN. **Include this amount on your income tax return as tax withheld.**
  - May include fees, commissions, prizes and awards for services rendered.
  - Payment in lieu of (a) tax-exempt interest to the extent that interest (including OID) has accrued while a short sale was open, and (b) a dividend, if the ex-dividend date is after the transfer of stock for use in a short sale, but before the closing of the short sale. Payments in lieu of interest and dividends are required to be reported on Form 1099-MISC for certain accounts, including corporate accounts.
  - Shows gross proceeds paid to an attorney in connection with legal services. Report only the taxable part as income on your return.

## Explanation of Detailed Income Statement

The detailed income statement (not shown) is a summary of your 2009 Consolidated Form 1099 reportable and nonreportable investment activity. The statement includes totals for the various types of income, e.g., dividends, capital gain distributions, substitute payments and interest. Also detailed are purchases and all option transactions, including those that will settle after December 31, 2009, and the original issue discount (OID) for each applicable debt obligation held.

### Dividends

- Securities listed alphabetically and chronologically by payment
- A total for nonqualifying dividends, qualifying dividends, investment expenses, long-term gains, unrecaptured section 1250 gains, section 1202 gains, collectibles 28% gain, return of capital, liquidations and, if applicable, TEFRA or foreign tax withheld

### Interest Details

- A total of credit interest
- Bonds listed alphabetically and chronologically by payment
- Classified as nongovernment interest and US government interest
- A separate total of nongovernment interest and US government interest
- Early withdrawal penalty and investment expense
- Tax-exempt interest from municipal bonds
- Tax-exempt dividends from mutual funds or other regulated investment companies
- A total for tax-exempt interest/dividends
- A separate total for interest subject to alternative minimum tax (AMT)

### Miscellaneous Income

- Rent
- Royalty income (K-1 was not issued)
- Other income
- Nonemployee compensation
- Substitute payments
- Attorney fees

### Tax Exempt Original Issue Discount

- Description of instrument, cusip number and total OID amount for each security

### Investment Activity Details

- All 2009 purchases, principal accretions and reinvestments
- Listed in CUSIP, date order
- All purchases will include the date, security description, cusip number, transaction type, quantity, price and amount
- Other distributions, including stock spin-offs and stock splits
- Option trades—includes purchases, sales and expirations (broker-dealers are not required to report option trades to the IRS; therefore, they are not included on Form 1099-B)

**Sales proceeds are provided only on the 2009 Consolidated Form 1099-B**

## Explanation of Detailed Income Statement (Continued)

### Other Distributions & Charges

- A total of margin interest and short debit fees
- ADR fees - a nondeductible fee charged on dividend payments of foreign securities
- Master limited partnerships (MLPs)
- Short accrued interest—accrued interest paid on the purchase of a bond, which is not deducted from the total interest reported
- Short charges —dividend or capital gains paid on the purchase of a security , which is not deducted from the total dividend reported
- Distribution

### Collateralized Obligations (REMIC/CMO Information)

- Separate statement for each security
- Details for each security include description, cusip number, maturity date, amount reported on 1099-OID and/or 1099-INT, total position, days held, OID and/or INT rate, OID and/or INT amount accrued, market discount fraction and investment expenses, if applicable

## Collateralized Obligations (REMIC/CMO Information)

REMIC/CMO TAX INFORMATION IS NOT INCLUDED ON THIS 1099 BUT WILL BE PROVIDED ON AN AMENDED 1099 BY MARCH 15, 2010.

If you received a Consolidated Form 1099 with this message, it means that you will receive a corrected Consolidated Form 1099 with a detailed statement and an additional statement for REMIC/CMO securities postmarked by March 15, 2010.

### Combinable and/or Exchangeable REMICs

- The additional OID statement cusip number could be different than the original purchased cusip number.
- A deal structured to allow investors to exchange the classes purchased for other securities backed by the same cash flow is referred to as a “combinable REMIC”.
- Issuers of combinable REMICs include Fannie Mae (RCR), Freddie Mac (MACR) and Ginnie Mae (MX classes).
- The detailed income statement and the additional OID statement will reference the CUSIP number of the original position relating to the combinable REMIC.

## Other Types of 1099s & Reportable Income

- If you had futures transactions, you will receive a separate Form 1099.
- If your Individual Retirement Account (IRA), Keogh, pension plans or profit sharing trusts accounts had reportable transactions, you will receive Form 1099-R. Please contact the Retirement Services Department at 347-643-9603 with any questions.
- If you had transactions in a foreign currency (e.g., yen or pounds), your gross proceeds, dividends and interest will be converted to US dollars on the trade or effective date. These transactions will be reported on your applicable Form 1099.
- Although you are not a direct client of J.P. Morgan Clearing Corp., if you received a Consolidated Form 1099 with an account number beginning with 158 or 159 and AE number of “IMY” (refer to page 2, items 5 and 8), you are a beneficial owner in a nonqualified intermediary/nonwithholding foreign partnership account held at J.P. Morgan Clearing Corp. The name, address and account number of the nonqualified intermediary/ nonwithholding foreign partnership account will appear at the end of the detailed statement. In accordance with IRS regulations, the nonqualified intermediary/ nonwithholding foreign partnership account must provide to J.P. Morgan Clearing Corp. an allocation schedule of your share of the income distribution. Your percentage of income is then calculated and reported on the applicable 1099 tax form.
- If your primary address is in the state of California, Connecticut or New York, J.P. Morgan Clearing Corp. is required to file a report of municipal bond interest. The 1099-INT section of the Consolidated Form 1099 provides the total amount reported to each state. Details with security descriptions are found in the detailed income statement. Residents of Puerto Rico will receive a Form 480.6A and/or Form 480.6B by February 28, 2010.

## Corrected 1099s

You may receive an amended Consolidated Form 1099 for one or more of the following reasons:

- Your mutual funds and/or REITs reclassified all or part of their distributions after December 31, 2009. Since these reclassifications occurred after the original Consolidated Form 1099 was issued, a correction was necessary.
- The mutual funds and/or REITs you own declared a dividend in the last quarter of 2009 that was not payable until January 2010.
- You owned stock in a corporation that had a change in control or a substantial change in capital structure and the corporation has reasonably determined that you may be required to report a gain from the exchange. In accordance with IRS regulations, J.P. Morgan Clearing Corp. must forward to you this information on Form 1099-B.
- You owned REMICs or CMOs. Interest relating to REMICs and CMOs is reported on an accrual basis. In accordance with IRS regulations, this information will be sent to you by March 15, 2010.
- After verifying the reporting method and actual calculations from the issuing firm, J.P. Morgan Clearing Corp. discovered a reporting error that made it necessary to issue a revised Consolidated Form 1099.
- A newly signed W-9 Form, changing the SSN or EIN reflected on the original 2009 Consolidated Form 1099, was received.

## Not Reported on This 1099

- Nonreportable items, including margin interest paid by you, short accrued interest, short debit fees, purchases and principal accretions (increase in your holding of a REMIC or CMO with a Z tranche), are listed under the applicable category of the detailed income statement.
- If you received distributions directly from a corporation because securities are registered in your name, then the corporation—not J.P. Morgan Clearing Corp.—must provide you and the IRS with the applicable Form 1099.
- Master limited partnership (MLP) and limited liability company (LLC) distributions will be reported directly by the MLP/LLC on Schedule K-1.

## Contact Information

For your convenience, we have included the following telephone numbers and websites for your use in obtaining additional information:

1099 Tax Reporting	212-272-0495	
Retirement Services	347-643-9603	
Internal Revenue Service	800-829-1040	<a href="http://www.irs.gov">www.irs.gov</a>
Social Security Administration	800-772-1213	<a href="http://www.ssa.gov">www.ssa.gov</a>

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