

Worried about cost basis reporting? Concerned about being 1099-B compliant-ready for upcoming 2011 tax regulations? Anxious about properly identifying wash/constructive sales and how they impact your 1099-B? The Answer: **TaxGopher™**. This powerful tax analysis engine from G2 Systems, LLC delivers the cost basis reporting solution you need. TaxGopher provides a clear picture of the tax ramifications for all of your trading activities. It is designed to augment your existing portfolio accounting system and create the adjustments necessary to produce a compliant 1099-B.

1099-B Compliance Made Easy. Using trade data from your portfolio management system, TaxGopher automatically identifies critical events, such as Wash Sales, Straddles, Constructive Sales and more. TaxGopher reports provide you with the key data necessary to maintain an up-to-date tax profile. For example, one report helps you proactively identify wash/constructive sales, including the total amount that will be disallowed by the IRS. Another TaxGopher report details disallowed losses by lot and lists the necessary cost adjustments to carry forward the loss into future periods. Those cost adjustments can be auto-fed into your general ledger system so that, once those lots are eventually liquidated, realized gain or loss is correct.

Other TaxGopher features allow you to group specific securities to comply with the substantially identical rule and to override

specific transactions when necessary. End Result: Compliance with IRS 1099-B reporting requirements becomes routine.

Options. TaxGopher Clients can choose the solution that works best for them. TaxGopher can be installed inside your operation and live side-by-side with your existing portfolio accounting system. Or, Clients can send G2 its trade data and G2 will process it for them.

Massively Scalable. Regardless of the size of your organization, TaxGopher delivers the solution you need. Whether you run TaxGopher on a handful of accounts or millions of accounts, each instance of the software can process hundreds of thousands of transactions in seconds.

Smooth Integration. TaxGopher easily integrates with your firm's current portfolio accounting system. It instantly accesses all the critical data necessary to run tax analyses on your investments so you know your tax liabilities. TaxGopher "talks" to your portfolio accounting system either through an easy-to-use command line interface OR with a direct link to your database.

Get TaxGopher and readily comply with 1099-B reporting regulations.

Features

Wash Sales: TaxGopher automatically identifies wash sales and allows you to construct families of specific 'substantially identical' securities. Cost basis adjustments can be automatically fed back to your general ledger system.

Sometimes transactions need to be considered exempt from wash sales or exempt from being considered 'substantially identical' to another security. TaxGopher lets you easily override either the transaction or the security-grouping for wash sale calculation purposes.

Substantially Identical Securities: TaxGopher readily addresses 'substantially identical' securities, one of the biggest hurdles involved in computing wash sales. It lets you readily group 'substantially identical' securities. This grouping feature works for any type of security, including options, stocks, rights, warrants, convertible bonds, ADR's, and preferred shares and makes it easier to comply with IRS 1099-B reporting requirements.

Straddles: When both sides of the wash sale are not equities, rule 2 of the wash sale tax logic cuts in and disallows a portion of the loss based upon the unrealized gain of the offsetting transaction. TaxGopher identifies this special case of wash sale and applies the correct tax lot offset to the straddle trade.

TaxGopher gives you the option to reverse the apparent direction of certain transactions in order to allow for reverse risk scenarios, such as long puts and short calls when determining matching transactions.

Constructive Sales: Sometimes an investor inadvertently executes a constructive sale. TaxGopher identifies constructive sales and reports taxable gains in a concise, effective format.

Out-of-the Box Reports: Provide information regarding current wash sales and cumulative disallowed losses.

Reports	<p>Disallowed Losses Report: Lists all tax lots with closing transactions that qualified as wash sales and straddles and the amount of loss which was disqualified.</p> <p>Cost Adjustment Report: Lists all open tax lots that have a cost adjustment, the amount of the adjustment on a lot, and per share basis.</p>	<p>Constructive Sales Report: Lists all open tax lots on securities that have concurrent offsetting long and short positions.</p> <p>Wash Sales by Issuer: A summary report of all securities and their 'substantially identical' families that represents the amount of loss disallowed across all tax lots and trades for a particular issuer.</p>
Benefits	<p>Multiple/Detailed Reports: Maintain an up-to-date tax profile. TaxGopher reports provide critical information ranging from daily disallowed loss to a list of securities that, if traded, will result in a disallowed loss. Reports detailing disallowed losses include the precise trade(s) that created the wash/constructive sale.</p> <p>Routine Compliance: TaxGopher makes compliance with various IRS rulings and the IRS 1099-B easy. It lets you group securities or exempt particular transactions to abide by IRS regulations.</p> <p>Speedy Integration: Within a few hours of a TaxGopher installation, you can receive data on the effects of wash sales and straddles on your portfolios. TaxGopher has a simple API to allow clean integration with any proprietary or commercial accounting system. It also has</p>	<p>socket and command-line interfaces for clean integration with any batch processing system.</p> <p>Ease of Use: TaxGopher minimizes the learning curve involved with any new software. It has an easy-to-use GUI with simple input requirements that ease data integration with your general ledger or order management software. TaxGopher also lets accountants use any standard or custom closing methods.</p> <p>Easily and Massively Scalable: Keep pace with increased business volume. Lightweight and flexible, TaxGopher can sit locally on a user's PC or on any application server and fits with any hardware infrastructure. Each instance of the software can process hundreds of thousands of transactions in seconds.</p>
System Requirements	<ul style="list-style-type: none"> • RDBMS, such as SQL, DB2, Oracle, Sybase • Windows Server 2003 or Solaris 10 or Linux 	<ul style="list-style-type: none"> • A portfolio accounting platform, such as Geneva[®], VPM, InvestOne, Eagle or PAM
Product License Includes	<p>Data Schema: A relational DBMS schema that can be installed in SQL, Oracle, Sybase or DB2. It is indexed and comes with column-level documentation.</p> <p>Data Processing Engine: Scans the data extracted from your portfolio management system into your database and produces the analysis of your wash sales, constructive sales and qualified dividends.</p>	<p>Graphical User Interface: TaxGopher includes an intuitive interface that lets you easily browse all the raw data it uses. The TaxGopher GUI lets you readily classify 'substantially identical' securities, exclude options trades that do not qualify and execute analyses on target portfolios.</p>
About G2 Systems, LLC	<p>G2 is a boutique software and consulting firm that serves the dynamic needs of Hedge Funds, Brokerage Firms and Fund Administrators with solutions that help Clients improve their business operations. G2 has its own suite of software and its systems engineers, fund accountants and operations staff provide consulting expertise in:</p> <ul style="list-style-type: none"> • Investment Management, Fund Accounting and Operations Systems • Custom Software Development <p>G2's Clients, including over three dozen Hedge Funds, Brokerage Firms and Fund Administrators, expect IT solutions to meet business needs and improve their operating environment. G2 recognizes and delivers on this expectation.</p>	<p>Years of Hands-On Experience. A Comprehensive Approach. Comprised of proven industry insiders, the G2 team is well-versed in both finance and information technology. G2's technical and business know-how comes from hands-on experience at both multi-billion dollar hedge funds and proprietary investment departments of major brokerage houses.</p> <p>With in-depth knowledge spanning fund accounting to custom software development, the G2 team helps Clients optimize their IT budgets and make the most of existing systems — all without expensive missteps.</p> <p>G2 also provides staffing and outsourcing solutions for front, mid and back-office systems.</p>