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## **Eagle's Investment Accounting Solution Supports New Federal Mandate on Cost Basis Reporting**

### *Supports Brokers, Financial Institutions' Requirements for Reporting Publicly Traded Securities*

**BOSTON – October, 20, 2008** – Eagle Investment Systems LLC, a leading provider of financial services technology and a subsidiary of The Bank of New York Mellon, today announced that its investment accounting solution supports the new provision requiring brokerages to report cost basis for any stocks traded in a public arena. This new mandate was included in the 2008 Emergency Economic Stabilization Act (also known as the bailout bill), which was finalized earlier this month.

Though the changes will take effect on January 1, 2011, firms currently using Eagle's investment accounting software are already able to report the necessary trade information. Eagle's functionality enables its clients to report their customers' adjusted basis in securities and disclose whether any gain or loss is long-term or short-term. It also supports another requirement outlined in the bill which states that firms need to incorporate methods for identifying shares, including FIFO (First In, First Out) and other identified lot selection methods.

"Eagle's product management team is always looking ahead to ensure our solutions address both today's and tomorrow's client needs. We anticipated that a requirement for reporting sold or redeemed shares would be coming, and we incorporated the necessary functionality into our technology to support this," said John Lehner, president of Eagle. "Clients who are in production using our investment accounting solution are ahead of the curve and have the necessary tools to comply with this new regulation today."

Eagle's investment accounting solution is scalable and provides the ability to split or edit unknown cost basis lots and fractional shares. It also supports multi-currency, processes options and various other specified securities, tracks both average and identified cost methods, and efficiently manages "as of" trades and corporate action corrections.

Firms that have not made anticipated changes to comply with the new cost basis reporting requirement will need to review their IT resources and begin implementing new procedures to meet the deadline of January 1, 2011.

The H.R. 1424 Emergency Economic Stabilization Act of 2008, more commonly known as the Troubled Asset Relief Program (TARP), is a law authorizing the United States Secretary of the Treasury to spend up to US\$700 billion to purchase distressed assets, especially mortgage-backed securities, from the nation's banks. On October 1, 2008, the Senate voted and passed H.R. 1424. Within the bill, section 403

discusses the new requirement for brokers to report “customer’s basis in securities transactions.” For more information about The Emergency Economic Stabilization Act of 2008, please visit [http://www.house.gov/apps/list/press/financialsvcs\\_dem/press092808.shtml](http://www.house.gov/apps/list/press/financialsvcs_dem/press092808.shtml).

**Eagle Investment Systems LLC** is a global provider of financial services technology, serving the world's leading financial institutions. Eagle’s Web-based systems support the complex requirements of firms of any size including institutional investment managers, mutual funds, hedge funds, brokers, public funds, plan sponsors and insurance companies. Eagle is committed to providing enterprise-wide, leading-edge technology and professional services for investment accounting, data management, performance measurement and information delivery. Eagle’s product suite is offered as an installed application or can be hosted via Eagle ACCESS, Eagle’s application service provider. To learn more about Eagle's solutions, contact [sales@eagleinvsys.com](mailto:sales@eagleinvsys.com) or visit [www.eagleinvsys.com](http://www.eagleinvsys.com).

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