

Blocked Jurisdictions Update 08-05-2004

In furtherance of Penson's efforts to implement policies and procedures designed to detect and prevent money laundering activities, please be advised that, Penson will not open any new accounts for customers that are a citizen of or are residing in the following foreign jurisdictions that have been designated to some extent under the U S Patriot Act as a blocked jurisdiction. **Zimbabwe*** has been added pursuant to the OFAC Interim Final Rule which adds new regulations regarding the blocking of property of persons undermining democratic processes or institutions in Zimbabwe published in the Federal Register on July 29, 2004 (Volume 69, Number 145).

Afghanistan
Angola
Burma (sometimes referred to as Myanmar)
Cuba
Iran
Iraq
Libya
Nauru
North Korea
Sudan
Syria
Zimbabwe*

As a reminder, Penson has added several new exception reports available to all correspondents. They were designed to help you monitor abnormal activities within your customer accounts in support of your efforts to detect, deter, and prevent money laundering activities.

PFS 074/EXT 079– Deposit, Wire & ACAT Transactions
PFS 110– Third Party Cash Disbursements Report for wires and journals
PFS 137– Address Change Letter Report
PFS 142– Required Documents
PFS 143– Incoming Funds \$5,000 or more
PFS 143– Outgoing Funds \$5,000 or more
PFS 144– Internal Transfers \$3,000 or more
PFS 145– Frequent Transactions, 10 or more, \$3,000 or more for activity in last 45 days
PFS 146– 30 day Activity of \$5,000 or more
PFS 147– OSI Cash Movement of \$5,000 or more
PFS 148– OSI Wire Transfers of \$3,000 or more
PFS 176– Returned Mail Report
PFS 180– Negative Consent – SEC 17a-3/17a-4
PFS 182– MIS CIP Report

RPT 012– Agreements Required Report
RPT 313– Weekly Required Documents
EXT 025– Custom Credit Debit Balance
EXT 026– Custom Cash Detail
EXT 046– DVP Special Cash Journal
EXT 058– End of Month Account Standing
EXT 069– Credit Balances- Greater than \$100,000
EXT 070– Credit Balances- Less than \$100,000
EXT 137– Change of Name and Address
EXT 239– Additional Name alternate (For use w/ PO Boxes)
EXT 233– PO Box Report (Not listed)
EXT 255– Required Documents
EXT 265– Incoming/Outgoing Funds
EXT 266– Internal Transfers
EXT 267– Frequent Transactions
EXT 268– 30 Day Activity
EXT 269– OSI Cash Movement
EXT 270– OSI Wire Transfers
EXT 373– provides all the data as the PFS 180

A more extensive report list with detailed descriptions was included in the 07/29/2004 Correspondent Memo from Nichole Ake. If you are not currently receiving a particular report or extract and would to, please e-mail our Broker Dealer Conversions Department at brokerhelp@penson.com. Please provide the report or extract number and the e-mail address.

Any questions regarding this memo or the Anti-Money Laundering Policies should be directed to the Compliance Department.

Thank you!