

McGladrey & Pullen

Certified Public Accountants

Rosenthal Collins Group, LLC and Subsidiaries

Consolidated Statement of Financial Condition

December 31, 2007

This report is deemed PUBLIC in accordance with Regulation 1.10(g) under the Commodity Exchange Act.

ROSENTHAL COLLINS GROUP

March 27, 2008

Rosenthal Collins Group, L.L.C. and Subsidiaries, a registered futures commission merchant, is submitting this certified annual report for the year ended December 31, 2007 and its attachments and the person whose signature appears below represents that, to the best of their knowledge, all information contained therein is true, correct and complete.



J. Robert Collins
Class A Member

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McGladrey & Pullen

Certified Public Accountants

Independent Auditor's Report

Members of
Rosenthal Collins Group, LLC and Subsidiaries

We have audited the accompanying consolidated statement of financial condition of Rosenthal Collins Group, LLC and Subsidiaries as of December 31, 2007 that you are filing pursuant to Regulation 1.16 under the Commodity Exchange Act (CEAct). This consolidated financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this consolidated financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of financial condition is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial condition. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement of financial condition presentation. We believe that our audit of the statement of financial condition provides a reasonable basis for our opinion.

In our opinion, the consolidated statement of financial condition referred to above presents fairly, in all material respects, the financial position of Rosenthal Collins Group, LLC and Subsidiaries as of December 31, 2007 in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic consolidated statement of financial condition taken as a whole. The information contained in Schedules I, II, III, and IV is presented for purposes of additional analysis and is not a required part of the basic consolidated statement of financial condition, but is supplementary information required by regulations under the CEAct. Such information has been subjected to the auditing procedures applied in the audit of the basic consolidated statement of financial condition and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated statement of financial condition taken as a whole.

McGladrey & Pullen, LLP

Chicago, Illinois
March 28, 2008

Rosenthal Collins Group, LLC and Subsidiaries**Consolidated Statement of Financial Condition****December 31, 2007**

Assets

Cash	\$	44,187,000
Deposits with exchange clearing organizations		754,145,000
Securities purchased under the agreements to resell		4,761,465,000
Securities owned (\$4,680,505,000 pledged)		5,280,209,000
Cash commodities, pledged		39,901,000
Receivables		
Customers, net		17,005,000
Clearing organizations		112,751,000
Brokers		462,511,000
Dealers		4,883,000
Other		2,870,000
Exchange memberships (fair value \$17,208,000)		7,319,000
Computer software, equipment and leasehold improvements, net		5,645,000
Other assets		62,000
Total assets	\$	<u>11,492,953,000</u>

Liabilities and Members' Equity

Liabilities		
Bank loan payable	\$	13,000,000
Securities sold under the agreements to repurchase		4,332,731,000
Securities sold, not yet purchased		5,524,791,000
Payables		
Customers		912,827,000
Clearing organizations		263,000
Brokers		609,353,000
Accounts payable, accrued expenses and other liabilities		14,327,000
		<u>11,407,292,000</u>
Liabilities subordinated to claims of general creditors		17,000,000
Members' equity		<u>68,661,000</u>
Total liabilities and members' equity	\$	<u>11,492,953,000</u>

Note 1 Nature of Operations and Significant Accounting Policies

Principles of Consolidation—The consolidated financial statements include the accounts of Rosenthal Collins Group, L.L.C. (RCG), an Illinois limited liability company, and its subsidiaries, Rosenthal Global Securities, L.L.C. (RGS), Rosenthal Collins Foreign Exchange Limited (RCFX), and Rosenthal Collins Capital Management, L.L.C. (RCCM) (collectively, the Company). All significant intercompany accounts and transactions have been eliminated in consolidation.

Nature of Operations—RCG is registered as a futures commission merchant (FCM) with the Commodity Futures Trading Commission (CFTC) and National Futures Association (NFA) and is a clearing member of all principal commodity exchanges in the United States and the Fixed Income Clearing Corporation (FICC). RCG executes and/or clears customer and proprietary transactions in securities, cash instruments, futures, options on futures and forward contracts. RCG's customers are located primarily in North America and Europe.

RGS is a guaranteed subsidiary of RCG and a registered government securities broker-dealer and futures commission merchant engaged in the business of buying, selling and dealing in securities backed or guaranteed by the full faith and credit of the United States Government. The Company also buys and sells equity securities.

RCFX is regulated by the Financial Services Authority as a London based entity established to facilitate RCG customer trading activities in foreign exchange and foreign exchange derivative transactions.

RCCM has not yet commenced operations and is in the process of registering as a securities broker-dealer.

The operating agreement of RCG provides, among other things, that RCG shall dissolve no later than December 1, 2028.

Use of Estimates—The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Securities and Derivative Financial Instruments—Transactions in securities and derivative financial instruments are recorded on trade date. Securities owned, securities sold, not yet purchased and derivative financial instruments are carried at fair value based on quoted market prices, with unrealized gains and losses reflected in revenue.

Amounts receivable and payable for securities transactions that have not reached their contractual settlement date are recorded net in the consolidated statement of financial condition.

Resale and Repurchase Agreements—The Company enters into transactions with broker-dealers and other financial institutions that involve purchases of securities under agreements to resell (resale agreements) and sales of securities under agreements to repurchase (repurchase agreements). Substantially all such transactions are entered into matched basis utilizing the same collateral and are accounted for as collateralized financing transactions. These transactions are carried at their contracted resale or repurchase amounts as specified in the respective agreements; such amounts include accrued interest. Transactions cleared through the FICC are reported in the consolidated statement of financial condition on a net basis by settlement date. The Company takes possession of collateral under resale agreements with a market value equal to or in excess of the principal amount loaned, monitors the market value of the underlying collateral as compared to the related receivable, and obtains additional collateral as appropriate.

Exchange Memberships and Stock in Exchanges—Exchange memberships include publicly traded stock in exchanges required to be held for membership privileges and are carried at cost. Stock in exchanges not required for membership privileges is carried at fair value, based on quoted prices, and is included in securities owned.

Note 1 **Nature of Operations and Significant Accounting Policies, *Continued***

Computer Software—The Company capitalizes certain costs associated with computer software developed for internal use. Capitalization begins when both the preliminary project is completed and management authorizes further funding of the project. Capitalized costs include external direct costs of materials and services consumed in developing or obtaining internal-use software, and payroll and payroll-related costs for employees directly associated with, and who devoted time to, the development of the internal-use software. Capitalization of such costs ceases when the project is completed and ready for its intended purpose. Computer software, tested annually for impairment, is amortized on a straight-line basis over its estimated useful life, generally three years.

Equipment and Leasehold Improvements—Equipment is depreciated using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized using the straight-line method over the lesser of the lease term or the estimated useful life of the improvement.

Commissions—Commission income and related expenses are recognized on trade date.

Foreign Exchange Translation—Assets and liabilities denominated in foreign currencies are translated at year-end rates of exchange. Income and expense items are translated at average rates of exchange for the year.

Income Taxes—The consolidated financial statements do not reflect any U.S. income tax provision or liability for the Company since the income or loss of the Company is includable in the federal income tax returns of the individual members.

Fair Value of Financial Instruments—Substantially all of the Company's assets and liabilities, other than computer software, furniture, equipment and leasehold improvements, are considered financial instruments. These assets and liabilities, except for exchange memberships, are reflected at fair value, based on quoted prices, or at carrying amounts that approximate fair value because of the short maturity of the instruments.

Recently Issued Accounting Pronouncements—In June 2006, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 48 (FIN 48), *Accounting for Uncertainty in Income Taxes - an interpretation of FASB Statement 109*. FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with Statement of Financial Accounting Standards (SFAS) No. 109, *Accounting for Income Taxes*. Adoption of FIN 48 is required for the Company in the annual reporting for the year ending December 31, 2008. Management is currently assessing the impact of FIN 48 on the Company's financial positions, results of operations and cash flows.

In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurements* (SFAS 157). SFAS 157 defines fair value, establishes a framework for measuring fair value and expands disclosure about fair value measurements. SFAS 157 also emphasizes that fair value is a market-based measurement, not an entity-specific measurement, and sets out fair value hierarchy with the highest priority being quoted in active markets. Under SFAS 157, fair value measurements are disclosed by level within that hierarchy. SFAS 157 is effective for the Company for interim and annual reporting for the year ending December 31, 2008. The adoption of SFAS 157 is not expected to have a material impact on the Company's financial position, results of operations and cash flows.

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities* (SFAS 159). SFAS 159 permits companies to elect to follow fair value accounting for certain financial assets and liabilities in an effort to mitigate volatility in earnings without having to apply complex hedge accounting provisions. The standard also establishes presentation and disclosure requirements designed to facilitate comparison between entities that choose different measurement attributes for similar types of assets and liabilities. SFAS 159 is effective for the Company for the interim and annual reporting for the year ending December 31, 2008.

Rosenthal Collins Group, LLC and Subsidiaries

Notes to the Consolidated Statement of Financial Condition

Note 2 Assets Segregated or Held in Separate Accounts Under Federal and Other Regulations

At December 31, 2007, included in the consolidated statement of financial condition are assets segregated or held in separate accounts under the Commodity Exchange Act as follows:

Cash	\$ 25,130,000
Deposits with clearing organizations	720,700,000
Receivable from clearing brokers and clearing organizations, net	<u>135,626,000</u>
	<u>\$ 881,456,000</u>

Note 3 Deposits with Exchange Clearing Organizations

Deposits with clearing organizations at December 31, 2007 consist of:

Margins	
Cash	\$ 423,836,000
Money market funds	298,788,000
Foreign government obligations	19,273,000
Guarantee deposits	
Cash	419,000
Money market funds	<u>11,829,000</u>
Total	<u>\$ 754,145,000</u>

Note 4 Securities Owned and Sold, Not Yet Purchased

Securities owned and sold, not yet purchased, at December 31, 2007 consist of:

	Securities Owned	Securities Sold, Not Yet Purchased
U.S. Government obligations	\$ 5,277,422,000	\$ 5,518,713,000
Equity securities	2,419,000	6,078,000
Money market funds	148,000	
Other	<u>220,000</u>	
	<u>\$ 5,280,209,000</u>	<u>\$ 5,524,791,000</u>

Note 5 Securities Owned and Sold, Not Yet Purchased

Securities owned, cash and financial instruments held at the Company's brokers collateralize securities sold, not yet purchased and amounts due to brokers, if any, and may serve to satisfy regulatory or margin requirements.

The Company entered into a short sale to hedge the exposure to market risk on the publicly traded shares of stock in exchanges required to be held for membership privileges (the Shares). This transaction does not qualify for fair value hedge treatment under SFAS 133. Accordingly, the Shares are carried at cost under generally accepted accounting principles and the short positions are carried at fair value.

Effective January 1, 2008, the Company elected the fair value option under SFAS 159 for the Shares.

Rosenthal Collins Group, LLC and Subsidiaries

Notes to the Consolidated Statement of Financial Condition

Note 6 Receivable from and Payable to Brokers

Receivable from and payable to brokers at December 31, 2007 consists of:

	<u>Receivable</u>	<u>Payable</u>
Clearing brokers	\$ 39,343,000	\$ -
Broker dealers		
Receivable	4,619,000	
Net payable to broker-dealers for unsettled securities		265,827,000
Securities failed-to-deliver/receive	<u>418,549,000</u>	<u>343,526,000</u>
Total	<u>\$ 462,511,000</u>	<u>\$ 609,353,000</u>

Note 7 Collateral

Resale and repurchase agreements are carried at contract values that are substantially equal to the aggregate fair values of collateral obtained under resale agreements and pledged under repurchase agreements.

FASB Interpretation 41, *Offsetting of Amounts Related to Certain Repurchase and Reverse Repurchase Agreements*, allows for the netting of resale and repurchase agreements if certain conditions are met. At December 31, 2007, these conditions are met for agreements totaling \$804,997,000.

At December 31, 2007, the fair value of collateral obtained under resale agreements was \$5,282,616,000 (including collateral delivered to satisfy delivery obligations from short positions of \$287,519,000). This amount includes collateral obtained in the form of U.S. Government obligations for transactions cleared through the FICC that are reported on a net basis. The approximate fair value of assets pledged as collateral under repurchase agreements arose for the following:

Securities owned	\$ 4,678,369,000
Securities owned that were sold, not yet settled	<u>462,430,000</u>
Total	<u>\$ 5,140,799,000</u>

Note 8 Receivables from and Payables to Customers

Receivables from and payables to customers arise primarily from futures and options on futures transactions and include gains and losses on open trades. At December 31, 2007, receivable from customers is reflected net of an allowance for doubtful accounts of \$818,000. Securities, primarily U.S. Government obligations, and cash commodities owned by customers and held by the Company as collateral or as margin, and the fair value of customers' options on futures contracts are not reflected in the consolidated statement of financial condition. At December 31, 2007, the fair value of customer securities held that the Company is permitted by contract or custom to sell or repledge was \$122,249,000.

Note 9 Computer Software, Equipment and Leasehold Improvements

Computer software, equipment and leasehold improvements at December 31, 2007 consist of:

Computer software	\$ 4,922,000
Accumulated amortization	<u>(2,115,000)</u>
	<u>2,807,000</u>
Computer equipment	8,217,000
Leasehold improvements	<u>2,500,000</u>
	10,717,000
Accumulated depreciation and amortization	<u>(7,879,000)</u>
	<u>2,838,000</u>
Total	<u>\$ 5,645,000</u>

Note 10 Bank Loan Payable

The Company has a \$30,000,000 variable rate revolving line of credit with a bank. Borrowings under this line of credit are due on demand and are collateralized by cash commodities. Interest on borrowings is at the prime rate minus 1 percent (6.25 percent at December 31, 2007). At December 31, 2007, borrowings outstanding under this line of credit were \$13,000,000.

Note 11 Liabilities Subordinated to Claims of General Creditors

Liabilities subordinated to claims of general creditors at December 31, 2007 consist of borrowings from several banks pursuant to a revolving loan agreement that expires June 15, 2009. The revolving loan agreement provides for borrowings of up to \$40,000,000 that mature one year from the date of the advance. Outstanding borrowings at December 31, 2007 mature on June 11, 2008 and bear interest at the prime rate plus 1½ percent (8.75 percent at December 31, 2007). The agreement, among other things, requires the Company to maintain minimum amounts of members' equity and adjusted net capital, as defined. Subsequent to December 31, 2007, the Company borrowed an additional \$29,000,000 and repaid \$16,000,000 under this revolving loan agreement.

Interest payable on subordinated borrowings at December 31, 2007 was \$8,000.

The subordinated borrowings are available in computing adjusted net capital under the minimum capital requirements. To the extent that such borrowings are required for the Company's continued compliance with minimum capital requirements, they may not be repaid (see Note 18).

Note 12 Employee Benefit Plan

The Company maintains a 401(k) plan for qualified employees. The Company is required to match a percentage of employees' contributions up to a defined maximum, and may elect to make further discretionary contributions, subject to certain limitations as set forth in the plan agreement.

Note 13 Commitments and Contingencies

The Company leases office space and equipment under noncancelable operating lease agreements that expire at various dates through April 2014. At December 31, 2007, the aggregate minimum annual rental commitments under these leases, exclusive of additional payments that may be required for certain increases in operating expenses and taxes, are as follows:

2008	\$	1,675,000
2009		1,471,000
2010		804,000
2011		636,000
2012		534,000
Thereafter		<u>594,000</u>
Total	\$	<u>5,714,000</u>

Pursuant to a software license agreement and subject to certain conditions, the Company is obligated to pay a minimum fee of \$25,000 per month through January 2010.

In the normal course of business, the Company is subject to litigation and arbitration matters. The Company vigorously defends against these claims and, in the opinion of management, the resolution of these matters will not result in any material adverse effect upon the Company's financial position.

Note 14 Related-Party Transactions

The Company provides clearing services to its members.

Certain members introduce customers to the Company.

Note 15 Guarantees and Indemnifications

At December 31, 2007, the Company has guaranteed bank loans of \$996,000 for certain customers who are members of commodity futures exchanges. These guarantees expire on various dates through November 7, 2012 and are secured by exchange memberships with approximate fair value of \$5,535,000. In the event these parties default on their loans and the value of the collateral is insufficient to pay the loans the Company would be required to perform under these guarantees. Management believes that proceeds from liquidation of the collateral would cover the maximum potential amount of future payments under these guarantees.

The Company has guaranteed the obligations under a clearing broker agreement for an entity owned by a member. In the event this affiliated entity defaults under the clearing broker agreement, the Company would be required to perform under this guarantee.

The Company is a member of various commodity exchanges. Associated with its memberships, the Company may be required to pay a proportionate share of the financial obligations of another member who may default on its obligations to these exchanges. While the rules governing different exchange memberships vary, in general, the Company's guarantee obligations would arise only if the exchange had previously exhausted its resources. In addition, any such guarantee obligation would be apportioned among the other nondefaulting members of the exchange. Any potential contingent liability under these membership agreements cannot be estimated and the risk of loss is remote.

Note 15 **Guarantees and Indemnifications, *Continued***

In the normal course of business, the Company enters into contracts that contain a variety of representations and warranties that provide indemnifications under certain circumstances. The Company's maximum exposure under these arrangements is unknown and the risk of loss is remote, as it would require future claims that may be made against the Company that have not occurred.

Note 16 **Financial Instruments with Off-Balance Sheet Risk**

Gains and losses from exchange-traded derivatives are computed based on quoted market prices. Gains and losses from over-the-counter derivative financial instruments, principally forwards, are computed using a pricing model that is intended to approximate the market value of the contracts. Unrealized gains and losses arising from cash, futures, forwards and options on futures transactions are netted by counterparty and reflected as receivables or payables, securities owned and securities sold, not yet purchased, as appropriate.

Customer Activities—Company's activities include the execution and/or clearance of cash instruments, futures, options on futures, and forward contracts for exchange members and institutional, commercial and retail customers. As such, the Company guarantees to the respective clearing house or counterparty its customers' performance under these contracts. The Company seeks to control the risk associated with its customer activities by requiring customers to maintain margin collateral in compliance with various regulatory and internal guidelines. Margin deposits represent good faith deposits by customers that reduce the risk to the Company of a failure on the part of customers to fulfil any obligations under these contracts. The Company monitors its exposure to risk of loss on an account by account basis. Pursuant to regulatory and internal guidelines, the Company requires customers to deposit additional collateral, or reduce or liquidate positions, when necessary. The Company believes that the deposits and collateral held at December 31, 2007 were adequate to minimize the risk of material loss that could be created by positions held at that time.

Financial Instruments Used for Trading Purposes—The Company enters into transactions in a variety of securities, cash instruments, and derivative financial instruments, including futures, forwards and options on futures. These derivative financial instruments represent future commitments to purchase or sell other financial instruments at specific terms at specified future dates. Certain options held and written provide the Company the opportunity or the obligation to deliver or take delivery of specified financial instruments at a contract price. These financial instruments may have market risk and/or credit risk in excess of amounts recorded in the consolidated statement of financial condition.

The Company also enters into derivative financial instrument transactions to facilitate customer trading activities. The market risk of these trading activities is managed by entering into and holding substantially offsetting positions, which are either exchange-traded, or over-the-counter transactions with financial institutions. The Company has entered into master netting agreements with certain counterparties that allow for net settlement of transactions.

Market Risk—Derivative financial instruments involve varying degrees of off-balance-sheet market risk whereby changes in the market values of the underlying financial instruments may result in changes in the value of the derivative financial instruments in excess of the amounts reflected in the consolidated statement of financial condition. Exposure to market risk is influenced by a number of factors, including the relationships between financial instruments and the Company's proprietary inventories, and the volatility and liquidity in the markets in which the financial instruments are traded. In many cases, the use of financial instruments serves to modify or offset market risk associated with other transactions and, accordingly, serves to decrease the Company's overall exposure to market risk. The Company attempts to control its exposure to market risk arising from the use of these financial instruments through various analytical monitoring techniques.

The Company has also sold securities that it does not currently own and will therefore be obligated to purchase such securities at a future date. The Company has recorded these obligations at December 31, 2007 at market values of the related securities and will incur a loss if the market value of the securities increases subsequent to December 31, 2007.

Note 16 Financial Instruments with Off-Balance Sheet Risk, *Continued*

Credit Risk—Credit risk arises from the potential inability of counterparties to perform in accordance with the terms of the contracts. The Company's exposure to credit risk associated with counterparty nonperformance is limited to the current cost to replace contracts in which the Company has a gain. Exchange-traded financial instruments, such as financial futures and options, generally do not give rise to significant counterparty exposure due to the cash settlement procedures for daily market movements or the margin requirements of the individual exchanges.

The Company enters into various transactions with clearing brokers, banks and other financial institutions. In the event these counterparties do not fulfill their obligations, the Company may be exposed to risk. It is the Company's policy to monitor the creditworthiness of each party with which it conducts business.

Financial Instruments Used for Purposes Other Than Trading—The Company may be exposed to foreign currency fluctuations due to customer and proprietary trading activities. The Company enters into futures contracts to hedge against net exposure denominated in foreign currencies. Gains and losses on these contracts are recognized as adjustments to currency translation gains or losses.

Note 17 Members' Equity

The limited liability company operating agreement for RCG provides for three classes of members with varying rights, preferences, privileges and obligations. The Class A and B members have voting rights and authority to manage RCG's operations. The Class C members have no voting rights and do not participate in management by reason of such memberships. Any actions taken by the Class A or Class B members require the unanimous approval of the Class A members. The Class A members have the sole power and authority to carry out management responsibilities and control the day-to-day management of RCG's operations, including delegations of authority, distributions and admittance of new members. The Class A members have appointed officers to act in the usual and customary capacities of their respective offices for the day-to-day management of RCG's operations. Class A members also have the option to purchase the Class B and C membership interests, and the Class C members have the right to withdraw their membership interests subject to the minimum net capital rules (see Note 18). In the event of dissolution of RCG, Class C members are entitled to a liquidation preference.

As of December 31, 2007, members' equity balances were Class A \$17,166,000, Class B \$6,264,000, and Class C \$45,231,000. Pursuant to the operating agreement, members' equity includes members' trading accounts and funds held. Members' equity may vary from day to day due to changes in operations and trading accounts, additions, distributions or withdrawals.

Note 18 Net Capital Requirements

RCG is subject to the net capital requirements of the CFTC (Regulation 1.17), the NFA, and several other commodities regulatory organizations. Under these requirements, RCG is generally required to maintain "adjusted net capital" equivalent to the greater of \$1,000,000 or the sum of 8 percent of customer and 4 percent of noncustomer risk maintenance margin requirements on all positions, as these terms are defined. Adjusted net capital and risk maintenance margin requirements changes from day to day, but at December 31, 2007, the Company had adjusted net capital of \$41,568,000, which was \$14,227,000 in excess of its required net capital of \$27,341,000. The minimum capital requirements may effectively restrict the withdrawal of members' equity.

As a clearing member of the FICC, RCG is required to maintain minimum capital, as defined. In addition, certain subsidiaries of RCG are subject to the minimum capital requirements of several regulatory organizations. At December 31, 2007, RCG and these subsidiaries were in compliance with all such requirements.

Rosenthal Collins Group, LLC and Subsidiaries

Statement of the Computation of the Minimum Capital Requirements
December 31, 2007

Schedule I

Current assets			\$ 11,466,058,000
Total liabilities			11,416,961,000
Deductions from liabilities			
Liabilities subject to satisfactory subordination agreements			<u>17,000,000</u>
Net capital			66,097,000
Charges against net capital			
Charge against market value of uncovered inventories			38,000
Charge against securities owned by firm			15,886,000
Undermargin charge on commodities futures and commodity options accounts			1,249,000
Charge against open commodity positions in proprietary accounts, uncovered contracts			6,506,000
Charge on unsecured receivables from foreign brokers			55,000
Adjustment to eliminate benefits of consolidation			<u>795,000</u>
Adjusted net capital			41,568,000
Net capital required using the risk-based requirement			
Amount of customer risk maintenance margin	\$ 340,262,000		
8% of customer risk maintenance margin		27,221,000	
Amount of noncustomer risk maintenance margin	<u>3,012,000</u>		
4% of noncustomer risk maintenance margin		<u>120,000</u>	
		27,341,000	
Minimum dollar amount requirement		<u>500,000</u>	
Amount required			<u>27,341,000</u>
Excess net capital			<u>\$ 14,227,000</u>

Note: There are no material differences between the above computation and the Company's corresponding unaudited Form 1-FR-FCM filing.

Rosenthal Collins Group, LLC and Subsidiaries**Reconciliation of Statement of Financial Condition to the Statement of the
Computation of the Minimum Capital Requirements
December 31, 2007****Schedule II****Assets**

Total assets reflected in the consolidated statement of financial condition		\$ 11,492,953,000
Market value of securities owned by customers and noncustomers		122,989,000
Market value of options on futures owned by customers and noncustomers		<u>(130,320,000)</u>
		11,485,622,000
Less noncurrent assets included in total assets		
Securities owned	\$	611,000
Receivables		
Customers		2,186,000
Dealers		1,898,000
Other		1,844,000
Exchange memberships, at cost		7,319,000
Computer software, equipment and leasehold improvements		5,645,000
Other assets		<u>61,000</u>
		<u>19,564,000</u>
Total current assets, as defined		<u><u>\$ 11,466,058,000</u></u>

Liabilities

Total liabilities reflected in the consolidated statement of financial condition		\$ 11,407,292,000
Liabilities subordinated to claims of general creditors		17,000,000
Add items not reflected in the consolidated statement of financial condition		
Market value of securities owned by customers and noncustomers		122,989,000
Market value of options on futures owned by customer and noncustomers		<u>(130,320,000)</u>
Total liabilities		<u><u>\$ 11,416,961,000</u></u>

Rosenthal Collins Group, LLC and Subsidiaries

**Statement of Segregation Requirements and Funds in Segregation for
Customers Trading on U.S. Commodity Exchanges
December 31, 2007**

Schedule III

Segregation Requirements (Section 4d(2) of the CEAct)

Net ledger balance, as follows:

Cash	\$ 858,991,000
Securities (at market)	119,759,000

Net unrealized profit (loss) in open futures contracts traded on a contract market	(43,999,000)
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Exchange traded options, as follows:

Market value of open option contracts purchased on a contract market	1,234,854,000
Market value of option contracts granted (sold) on a contract market	<u>(1,364,515,000)</u>

Net equity (deficit)	805,090,000
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Amounts liquidating to a deficit and accounts with debit balances, gross amount	9,871,000
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Less amount offset by customer owned securities	<u>(499,000)</u>
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Amount required to be segregated	<u>\$ 814,462,000</u>
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Funds in Segregated Accounts

Deposited in segregated funds bank accounts, as follows:

Cash	\$ 19,978,000
Securities representing investments of customers' funds (at market)	1,131,000
Securities held for particular customer or option customers in lieu of cash (at market)	17,101,000

Margins on deposit with clearing organizations of contract markets, as follows:

Cash	414,253,000
Securities representing investments of customers' funds (at market)	305,316,000
Securities held for particular customers or option customers in lieu of cash (at market)	102,658,000

Net settlement from (to) derivatives clearing organizations of contract markets	83,045,000
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Exchange traded options, as follows

Value of open long option contracts	1,234,196,000
Value of open short option contracts	(1,364,515,000)

Net equities with other FCMs, as follows:

Net liquidating equity	<u>24,617,000</u>
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Total amount in segregation	<u>\$ 837,780,000</u>
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Excess funds in segregation	<u>\$ 23,318,000</u>
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Note: There are no material differences between the above computation and the Company's corresponding unaudited Form 1-FR-FCM filing.

Rosenthal Collins Group, LLC and Subsidiaries

**Statement of Secured Amounts and Funds Held in Separate Accounts for Foreign
Futures and Foreign Options Customers Pursuant to Commission Regulation 30.7
December 31, 2007**

Schedule IV

Amount to be set aside in separate Section 30.7 accounts	<u>\$ 11,262,000</u>
Funds on deposit in separate Section 30.7 accounts:	
Cash in banks - located in the United States	5,152,000
Securities - in safekeeping with banks located in the United States	2,490,000
Equities with registered futures commission merchants - cash	1,897,000
Amounts held by clearing organizations of foreign boards of trade	18,922,000
Amounts held by members of foreign boards of trade - cash and long option contracts	<u>6,468,000</u>
	<u>34,929,000</u>
Excess funds in separate Section 30.7 accounts	<u><u>\$ 23,667,000</u></u>

Note: There are no material differences between the above computation and the Company's corresponding unaudited Form 1-FR-FCM filing.