

charles SCHWAB

AB 03 020373 48204 H 103 A  
CLAUDE A.C. SIMON  
71 TONJES RD  
CALLICOON NY 12723

0207-89023-YEIC1506 \*1-4

Date Prepared: February 7, 2014

388  
269  
515

*charles* SCHWAB

Charles SCHWAB

Schwab One® Account of  
CLAUDE A.C. SIMON

Account Number  
7765-3165

**TAX YEAR 2013  
FORM 1099 COMPOSITE  
& YEAR-END SUMMARY**

Date Prepared: February 7, 2014

**Recipient's Name and Address**

0207-99023-YE101506 1-4  
CLAUDE A.C. SIMON  
71 TONJES RD  
CALLICOON NY 12723

**Items for Attention**

- Schwab provides your Form 1099 tax information as early and as accurately as possible. However, some issuers may provide new information about their securities after the IRS Form 1099 mailing deadline. If Schwab receives updated information from issuers of securities you hold, we are required by the IRS to send you a CORRECTED Form 1099 with changes clearly highlighted. Please plan your tax preparation accordingly.
- You can also log into schwab.com/reports to view your documents securely online and visit schwab.com/paperless\_services to manage your delivery preferences.
- Please refer to the enclosed insert(s) for additional information.

**Important Official IRS Form(s) 1099 Enclosed**

The report in this package contains your income tax return documents and year-end summary. Please retain this package for tax preparation purposes. For tax advice, please consult with a qualified tax advisor, CPA, or financial planner.

**To contact Schwab:**

If you have any questions or need additional information about your Form(s) 1099 or your year-end summary, please call 1-800-435-4000, 24 hours a day, 7 days a week. We're always here for you.

**To contact the IRS:**

Tax questions for individuals: 1-800-829-1040  
Tax questions for businesses: 1-800-829-4933  
To order tax forms or publications: 1-800-829-3676  
To pay taxes by credit card: 1-888-272-9829  
For additional information and to print forms and publications, visit [www.irs.gov](http://www.irs.gov).

**TAX YEAR 2013  
FORM 1099 COMPOSITE  
& YEAR-END SUMMARY**

Date Prepared: February 7, 2014

Your Form 1099 Composite may include the following Internal Revenue Service (IRS) forms: 1099-DIV, 1099-INT, 1099-MISC, 1099-B and 1099-OLD. You'll only receive the form(s) that apply to your particular financial situation and please keep for your record. Please note that information in the Year-End Summary is not provided to the IRS. It is provided to you as additional tax reporting information you may need to complete your tax return.

Table of Contents	Page
FORM 1099 COMPOSITE.....	3
Form 1099-INT.....	3
Form 1099-B.....	5
Notes for your Form 1099-B.....	7
YEAR-END SUMMARY.....	9
Interest & Dividends.....	9
Detail Information of Interest Income.....	9
Realized Gain or (Loss).....	9
Short-Term Realized Gain or (Loss).....	9
Realized Gain or (Loss) Summary.....	11
Notes for Your Realized Gain or (Loss).....	12
Cost Basis Disclosure.....	13
Terms and Conditions.....	15

Charles SCHWAB

Schwab One® Account of  
CLAUDE A.C. SIMON

Account Number  
7765-3165

TAX YEAR 2013  
FORM 1099 COMPOSITE

Date Prepared: February 7, 2014

**Recipient's Name and Address**

CLAUDE A.C. SIMON  
71 TONJES RD  
CALICOON NY 12723  
Taxpayer ID Number: \*\*\*.\*\*-1158  
Account Number: 7765-3165

**Payer's Name and Address**

CHARLES SCHWAB & CO., INC.  
211 MAIN STREET  
SAN FRANCISCO, CA 94105  
Telephone Number: (800) 435-4000  
Federal ID Number: 94-1737782

**Interest Income — 2013**

Department of the Treasury-Internal Revenue Service

Copy B for Recipient (OMB No. 1545-0112)

**Form 1099-INT**

<b>Box</b>	<b>Description</b>	<b>Total</b>
1	Interest Income	\$ 0.14
3	Interest on U.S. Savings Bonds and Treasury Obligations	\$ 0.00
4	<b>Federal Income Tax Withheld</b>	\$ 0.00
5	Investment Expenses	\$ 0.00
6	Foreign Tax Paid	\$ 0.00
7	Foreign Country or U.S. Possession	\$ 0.00
8	Tax-Exempt Interest	\$ 0.00
9	Specified Private Activity Bond Interest	\$ 0.00
10	Tax-Exempt Bond CUSIP No.	\$ 0.00
11	State	
12	State Identification No.	
13	State Tax Withheld	\$ 0.00

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 sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.

## INSTRUCTIONS FOR RECIPIENTS OF FORM 1099

**1099-INT: Interest Income****Recipient's identification number.**

For your protection, this form may show only the last four digits of your social security number (SSN), individual taxpayer identification number (ITIN) or adoption taxpayer identification number (ATIN). However, the issuer has reported your complete identification number to the IRS and, where applicable, to state and/or local governments.

**Account number.**

May show an account or other unique number the payer assigned to distinguish your account.

**Box 1.**

Shows taxable interest paid to you during the calendar year by the payer. This does not include interest shown in box 3. May also show the total amount of the new clean renewable energy bonds, qualified forestry conservation bonds, qualified zone academy bonds, qualified school construction bonds, and build America bonds that must be included in your interest income. These amounts were treated as paid to you during 2013 on the credit allowance dates (March 15, June 15, September 15, and December 15). For more information, see Form 8912, Credit to Holders of Tax Credit Bonds.

**Box 3.**

Shows interest on U.S. Savings Bonds, Treasury bills, Treasury bonds, and Treasury notes. This may or may not all be taxable. See Pub 550. This interest is exempt from state and local income taxes. This interest is not included in box 1.

**Box 4.**

Shows backup withholding. Generally, a payer must backup withhold if you did not furnish your taxpayer identification number (TIN) or you did not furnish the correct TIN to the payer. See Form W-9. Include this amount on your income tax return as tax withheld.

**Box 5.**

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 of Schedule A (Form 1040) subject to the 2% limit. This amount is included in box 1.

**Box 6.**

Shows foreign tax paid. You may be able to claim this tax as a deduction or a credit on your Form 1040. See your Form 1040 instructions.

**Box 7.**

Shows the country or U.S. possession to which the foreign tax was paid. Shows tax-exempt interest paid to you during the calendar year by the payer. Report this amount on line 8b of Form 1040 or Form 1040A. This amount may be subject to backup withholding. See box 4.

**Box 8.**

Shows tax-exempt interest subject to the alternative minimum tax. This amount is included in box 8. See the instructions for Form 6251.

**Box 9.**

Shows CUSIP number(s) for tax-exempt bond(s) on which tax-exempt interest was paid to you during the calendar year and reported in box 8. If blank, no CUSIP number was issued for the bond(s).

**Box 10.**

Shows tax-exempt interest subject to the alternative minimum tax. This amount is included in box 8. See the instructions for Form 6251.

**Box 11-13.**

State tax withheld reporting boxes.

**Nominees.**

If this form includes amounts belonging to another person(s), you are considered a nominee recipient. Complete a Form 1099-INT for each of the other owners showing the income allocable to each. File Copy A of the form with the IRS. Furnish Copy B to each owner. List yourself as the "payer" and the other owner(s) as the "recipient." File Form(s) 1099-INT with Form 1096 with the Internal Revenue Service Center for your area. On Form 1096 list yourself as the "filer." A husband or wife is not required to file a nominee return to show amounts owned by the other.

**Future Developments.**

For the latest information about developments related to Form 1099-INT and its instructions, such as legislation enacted after they were published, go to [www.irs.gov/form1099int](http://www.irs.gov/form1099int).

# Charles Schwab

Schwab One® Account of  
CLAUDE A.C. SIMON

Account Number  
7765-3165

## TAX YEAR 2013 FORM 1099 COMPOSITE

Date Prepared: February 7, 2014

### Recipient's Name and Address

CLAUDE A.C. SIMON  
71 TONJES RD  
CALICOON NY 12723  
Taxpayer ID Number: \*\*\*-\*\*-1158  
Account Number: 7765-3165

### Payer's Name and Address

CHARLES SCHWAB & CO., INC.  
211 MAIN STREET  
SAN FRANCISCO, CA 94105  
Telephone Number: (800) 435-4000  
Federal ID Number: 94-1737782

### Proceeds from Broker Transactions — 2013

Department of the Treasury-Internal Revenue Service

1c-Type of gain or loss: Short-term (Report on Form 8949, Part I, with **Box A checked!**)

6b-Basis reported to IRS

### COST BASIS IN THIS SECTION IS REPORTED TO THE IRS

8-Description	1b-Date of acquisition	2a-Sales price of stocks, bonds, etc. (less commissions and options premiums)	3-Cost or other basis	5-Wash sale loss disallowed	4-Federal income tax withheld
	CUSIP Number 1d-Stock or other symbol **	1a-Date of sale or exchange	1e-Quantity sold		
MCGRAW-HILL FINANCIAL	580645109 MHFI	02/11/13 02/15/13	7,178.57 160.00	7,016.47 0.00	\$ 0.00 0.00
<b>Security Subtotal</b>			<b>\$ 7,178.57</b>	<b>\$ 7,016.47</b>	<b>\$ 0.00</b>
RESEARCH IN MOTION L7XXXN/C TO BLACKBERR	760975102 S	02/04/13 02/07/13	7,478.88 450.00	6,762.55 0.00	\$ 0.00 0.00
RESEARCH IN MOTION L7XXXN/C TO BLACKBERR	760975102 S	02/20/13 03/14/13	8,062.31 520.00	7,230.71 0.00	\$ 0.00 0.00
RESEARCH IN MOTION L7XXXN/C TO BLACKBERR	760975102 S	03/25/13 03/27/13	8,114.92 550.00	7,839.85 0.00	\$ 0.00 0.00
RESEARCH IN MOTION L7XXXN/C TO BLACKBERR	760975102 S	04/11/13 04/25/13	9,304.48 620.00	8,630.05 0.00	\$ 0.00 0.00

Please see the "Notes for Your Form 1099-B" section for additional explanation of this Form 1099-B report.

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 sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.

## INSTRUCTIONS FOR RECIPIENTS OF FORM 1099

### 1099-B: Proceeds from Broker Transactions

Brokers and barter exchanges must report proceeds from transactions to you and the IRS on Form 1099-B. Reporting is also required when your broker knows or has reason to know that a corporation in which you own stock has had a reportable change in control or capital structure. You may be required to recognize gain from the receipt of cash, stock, or other property that was exchanged for the corporation's stock. If your broker reported this type of transaction to you, the corporation is identified in box 8.

**Recipient's identification number.** For your protection, this form may show only the last four digits of your social security number (SSN), individual taxpayer identification number (ITIN), or adoption identification number to the IRS and, where applicable, to state and/or local governments.

**Account number.** May show an account or other unique number the payer assigned to distinguish your account.

**CUSIP number.** For broker transactions, may show the CUSIP (Committee on Uniform Security Identification Procedures) number or other applicable identifying number of the item reported.

**Box 1a.** Shows the trade date of the sale or exchange. For short sales, the date shown is the date the security was delivered to close the short sale. For aggregate reporting in boxes 9 through 12, no entry will be present.

**Box 1b.** This box may be blank if box 6a is checked or if the securities sold were acquired on a variety of dates. For short sales, the date shown is the date you acquired the security delivered to close the short sale.

**Box 2a.** Shows the aggregate cash proceeds from transactions involving stocks, bonds, other debt obligations, commodities, or forward contracts. May show the proceeds from the disposition of your interest(s) in a widely held fixed investment trust. May also show the aggregate amount of cash and the fair market value of any stock or other property received in a reportable change in control or capital structure arising from the corporate transfer of property to a foreign corporation. Losses on forward contracts are shown in parentheses. This box does not include proceeds from regulated futures contracts. The broker must indicate whether the sales price or the sales price less commissions (including transfer taxes) and option premiums was reported to the IRS. Report this

amount on Form 8949 or on Schedule D (whichever is applicable) as explained in the instructions for Schedule D.

**Box 2b.** If checked, you cannot take a loss on your tax return based on gross proceeds from a reportable change in control or capital structure reported in box 2a. Do not report this loss on Form 8949 or Schedule D. The broker should advise you of any losses on a separate statement.

**Box 3.** Shows the cost or other basis of securities sold. If box 6a is checked, box 3 may be blank. See the Form 8949 instructions, Schedule D instructions, or Pub. 550 for details.

**Box 4.** Shows backup withholding. Generally, a payer must backup withhold if you did not furnish your taxpayer identification number to the payer. See Form W-9 for information on backup withholding. Include this amount on your income tax return as tax withheld.

**Box 5.** Shows the amount of nondeductible loss in a wash sale transaction. For details on wash sales, see the Schedule D (Form 1040) Instructions and Pub. 550.

**Box 6a.** If checked, the securities sold were noncovered securities and boxes 1b, 1c, 3, and 5 may be blank. Generally a noncovered security means: a security other than stock; stock purchased before 2011; stock in most mutual funds and other regulated investment companies purchased before 2012; and stock purchased in or transferred to a dividend reinvestment plan before 2012.

**Box 6b.** If checked, the basis in box 3 has been reported to the IRS. If box 6b is checked on Form(s) 1099-B and NO adjustment is required, see the instructions for your Schedule D.

**Box 8.** Shows a brief description of the item or service for which the proceeds or bartering income is being reported. For regulated futures contracts and forward contracts, or other appropriate description may be shown. For a corporation that had a reportable change in control or capital structure, this box may show the class of stock as C (common), P (preferred), or O (other).

**Boxes 13-15.** Shows state income tax withheld.

Charles SCHWAB

Schwab One® Account of  
CLAUDE A.C. SIMON

Account Number  
7765-3165

**TAX YEAR 2013  
FORM 1099 COMPOSITE**

Taxpayer ID Number: \*\*\*-\*\*-1158

**Proceeds from Broker Transactions — 2013 (continued)**

Department of the Treasury-Internal Revenue Service

1c-Type of gain or loss: Short-term (Report on Form 8949, Part I, with **Box A** checked.)

6b-Basis reported to IRS

Date Prepared: February 7, 2014  
**Form 1099-B**  
Copy B for Recipient (OMB No. 1545-0715)

**SHORT-TERM HOLDING PERIOD**

**COST BASIS IN THIS SECTION IS REPORTED TO THE IRS**

8-Description	CUSIP Number	1b-Date of acquisition	2a-Sales price of stocks, bonds, etc.	3-Cost or other basis	5-Wash sale loss disallowed	4-Federal income tax withheld
RESEARCH IN MOTION LTXXXN/C TO BLACKBERR	760975102	S 05/20/13	\$ 9,739.95	\$ 9,384.95	0.00	\$ 0.00
<b>Security Subtotal</b>						
WESTPORT FUND CLASS R	961323102	S 02/05/13	\$ 6,828.57	\$ 6,505.27	0.00	\$ 0.00
<b>Total Short-Term (Cost basis is reported to the IRS)</b>						
<b>Total Short-Term Sales Price of Stocks, Bonds, etc.</b>			\$ 56,707.68	\$ 53,369.85		
<b>Total Sales Price of Stocks, Bonds, etc.</b>			\$ 56,707.68	\$ 53,369.85		
<b>Total Federal Income Tax Withheld</b>			\$ 0.00			

**Notes for your Form 1099-B**

Schwab has provided cost basis information whenever possible for most investments. Cost basis data may be incomplete or unavailable for some of your holdings. When value for the report is unavailable, it is noted as follows: "Missing" or "Not Provided"

Please see the "Notes for Your Form 1099-B" section for additional explanation of this Form 1099-B report.

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 sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.

**Taxpayer ID Number:** \*\*\*-\*\*-1158

**Date Prepared:** February 7, 2014

**Notes for your Form 1099-B (continued)**

**Not Provided**  
Schwab is not providing Cost Basis on this security type.

**Missing**

- Cost Basis may be missing due to one of the following reasons: (for example, the security was purchased outside of Schwab and we did not receive cost basis from the transferring firm).
- The security was purchased more than 10 years ago.

**Acquisition Date**  
If there is more than one lot in a sell transaction, the acquisition date for the individual lot in the transaction can be found in the Realized Gain Loss section of the Year End Summary.

(1) If the acquisition date is blank, your sell transaction included multiple tax lots purchased on different acquisition dates within the same holding period and covered/non-covered status. The lots in the transaction are rolled up into a single sell transaction and thus **Box 1b-Date of Acquisition** will be blank.

(2) If the cost basis is missing or not provided, a short-term holding period may have been applied for a position that may have been held long term.

**Box (1c) Type of Gain or Loss**  
**Long-term Short-Term Realized Gain or Loss** has a holding period greater than one year.  
**Short-term Short-Term Realized Gain or Loss** has a holding period of one year or less.

**\*\*Activity Codes (Not reported to the IRS)**

<b>C</b> = Cash in Lieu	<b>E</b> = Exchange	<b>P</b> = Principal	<b>S</b> = Sale	<b>T</b> = Tender
<b>CV</b> = Conversion	<b>M</b> = Cash Merger	<b>MT</b> = Maturity	<b>R</b> = Redemption	<b>SS</b> = Short Sale

- The cost basis and basis adjustments for covered securities are reported to the IRS.**
- Gross Proceeds from each of your security transactions are reported individually to the IRS.**
- Gross Proceeds in aggregate are not reported to the IRS and should not be so reported on your tax return.**

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 sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.

Charles SCHWAB

Schwab One® Account of  
CLAUDE A.C. SIMON

Account Number  
7765-3165

**TAX YEAR 2013**  
**YEAR-END SUMMARY**

**YEAR-END SUMMARY INFORMATION IS NOT PROVIDED TO THE IRS.**

The information in this and all subsequent sections is not provided to the IRS by Charles Schwab. It is provided to you as additional tax reporting information you may need to complete your tax return.

**INTEREST & DIVIDENDS**

The information in the following sections may be helpful for, but not limited to, Schedule B. Please consult with your tax advisor or financial advisor regarding specific questions.

**Detail Information of Interest Income**

Description	CUSIP Number	Paid in 2013	Paid / Adjusted in 2014 for 2013	Amount
Interest Income				
DEPOSIT INTEREST		\$ 0.14	\$ 0.00	\$ 0.14
Total Interest Income (Included in Box 1)		\$ 0.14	\$ 0.00	\$ 0.14
Total Interest Income (Box 1)		\$ 0.14	\$ 0.00	\$ 0.14

**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)**

This section is for covered securities and corresponds to transactions reported on your 1099-B as "cost basis is reported to the IRS." Report on Form 8949, Part I, with Box A checked.

Description	CUSIP Number	Quantity/Par	Date of Acquisition	Date of Sale	Total Proceeds	Cost Basis	Wash Sale Loss Disallowed	Realized Gain or (Loss)
MCGRAW-HILL FINANCIAL	580645109	160.00	02/11/13	02/15/13	\$ 7,178.57	\$ 7,016.47	\$ 0.00	\$ 162.10
<b>Security Subtotal</b>					<b>\$ 7,178.57</b>	<b>\$ 7,016.47</b>		<b>\$ 162.10</b>
RESEARCH IN MOTION LTXX	760975102	450.00	02/04/13	02/07/13	\$ 7,478.88	\$ 6,762.55	\$ 0.00	\$ 716.33
RESEARCH IN MOTION LTXX	760975102	520.00	02/20/13	03/14/13	\$ 8,062.31	\$ 7,230.71	\$ 0.00	\$ 831.60

# Charles Schwab

Schwab One® Account of  
**CLAUDE A.C. SIMON**

Account Number  
**7765-3165**

## TAX YEAR 2013 YEAR-END SUMMARY

### YEAR-END SUMMARY INFORMATION IS NOT PROVIDED TO THE IRS.

The information in this and all subsequent sections is not provided to the IRS by Charles Schwab. It is provided to you as additional tax reporting information you may need to complete your tax return.

### Short-Term Realized Gain or (Loss) (continued)

This section is for covered securities and corresponds to transactions reported on your 1099-B as "cost basis is reported to the IRS." Report on Form 8949, Part I, with Box A checked.

Date Prepared: February 7, 2014

Description	CUSIP Number	Quantity/Par	Date of Acquisition	Date of Sale	Total Proceeds	Cost Basis	Wash Sale Loss Disallowed	Realized Gain or (Loss)
RESEARCH IN MOTION LTGX	760975102	550.00	03/25/13	03/27/13	\$ 8,114.92	\$ 7,839.85	\$ 0.00	\$ 275.07
RESEARCH IN MOTION LTGX	760975102	620.00	04/11/13	04/25/13	\$ 9,304.48	\$ 8,630.05	\$ 0.00	\$ 674.43
RESEARCH IN MOTION LTGX	760975102	640.00	05/20/13	05/20/13	\$ 9,739.95	\$ 9,384.95	\$ 0.00	\$ 355.00
<b>Security Subtotal</b>					<b>\$ 42,700.54</b>	<b>\$ 39,848.11</b>	<b>\$ 0.00</b>	<b>\$ 2,852.43</b>
WESTPORT FUND CLASS R	961323102	246.49	09/14/12	02/05/13	\$ 6,822.90	\$ 6,499.86	\$ 0.00	\$ 323.04
WESTPORT FUND CLASS R	961323102	0.01	12/28/12	02/05/13	\$ 0.52	\$ 0.50	\$ 0.00	\$ 0.02
WESTPORT FUND CLASS R	961323102	0.18	12/28/12	02/05/13	\$ 5.15	\$ 4.91	\$ 0.00	\$ 0.24
<b>Security Subtotal</b>					<b>\$ 6,828.57</b>	<b>\$ 6,505.27</b>	<b>\$ 0.00</b>	<b>\$ 323.30</b>
<b>Total Short-Term (Cost basis is reported to the IRS)</b>					<b>\$ 56,707.68</b>	<b>\$ 53,369.85</b>	<b>\$ 0.00</b>	<b>\$ 3,337.83</b>
<b>Total Short-Term</b>					<b>\$ 56,707.68</b>	<b>\$ 53,369.85</b>	<b>\$ 0.00</b>	<b>\$ 3,337.83</b>

Charles SCHWAB

Schwab One® Account of  
CLAUDE A.C. SIMON

Account Number  
7765-3165

**TAX YEAR 2013  
YEAR-END SUMMARY**

**YEAR-END SUMMARY INFORMATION IS NOT PROVIDED TO THE IRS.**

The information in this and all subsequent sections is not provided to the IRS by Charles Schwab. It is provided to you as additional tax reporting information you may need to complete your tax return.

**Realized Gain or (Loss) Summary**

**Total Realized Gain or (Loss)**

Description	Total Proceeds	Cost Basis	Wash Sale Loss Disallowed	Realized Gain or (Loss)
<b>Total Short-Term Realized Gain or (Loss) (Cost basis is reported to the IRS. Report on Form 8949, Part I, with Box A checked.)</b>	\$ 56,707.68	\$ 53,369.85	\$ 0.00	\$ 3,337.83
<b>Total Short-Term Realized Gain or (Loss)</b>	\$ 56,707.68	\$ 53,369.85	\$ 0.00	\$ 3,337.83
<b>TOTAL REALIZED GAIN OR (LOSS)</b>	<b>\$ 56,707.68</b>	<b>\$ 53,369.85</b>	<b>\$ 0.00</b>	<b>\$ 3,337.83</b>

Date Prepared: February 7, 2014

# Charles Schwab

Schwab One® Account of  
**CLAUDE A.C. SIMON**

Account Number  
**7765-3165**

## TAX YEAR 2013 YEAR-END SUMMARY

### YEAR-END SUMMARY INFORMATION IS NOT PROVIDED TO THE IRS.

The information in this and all subsequent sections is not provided to the IRS by Charles Schwab. It is provided to you as additional tax reporting information you may need to complete your tax return.

### Notes for Your Realized Gain or (Loss)

Schwab has provided realized gain and loss information whenever possible for most investments. Cost basis data may be incomplete or unavailable for some of your holdings. See Terms and Conditions.

When value for the report is unavailable, it is noted as follows: "Missing" or "Not Provided"

**Not Provided** Schwab is not providing Cost Basis on this security type .

**Missing** Cost Basis may be missing due to one of the following reasons:

- Cost basis data may not be available for a number of reasons (for example, the security was purchased outside of Schwab and we did not receive cost basis from the transferring firm).
- The security was purchased more than 10 years ago.

**Acquisition Date** If the cost basis is missing or not provided, a short-term holding period may have been applied for a position that may have been held long term.

Date Prepared: February 7, 2014

Date Prepared: February 7, 2014

## COST BASIS DISCLOSURE

### Changes to Cost Basis Reporting Requirements

Starting with the 2011 tax year, Charles Schwab & Co. will begin reporting adjusted cost basis to you and the IRS on your Form 1099-B for covered securities in your taxable brokerage accounts that you sell and that are covered by the new Emergency Economic Stabilization Act regulations. In the event of transfers of securities, we are also required to report adjusted cost basis information to other custodians for covered securities transferred to them.

Schwab will treat securities as covered when they are acquired on or after the following effective dates:

- January 1, 2011 for stocks and other equities
- January 1, 2012 for mutual funds, ETFs, and Dividend Reinvestment Plan ("DRIP") shares
- January 1, 2014 for other securities (e.g., fixed income and options)

Because these new reporting requirements could impact the cost basis used to compute your taxable gains and losses, it's important to understand when and how they will apply to you. The information in this document is intended as informational only and is not individualized tax advice. Schwab does not provide tax advice and encourages you to consult with your tax professional to understand how the new reporting requirements will affect you and your tax situation.

### What Does This Mean for You

1. When you sell covered securities, as described above, Schwab will be required to report details about your cost basis to you and the IRS on Form 1099-B. You will continue to be responsible for reporting all cost basis information for both covered and uncovered securities to the IRS on your tax returns.

2. Unless you've indicated otherwise, Schwab will calculate your gains and losses using the IRS default cost basis method or Average Cost for mutual funds and FIFO (First In, First Out) for all other securities. It is your responsibility to choose the cost basis method appropriate to your tax situation. See "Cost Basis Methods" for the methods offered by Schwab.

3. When you sell a security, the cost basis method used to calculate your gain or loss cannot be changed after your trade settles. So it's important to consider the tax implications at the time of trade.

### What is Cost Basis?

Cost basis is the original purchase price you paid for a security plus commissions and any fees. Adjusted cost basis includes any other adjustments to the price. Adjusted cost basis also includes any adjustments due to wash sales, amortization, accretion, and corporate actions.

Your realized gain/loss on a security is determined by subtracting the adjusted cost basis from the sales proceeds in an account less commissions and fees.

For covered securities that were not both purchased and sold at Schwab, Schwab calculates cost basis using data that you have provided to us or that we have

obtained from third-party sources such as your prior custodian or another third-party source. Because the accuracy of cost basis data depends upon these third-party inputs, we are not able to guarantee the availability, accuracy, or completeness of such cost basis data on transactions that did not occur at Schwab. If we are not provided with adequate information to report cost basis data for covered securities that were not both purchased and sold at Schwab, those securities will be considered uncovered and the cost basis will not be reported to the IRS even if acquired after the effective date.

### Cost Basis Methods

It is your responsibility to choose the cost basis method appropriate to your tax situation. Failure to select the proper cost basis method may cause you to pay more tax than necessary. Schwab does not provide tax advice and encourages you to consult with your tax professional regarding this decision.

To view and change your default cost basis method on your brokerage account, go to the Service tab on schwab.com, then the Cost Basis Method page in Account Settings. You can also make a change by calling 800-435-4000. If your account is managed by an investment advisor, please call your advisor to make a change.

### Default Cost Basis Methods

We apply the IRS default method of Average Cost for your mutual funds and the default method of FIFO (First In, First Out) to all other securities unless you inform us of a preferred method.

### FIFO

Shares you acquired first are sold first

### Average Cost

Cost is derived by dividing the total dollar amount invested in a particular fund position by the number of shares held prior to the trade date. Shares are removed in FIFO order.

### Cost Basis Methods Offered by Schwab:

You may select a different cost basis method for your brokerage account other than the default methods described above. The following cost basis methods are offered by Schwab:

### FIFO (First In, First Out)

Shares you acquired first are sold first

### LIFO (Last In, First Out)

Shares you acquired last are sold first

### HCOST (High Cost)

Shares with the highest cost are sold first

### LCOST (Low Cost)

Shares with lowest cost are sold first

### Average Cost (mutual funds only)

Cost is derived by dividing the total dollar amount invested in a particular fund position by the number of shares held prior to the trade date. Shares are removed in FIFO order.

### Specific Identification

The IRS allows taxpayers to identify specific lots to be sold. Such identification must be made with the broker at the time of trade and no later than close of business on the day the trade settles.

TAX YEAR 2013  
FORM 1099 COMPOSITE  
& YEAR-END SUMMARY

Date Prepared: February 7, 2014

## COST BASIS DISCLOSURE (continued)

**Tax Lot Optimizer™:** Lots are selected and sold with the objective of taking losses first (short-term then long-term) and gains last (long-term then short-term). Lots are sold in this order:

## Short Term Losses

## Long Term Losses

Lots that reflect a short term loss are sold first, beginning with lots that generate the greatest short term loss down to the least short term loss

Lots that reflect a long term loss are sold, beginning with lots that generate the greatest long term loss down to the least long term loss

## Short Term No Gains or Losses

Short term lots that reflect no gain or loss

## Long Term No Gains or Losses

Long term lots that reflect no gain or loss

## Long Term Gains

Lots that reflect a long term gain, beginning with lots that generate the least long term gain up to the greatest long term gain

## Short Term Gains

Lots that reflect a short term gain, beginning with lots that generate the least short term gain up to the greatest short term gain

The cost basis method used to determine the gain/loss of a trade cannot be changed after the trade settles. If Schwab does not receive a specific instruction by the end of settlement date, we will use the current cost basis method you have selected for your account or the default cost basis method if you have made no alternate selection to calculate the gain/loss that is reported to you and the IRS at the end of year.

The Internal Revenue Service does not recognize LIFO, HCOST, LCOST and Tax Lot Optimizer as accounting methods, but it does recognize standing instructions to sell lots as adequate identification for reporting gains/losses.

## Cost Basis Adjustments

Cost basis is generally based on your purchase price plus commissions and any fees; however, the original cost basis may be subject to adjustments that increase or decrease your basis.

Schwab will adjust the cost basis of securities in your brokerage account in the following circumstances:

**Wash Sales:** If you sell shares at a loss and buy additional shares in the same security 30 days before or after that date (61-day range), you may not claim the loss on your tax return until you sell the new shares. If a wash sale occurs, the loss is disallowed for federal income tax purposes but may be added to the cost basis of the purchased shares. Schwab will adjust the cost basis and holding period of shares when a wash sale occurs within an account as a result of a purchase of an identical security with the same CUSIP. It's important to note that the wash sale reporting requirements for You as a taxpayer are different and broader than the reporting requirements for Schwab. For more details on your wash sale reporting requirements, please see IRS publication 550 or speak with your tax professional.

**Corporate Actions:** In some instances corporate actions can affect cost basis of your securities. Regulations require issuers to provide statements describing the effects of a corporate action on the cost basis of a security. Schwab will adjust cost basis for corporate actions based on the information provided in the issuer statement.

**Amortization/Accretion:** Year-to-Date Amortization and Accretion is provided only for bonds sold in your account or held on 12/31. If you purchased a bond at par or transferred the security out of the account before year-end, no amount will be displayed. In some cases, such as when an account is transferred, Life-to-Date amortization values may be displayed. The amortization/accretion amount displayed on bonds you sold is calculated through the trade date of the sale.

**Return of Capital Payments:** Cost basis will be reduced for any return of capital (principal) distributions.

**Option Adjustments:** Schwab will adjust the cost basis or realized gain/loss (proceeds) of the underlying security for option assignments and exercises (by factoring the premium paid or received).

**Inheritance:** Schwab will adjust the cost basis of securities that have been inherited based on the fair market value on the date of death unless alternate instructions are received from an authorized representative of the estate.

**Gifts:** Shares will be gifted based on your default cost basis method unless otherwise specified with a given purchase date and cost prior to the gift transfer. Schwab will track the fair market value and gift date in addition to the donor's adjusted cost basis and will apply IRS gift rules at the time of sale to determine gain or loss.

You will still be required to track and make adjustments to your securities as it is possible that you could have other situations that require cost basis adjustments that Schwab is not required to report.

**Restricted Stock Awards:** If you filed an election pursuant to IRC Section 83(b) on a Restricted Stock Award issued by your employer, a different cost basis may apply to shares vested from that award than the cost basis reported on this statement. Please consult with your personal tax advisor to understand the tax implications.

**Acquisition date:** If cost basis is missing or not provided, a short-term holding period may have applied for position that may have been held long term.

Please Note: This information is not intended to be a substitute for specific individualized tax, legal or investment planning advice. Where specific advice is necessary or appropriate, Schwab recommends consulting with a qualified tax advisor, CPA, financial planner or investment manager. Except as noted in the Terms and Conditions, your Investment Advisors are not affiliated with, or supervised by Schwab.

Foreign Investors should note that the information provided is from a U.S. tax perspective. The information provided may or may not have relevance in other jurisdictions.

## Contact Us

If you have any questions or need more information about the cost basis methods or terminology in this Disclosure Statement, please call us at 1-800-435-4000. If your account is managed by an investment advisor, please call Schwab Alliance at 1-800-515-2157.

*charles SCHWAB*  
Schwab One<sup>®</sup> Account or  
**CLAUDE A.C. SIMON**

Schwab One® Account of  
**CLAUDE A.C. SIMON**

Account Number  
7765-3165

**TAX YEAR 2013**  
**FORM 1099 COMPOSITE**  
**& YEAR-END SUMMARY**

Date Prepared: February 7, 2014

TERMS AND CONDITIONS

## GENERAL INFORMATION

For US taxpayers, the information reported to you on Form 1099 is given to the Internal Revenue Service (IRS) Form 1099 Composite is comprised of the following substitute forms: 1099-DIV, 1099-NT, 1099-MISC, 1099-OLD, and 1099-B. The form(s) you receive in Form 1099 Composite depends on the income reportable to the IRS.

**Year-End Summary**  
The information in the Year-End Summary is provided to you as a courtesy, should you need additional information when completing your tax return. When relevant, IRS box numbers are referenced to indicate individual items that make up the totals appearing on your Form(s) 1099. With the exception of the totals reported in the IRS box numbers referenced, Charles Schwab does not provide the details of the Year-End Summary to the IRS.

We recommend that all customers consult their investment and tax advisors prior to using this information.

**Corrected Form 1099 and a Year-End Summary**  
We are required to send you a corrected form with the revisions clearly marked when we receive updates or revisions to information contained in the form. This generally occurs if one or more of the issuers of the securities in your account reallocated certain income distribution (e.g., dividends or capital gains) after we mailed your original Form 1099. As a result, the supplemental information in Year-End Summary may be updated.

Upon receiving the corrected form, you may want to consider filing an amended return based on the changes in your taxable income as reported on your corrected Form 109g. We suggest that you consult with a qualified tax advisor, CPA, financial planner, or investment manager before you proceed.

**Duplicate Form 1099 and Year-End Summary**  
If you request a duplicate Form 1099, please be aware that Schwab uses the most up-to-date information available at the time of the production. Thus, your duplicate Form 1099 and Year-End Summary may have more up-to-date information than the original Form 1099.

**Realized Gain or (Loss) in Year-End Summary** The Realized Gain or (Loss) section provides information for all your realized gain or (loss) transactions during the tax year. It contains all transactions included in the Form 1099-B as well as transactions that are not reported on Form 1099-B (for example: sales and expirations of option activities, cash in lieu under \$20, negative or zero proceed sales, bankruptcy, and worthless securities). This supplemental information is believed to be accurate as the date the data was compiled but they may not be updated for any corrections after the data was initially compiled.

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**IN CASE OF QUESTIONS:** If you have questions about this report or about specific Schwab accounts or Schwab One® transactions (other than wire transfers or check transactions), contact Schwab at 1-800-435-4000. If you have a complaint regarding your Schwab statement or our products or services, please write to the Client Advocacy Team at Charles Schwab & Co., Inc., Attention: Client Advocacy Team, 2111 Main St., San Francisco, CA 94105. Outside of the U.S., call +1-415-666-5009.

*charles* SCHWAB

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