

INTRODUCING SCHWAB'S REVISED FORM 1099 COMPOSITE

As a result of new tax reporting requirements, in 2012 Schwab will provide you with updated year-end tax reporting forms. Our Form 1099 Composite (sent only to taxable accounts) will include an updated Form 1099-B and a new Year-End Summary, which will consolidate all of your tax information in one report to help make tax preparation easier.

Covered and Uncovered Securities

Although the IRS requires reporting only for covered securities, Schwab will provide cost basis to you for all securities—covered and uncovered—because you will need this information to file your taxes.

Snapshot of What's New

The revised Form 1099-B now displays five new data fields:

- Date of acquisition
- Adjusted cost basis
- Disallowed wash sale losses
- Covered and uncovered securities
- Holding period

The new Year-End Summary replaces the Account Summary in the previous Form 1099 Composite. The new summary contains a table of contents to

help you more easily find information and has been reorganized to group information by the various Form 1040 schedules you may need to complete. The summary will now include the following information:

- Realized gain/loss summary
- Summary of fees and expenses
- Amortization and accretion information

Now that the Year-End Summary will contain Realized Gain/Loss information, the Year-End Gain/Loss Report has been retired for taxable accounts.

FORM 1099-B

charles SCHWAB

Schwab One® Account of
DANA JONES

Account Number
1111-9999

**TAX YEAR 2011
FORM 1099 COMPOSITE**

Recipient's Name and Address

DANA JONES
JOHN JONES
C/O SAMPLE GLOBAL ENTERPRISE
3RD FLOOR, SUITE 1800
1234 MAIN STREET
ANYTOWN, US 12345
Taxpayer ID Number: ***-**-0000
Account Number: 1111-9999

Payer's Name and Address

CHARLES SCHWAB & CO., INC.
211 MAIN STREET
SAN FRANCISCO, CA 94105
Telephone No: (800) 435-4000
Federal ID Number: 94-1737782

Date Prepared: January 11, 2012

Proceeds From Broker Transactions—2011

Form 1099-B

Department of the Treasury—Internal Revenue Service Copy B for Recipient (OMB No. 1545-0715)

COST BASIS METHOD: Mutual Funds: Average; All Other Investments: First In First Out (FIFO)

8 Type of gain or loss: Short-term

9—Description	CUSIP Number	Quantity **	1a—Date of sale or exchange	1b—Date of acquisition	2—Sales price of stocks, bonds, etc. (less commissions and options premiums)	3—Cost or other basis	6—If this box is checked, boxes 1b, 3, 5 and 8 may be blank	5—Wash sale loss disallowed	4—Federal income tax withheld
123 CORPORATION	00108XXXX	S	01/12/11	04/26/11	\$ 6,172.55	\$ 5,172.55		\$ 500.00*	\$ 0.00
		100.00							
123 CORPORATION	00108XXXX	S	08/22/11	12/26/11	\$ 24,690.20	\$ 14,690.20		\$ 0.00	\$ 6,000.00
		400.00							
Security Subtotal					\$ 30,862.75	\$ 19,862.75		\$ 0.00	\$ 6,000.00
MORTGAGE BACKED SECURITY	90000XXXX	R	01/02/11	03/25/11	\$ 1,215.67	\$ 215.67	X	\$ 0.00	\$ 0.00
		40,000.00							
Security Subtotal					\$ 1,215.67	\$ 215.67		\$ 0.00	\$ 0.00
Total Short-Term Sales Price from Broker Transaction					\$ 30,078.42	\$ 20,079.42			

1a Date of sale or exchange—trade date of the transaction.

1b Date of acquisition—acquisition date of any securities sold.

2 Sales price of stocks, bonds, etc. (less commissions and options premiums)—formerly titled “Gross Proceeds,” this includes the total proceeds from the transaction including options premiums (new in 2011).

3 Cost or other basis—original price paid for the securities sold and any adjustments due to wash sales, amortization and accretion, and corporate actions.

4 Federal income tax withheld—shows backup withholding amount if applicable. Generally, payer must backup-withhold at a 28% rate if the client did not furnish their taxpayer ID to the payer.

5 Wash sale loss disallowed—shows the amount of loss that has been disallowed when a wash sale transaction occurs.

6 If this box is checked, boxes 1b, 3, 5, and 8 may be blank—if marked with an “X,” indicates the securities sold were uncovered by the new legislation.

8 Type of gain or loss—indicates holding period of the securities as either short-term or long-term.

9 Description—name of the security.

*New features are listed in blue

REVISED YEAR-END SUMMARY

Date Prepared: January 11, 2012

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charles SCHWAB		Schwab One® Account of DANA JONES		Account Number 1111-9999		TAX YEAR 2011 YEAR-END SUMMARY	
REALIZED GAIN OR (LOSS)							
The information in the following sections include all your realized gain or (loss) transactions during the tax year. They may be helpful for, but not limited to, Schedule D. Please consult with your tax advisor or financial advisor regarding specific questions.							
Short-Term Realized Gain or (Loss)				COST BASIS METHOD: Mutual Funds: Average: All Other In			
Description	CUSIP Number	Quantity/Par	Date of Acquisition	Date of Sale	Total Proceeds	Cost Basis	Realized Gain or (Loss)
123 CORPORATION	00108XXXX	100.00	01/21/11	04/26/11	\$ 6,172.55	\$ 5,172.55	\$ 1,000.00
123 CORPORATION	00108XXXX	400.00	08/22/11	12/26/11	\$ 24,690.20	\$ 14,690.20	\$ 10,000.00
Security Subtotal					\$ 30,862.75	\$ 19,862.75	\$ 11,000.00
CALL ANY OLD CORP	XXXXXXXXXA	10.00	02/21/11	03/21/11	\$ 0.00	\$ 1,030.50	\$ (1,030.50)
Security Subtotal					\$ 0.00	\$ 1,030.50	\$ (1,030.50)
MORTGAGE BACKED SECURITY	90000XXXX	4000.00	01/02/11	03/25/11	\$ 1,215.67	\$ 215.67	\$ 1,000.00
Security Subtotal					\$ 1,215.67	\$ 215.67	\$ 1,000.00
Total Short-Term					\$ 32,078.42	\$ 21,108.92	\$ 10,969.50
Long-Term Realized Gain or (Loss)				COST BASIS METHOD: Mutual Funds: Average: All Other In			
Description	CUSIP Number	Quantity/Par	Date of Acquisition	Date of Sale	Total Proceeds	Cost Basis Adjusted	Realized Gain or (Loss)
ANY MORTGAGE	12345XXXX	240000.00	11/30/07	11/07/11	\$ 21,500.00	\$ 22,000.00	\$ (500.00)
					\$	\$ 23,000.00	\$ 1,000.00
Security Subtotal					\$ 21,500.00	\$ 23,000.00	\$ 1,500.00
SAMPLE COMPANY	65332XXXX	400.00	--	08/17/11	\$ 338.52	Cost Basis is no	\$ 0.00
Security Subtotal					\$ 338.52	--	\$ 338.52
SAMPLE NATIONAL	58064XXXX	50.00	06/30/08	06/09/11	\$ (0.03)	\$ 2,250.00	\$ (2,249.97)
Security Subtotal					\$ (0.03)	\$ 2,250.00	\$ (2,249.97)

Please see the "Endnotes for Your Realized Gain or (Loss)" for an explanation of the codes and symbols in this Realized Gain or (Loss) section.
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- Organized by IRS 1040 schedules**—information grouped by the various Form 1040 schedules (e.g., Schedules D, A, and B) for easier reference.
- Table of Contents**—to quickly locate relevant information.
- Realized Gain/Loss Summary**—incorporates information from the Year-End Gain/Loss Report into the Realized Gain/Loss section of the Year-End Summary and provides consolidated view of gains and losses, cost basis, and wash sale data for easier tax preparation.

- Summary of fees and expenses**—reports advisor or advice fees that are debited from a client's account and details margin interest paid.
- Amortization and accretion information**—provides a year-to-date amortization or accretion amount for certain fixed income securities, which may help to adjust income on Schedule B.

*New features are listed in blue

For informational purposes only. The information is not intended to provide specific financial, tax, compliance, or legal advice. You should consult professionals in these fields to address your specific circumstance.

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