

2017

Open to Public Inspection

990

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

Do not enter social security numbers on this form as it may be made public.

Go to www.irs.gov/Form990 for instructions and the latest information.Department of the Treasury
Internal Revenue Service

A For the 2017 calendar year, or tax year beginning , 2017, and ending , 20	
B Check if applicable: ☐ Address change ☐ Name change ☐ Initial return ☐ Final return/terminated ☐ Amended return ☐ Application pending	C Name of organization <u>Securities Investor Protection Corporation</u> Doing business as Number and street (or P O box if mail is not delivered to street address) Room/suite 1667 K St., NW 1000 City or town, state or province, country, and ZIP or foreign postal code Washington, DC 20006-1620 F Name and address of principal officer
D Employer identification number 52-0910763	
E Telephone number 202-371-8300	
G Gross receipts \$ 335,525,137	
H(a) Is this a group return for subordinates? ☐ Yes ☒ No H(b) Are all subordinates included? ☐ Yes ☐ No If "No," attach a list. (see instructions)	
H(c) Group exemption number	
I Tax-exempt status ☐ 501(c)(3) ☒ 501(c)(6) (insert no) ☐ 4947(a)(1) or ☒ 527	
J Website: <u>www.sipc.org</u>	
K Form of organization ☒ Corporation ☐ Trust ☐ Association ☐ Other	
L Year of formation 1970	
M State of legal domicile DC	

Part I Summary		Prior Year	Current Year
Activities & Governance	1 Briefly describe the organization's mission or most significant activities: <u>Protection of customers of SIPC members pursuant to the Securities Investor Protection Act of 1970. Copy of the 2017 Annual Report is attached.</u> Number of members as of December 31, 2017 = 3,700		
	2 Check this box ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	5
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	5
	5 Total number of individuals employed in calendar year 2017 (Part V, line 2a)	5	39
	6 Total number of volunteers (estimate if necessary)	6	0
	7a Total unrelated business revenue from Part VIII, column (A), line 34	7a	0
	7b Net unrelated business taxable income from Form 990-T, line 34	7b	0
	8 Contributions and grants (Part VIII, line 1h)	0	0
	9 Program service revenue (Part VIII, line 2g)	486,674,422	335,525,137
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	0	0	
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	0	0	
12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	486,674,422	335,525,137	
13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0	
14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0	
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	11,222,074	11,397,789	
16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0	
16b Total fundraising expenses (Part IX, column (D), line 25)			
17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	73,984,436	55,820,251	
18 Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	85,206,510	67,218,040	
19 Revenue less expenses. Subtract line 18 from line 12			
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	2,944,566,835	3,106,021,784
	21 Total liabilities (Part X, line 26)	959,473,658	870,123,241
	22 Net assets or fund balances. Subtract line 21 from line 20	1,985,093,177	2,235,898,543

Part II Signature Block	
Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.	
Sign Here Signature of officer <u>Stephen P. Harbeck</u> Stephen P. Harbeck, President and CEO Type or print name and title	Date <u>6/21/18</u>
Paid Preparer Use Only Print/Type preparer's name Preparer's signature Date Check ☐ if self-employed PTIN Firm's name Firm's EIN Firm's address Phone no	
May the IRS discuss this return with the preparer shown above? (see instructions) ☐ Yes ☐ No	

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2017)

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Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response or note to any line in this Part III ☐**1** Briefly describe the organization's mission:

When a brokerage firm is closed due to bankruptcy or other financial difficulties and customer assets are missing, SIPC steps in as quickly as possible and, within certain limits, works to return customer's cash, stock and other securities, and other customer property. Without SIPC, investors at financially troubled brokerage firms might lose their securities or money forever or wait for years while their assets are tied up in court. Mission is statutory.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.**4a** (Code:) (Expenses \$ including grants of \$) (Revenue \$)

SIPC initiated one new customer protection proceeding in 2017. Total proceedings commenced under SIPC to date are 330. In 2017, 2 proceedings were completed and 3 proceedings had satisfied customer claims with litigation matters pending. Cash and securities distributed for accounts of customers during 2017 totaled approximately \$1.17 billion.

Approximately 33 additional customers received distributions.

4b (Code:) (Expenses \$ including grants of \$) (Revenue \$)**4c** (Code:) (Expenses \$ including grants of \$) (Revenue \$)**4d** Other program services (Describe in Schedule O.)

(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses ▶ 67,218,040

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A	1	✓
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)?	2	✓
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	3	✓
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II	4	
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III	5	✓
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I	6	✓
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II	7	✓
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III	8	✓
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV	9	✓
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V	10	✓
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI	11a	✓
b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII	11b	✓
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII	11c	✓
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX	11d	✓
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X	11e	✓
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X	11f	✓
12 a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII	12a	✓
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional	12b	✓
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	✓
14 a Did the organization maintain an office, employees, or agents outside of the United States?	14a	✓
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV.	14b	✓
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? If "Yes," complete Schedule F, Parts II and IV	15	✓
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? If "Yes," complete Schedule F, Parts III and IV.	16	✓
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)	17	✓
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18	✓
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19	✓

Part IV Checklist of Required Schedules (continued)

	Yes	No
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>		✓
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>		✓
22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>		✓
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	✓	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>		✓
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>		
26 Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If "Yes," complete Schedule L, Part II</i>		✓
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>		✓
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		✓
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		✓
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>		✓
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		✓
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		✓
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		✓
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		✓
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		✓
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>		✓
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?		✓
b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		✓
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O.	✓	

Part V Statements Regarding Other IRS Filings and Tax Compliance*Check if Schedule O contains a response or note to any line in this Part V ☐

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a 21	
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b 0	
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c ✓	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a 39	
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2b ✓	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	✓
b	If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O	3b	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	✓
b	If "Yes," enter the name of the foreign country: ► _____ See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	✓
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	✓
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c	
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	6a	✓
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c	
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d	
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e	
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f	
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g	
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h	
8	Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?	8	
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the sponsoring organization make any taxable distributions under section 4966?	9a	
b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?	9b	
10	Section 501(c)(7) organizations. Enter:		
a	Initiation fees and capital contributions included on Part VIII, line 12	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b	
11	Section 501(c)(12) organizations. Enter:		
a	Gross income from members or shareholders	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b	
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.	13a	
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b	
c	Enter the amount of reserves on hand	13c	
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a	✓
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	14b	

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI ☒

Section A. Governing Body and Management

	Yes	No
1a Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.		
1b Enter the number of voting members included in line 1a, above, who are independent		
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		☒
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?		☒
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		☒
5 Did the organization become aware during the year of a significant diversion of the organization's assets?		☒
6 Did the organization have members or stockholders?	☒	
7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		☒
b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	☒	
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a The governing body?	☒	
b Each committee with authority to act on behalf of the governing body?	☒	
9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	☒	

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

	Yes	No
10a Did the organization have local chapters, branches, or affiliates?		☒
b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	☒	
b Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a Did the organization have a written conflict of interest policy? If "No," go to line 13	☒	
b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?		☒
c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	☒	
13 Did the organization have a written whistleblower policy?	☒	
14 Did the organization have a written document retention and destruction policy?	☒	
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a The organization's CEO, Executive Director, or top management official	☒	
b Other officers or key employees of the organization	☒	
If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).		
16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		☒
b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ► None

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.

☐ Own website ☐ Another's website ☒ Upon request ☐ Other (explain in Schedule O)

19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, address, and telephone number of the person who possesses the organization's books and records: ►

Charles E. Glover, VP-Finance, 1667 K St., NW, Ste 1000, Washington, DC 20006-1620

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent ContractorsCheck if Schedule O contains a response or note to any line in this Part VII ☐**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees****1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.

- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."

- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.

- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.

- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) Daniel M. Covitz Director (from January 1, 2017)	3 1	✓						-0-	-0-	-0-
(2) Anthony D'Agostino Director	2 5	✓						6,250	-0-	-0-
(3) Sarah Hammer Director (January 26, 2017 - July 13, 2017)	2 5	✓						-0-	-0-	-0-
(4) William S. Jasien Director	2 5	✓						6,250	-0-	-0-
(5) Gregory S. Karawan Director	2 8	✓						6,250	-0-	-0-
(6) Jared C. Sawyer Director (from July 13, 2017)	2 4	✓						-0-	-0-	-0-
(7) Stephen P. Harbeck President & CEO	40			✓				872,379	-0-	15,468
(8) Josephine Wang General Counsel & Secretary	40			✓				842,514	-0-	276,960
(9) Joseph S. Furr, Jr. Vice President - Finance	40			✓				394,192	-0-	272,088
(10) Karen L. Saperstein Vice President - Operations	40			✓				399,180	-0-	166,121
(11) Kevin H. Bell Sr. Assoc. Gen. Counsel for Dispute Resolution	40					✓		318,371	-0-	-6,383
(12) Kenneth J. Caputo Senior Associate General Counsel	40					✓		357,777	-0-	376,640
(13) Christopher H. LaRosa Senior Associate General Counsel - Litigation	40					✓		303,661	-0-	250,912
(14) Abraham L. Wons Director - Risk Management	40					✓		281,597	-0-	177,633

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(15) Charles E. Glover Assistant Vice President - Finance	40					✓		259,654	-0-	344,385
(16)										
(17)										
(18)										
(19)										
(20)										
(21)										
(22)										
(23)										
(24)										
(25)										
1b Sub-total								4,048,325	-0-	1,873,824
c Total from continuation sheets to Part VII, Section A								-0-	-0-	-0-
d Total (add lines 1b and 1c)								4,048,325	-0-	1,873,824

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization ▶

- 3** Did the organization list any **former** officer, director, or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual
- 4** For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual
- 5** Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person

	Yes	No
3		✓
4	✓	
5		✓

Section B. Independent Contractors

- 1** Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
McGinn and Company, 2111 Wilson Blvd, Ste 202, Arlington, VA 22201	Investor Education	225,000
Grant Thornton, 1000 Wilson Blvd, Arlington, VA 22209-3927	Accounting Fees	203,000
Conduent HR consulting, LLC, 420 Lexington Ave, Ste 2220, New York, NY 10170	Actuarial Services	184,898
2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ▶		

Part VIII Statement of RevenueCheck if Schedule O contains a response or note to any line in this Part VIII ☐

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns	1a -0-				
	b	Membership dues	1b -0-				
	c	Fundraising events	1c -0-				
	d	Related organizations	1d -0-				
	e	Government grants (contributions)	1e -0-				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f -0-				
	g	Noncash contributions included in lines 1a-1f \$					
	h	Total. Add lines 1a-1f ▶		-0-			
Program Service Revenue				Business Code			
	2a	Member Assessments	900099	277,800,032	277,800,032	-0-	-0-
	b	Interest on U S Gov't Securities	900099	57,725,105	57,725,105	-0-	-0-
	c						
	d						
	e						
	f	All other program service revenue .					
	g	Total. Add lines 2a-2f ▶		335,525,137			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts) ▶		-0-	-0-	-0-	-0-
	4	Income from investment of tax-exempt bond proceeds ▶		-0-	-0-	-0-	-0-
	5	Royalties ▶		-0-	-0-	-0-	-0-
		(i) Real	(ii) Personal				
	6a	Gross rents	-0-	-0-			
	b	Less: rental expenses	-0-	-0-			
	c	Rental income or (loss)	-0-	-0-			
	d	Net rental income or (loss) ▶		-0-	-0-	-0-	-0-
	7a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other			
			-0-	-0-			
	b	Less: cost or other basis and sales expenses	-0-	-0-			
	c	Gain or (loss)	-0-	-0-			
	d	Net gain or (loss) ▶		-0-	-0-	-0-	-0-
	8a	Gross income from fundraising events (not including \$ -0- of contributions reported on line 1c). See Part IV, line 18 a	-0-				
	b	Less: direct expenses b	-0-				
	c	Net income or (loss) from fundraising events . ▶		-0-	-0-	-0-	-0-
	9a	Gross income from gaming activities See Part IV, line 19 a	-0-				
	b	Less: direct expenses b	-0-				
	c	Net income or (loss) from gaming activities . . ▶		-0-	-0-	-0-	-0-
	10a	Gross sales of inventory, less returns and allowances a	-0-				
b	Less: cost of goods sold b	-0-					
c	Net income or (loss) from sales of inventory . . ▶		-0-	-0-	-0-	-0-	
Miscellaneous Revenue			Business Code				
11a							
b							
c							
d	All other revenue		-0-	-0-	-0-	-0-	
e	Total. Add lines 11a-11d ▶		-0-				
12	Total revenue. See instructions. ▶		335,525,137	335,525,137	-0-	-0-	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX ☐**Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.**

	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21	-0-			
2 Grants and other assistance to domestic individuals. See Part IV, line 22	-0-			
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16	-0-			
4 Benefits paid to or for members	-0-			
5 Compensation of current officers, directors, trustees, and key employees	2,996,584			
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	-0-			
7 Other salaries and wages	5,815,653			
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	537,106			
9 Other employee benefits	1,663,796			
10 Payroll taxes	384,650			
11 Fees for services (non-employees):				
a Management	-0-			
b Legal	32,816			
c Accounting	167,625			
d Lobbying	-0-			
e Professional fundraising services. See Part IV, line 17	-0-			
f Investment management fees	-0-			
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	283,164			
12 Advertising and promotion	312,059			
13 Office expenses	588,824			
14 Information technology	1,101,794			
15 Royalties	-0-			
16 Occupancy	983,172			
17 Travel	111,200			
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	-0-			
19 Conferences, conventions, and meetings	45,046			
20 Interest	-0-			
21 Payments to affiliates	-0-			
22 Depreciation, depletion, and amortization	701,871			
23 Insurance	36,124			
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a Customer protection proceedings	51,328,300			
b Personal property tax	51,609			
c Director's expenses	24,434			
d Temporary Services	52,213			
e All other expenses	-0-			
25 Total functional expenses. Add lines 1 through 24e	67,218,040			
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance SheetCheck if Schedule O contains a response or note to any line in this Part X ☐

		(A) Beginning of year		(B) End of year
Assets	1 Cash—non-interest-bearing	1,822,393	1	849,459
	2 Savings and temporary cash investments	-0-	2	-0-
	3 Pledges and grants receivable, net	-0-	3	-0-
	4 Accounts receivable, net	218,552,678	4	155,003,478
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L	-0-	5	-0-
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L	-0-	6	-0-
	7 Notes and loans receivable, net	-0-	7	-0-
	8 Inventories for sale or use	-0-	8	-0-
	9 Prepaid expenses and deferred charges	1,323,138	9	1,727,675
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 7,692,955		
	b Less: accumulated depreciation	10b 5,051,173	10c 3,266,556	2,641,782
	11 Investments—publicly traded securities	2,719,602,070	11	2,945,799,390
	12 Investments—other securities. See Part IV, line 11	-0-	12	-0-
	13 Investments—program-related. See Part IV, line 11	-0-	13	-0-
	14 Intangible assets	-0-	14	-0-
	15 Other assets. See Part IV, line 11	-0-	15	-0-
16 Total assets. Add lines 1 through 15 (must equal line 34)	2,944,566,835	16	3,106,021,784	
Liabilities	17 Accounts payable and accrued expenses	12,624,188	17	17,484,769
	18 Grants payable	-0-	18	-0-
	19 Deferred revenue	2,349,470	19	5,338,472
	20 Tax-exempt bond liabilities	-0-	20	-0-
	21 Escrow or custodial account liability. Complete Part IV of Schedule D	-0-	21	-0-
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L	-0-	22	-0-
	23 Secured mortgages and notes payable to unrelated third parties	-0-	23	-0-
	24 Unsecured notes and loans payable to unrelated third parties	-0-	24	-0-
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	944,500,000	25	847,300,000
	26 Total liabilities. Add lines 17 through 25	959,473,658	26	870,123,241
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here ☐ and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets		27	
	28 Temporarily restricted net assets		28	
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117 (ASC 958), check here ☒ and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds	1,985,093,177	30	2,235,898,543
	31 Paid-in or capital surplus, or land, building, or equipment fund	-0-	31	-0-
	32 Retained earnings, endowment, accumulated income, or other funds	-0-	32	-0-
	33 Total net assets or fund balances	1,985,093,177	33	2,235,898,543
	34 Total liabilities and net assets/fund balances	2,944,566,835	34	3,106,021,784

Part XI Reconciliation of Net AssetsCheck if Schedule O contains a response or note to any line in this Part XI ☒

1	Total revenue (must equal Part VIII, column (A), line 12)	1	335,525,137
2	Total expenses (must equal Part IX, column (A), line 25)	2	67,218,040
3	Revenue less expenses. Subtract line 2 from line 1	3	268,307,097
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	1,985,093,177
5	Net unrealized gains (losses) on investments	5	(14,174,544)
6	Donated services and use of facilities	6	-0-
7	Investment expenses	7	-0-
8	Prior period adjustments	8	-0-
9	Other changes in net assets or fund balances (explain in Schedule O)	9	(3,327,187)
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	2,235,898,543

Part XII Financial Statements and ReportingCheck if Schedule O contains a response or note to any line in this Part XII ☐

- 1** Accounting method used to prepare the Form 990: ☐ Cash ☒ Accrual ☐ Other _____
If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.
- 2a** Were the organization's financial statements compiled or reviewed by an independent accountant? . . .
If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both:
☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis
- b** Were the organization's financial statements audited by an independent accountant? . . .
If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:
☒ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis
- c** If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?
If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.
- 3a** As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? . . .
- b** If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.

	Yes	No
2a		✓
2b	✓	
2c	✓	
3a		✓
3b		

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

- ▶ **Complete if the organization is described below.** ▶ **Attach to Form 990 or Form 990-EZ.**
▶ **Go to www.irs.gov/Form990 for instructions and the latest information.**

OMB No 1545-0047

2017

**Open to Public
Inspection**

If the organization answered "Yes," on Form 990, Part IV, line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only.

If the organization answered "Yes," on Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B.
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

If the organization answered "Yes," on Form 990, Part IV, line 5 (Proxy Tax) (see separate instructions) or Form 990-EZ, Part V, line 35c (Proxy Tax) (see separate instructions), then

- Section 501(c)(4), (5), or (6) organizations: Complete Part III.

Name of organization	Employer identification number
Securities Investor Protection Corporation	52-0910763

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

- 1 Provide a description of the organization's direct and indirect political campaign activities in Part IV. (see instructions for definition of "political campaign activities")
- 2 Political campaign activity expenditures (see instructions) ▶ \$
- 3 Volunteer hours for political campaign activities (see instructions) ▶

Part I-B Complete if the organization is exempt under section 501(c)(3).

- 1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ \$
- 2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ \$
- 3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes ☐ No
- 4a Was a correction made? ☐ Yes ☐ No
- b If "Yes," describe in Part IV.

Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ \$
- 2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ \$
- 3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b ▶ \$
- 4 Did the filing organization file **Form 1120-POL** for this year? ☐ Yes ☐ No
- 5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

Part II-A Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).

- A** Check ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures).
- B** Check ☐ if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing organization's totals	(b) Affiliated group totals												
1a	Total lobbying expenditures to influence public opinion (grass roots lobbying)														
b	Total lobbying expenditures to influence a legislative body (direct lobbying)														
c	Total lobbying expenditures (add lines 1a and 1b)														
d	Other exempt purpose expenditures														
e	Total exempt purpose expenditures (add lines 1c and 1d)														
f	Lobbying nontaxable amount. Enter the amount from the following table in both columns.														
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 40%;">If the amount on line 1e, column (a) or (b) is:</th> <th style="width: 60%;">The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000.</td> </tr> </tbody> </table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e.	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000.		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e.														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000.														
g	Grassroots nontaxable amount (enter 25% of line 1f)														
h	Subtract line 1g from line 1a. If zero or less, enter -0-														
i	Subtract line 1f from line 1c. If zero or less, enter -0-														
j	If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?	☐ Yes ☐ No													

4-Year Averaging Period Under section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below.
See the separate instructions for lines 2a through 2f.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2014	(b) 2015	(c) 2016	(d) 2017	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column (e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

For each "Yes," response on lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.

	(a)		(b)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?			
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?			
c Media advertisements?			
d Mailings to members, legislators, or the public?			
e Publications, or published or broadcast statements?			
f Grants to other organizations for lobbying purposes?			
g Direct contact with legislators, their staffs, government officials, or a legislative body?			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?			
i Other activities?			
j Total. Add lines 1c through 1i			
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?			
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

	Yes	No
1 Were substantially all (90% or more) dues received nondeductible by members?	1	✓
2 Did the organization make only in-house lobbying expenditures of \$2,000 or less?	2	✓
3 Did the organization agree to carry over lobbying and political campaign activity expenditures from the prior year?	3	✓

Part III-B Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No," OR (b) Part III-A, line 3, is answered "Yes."

1 Dues, assessments and similar amounts from members	1	
2 Section 162(e) nondeductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
a Current year	2a	
b Carryover from last year	2b	
c Total	2c	
3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5 Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV Supplemental Information

Provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; Part II-A (affiliated group list); Part II-A, lines 1 and 2 (see instructions); and Part II-B, line 1. Also, complete this part for any additional information.

The Securities Investor Protection Corporation ("SIPC") is a non-profit membership organization created under the Securities Investor

Protection Act, 15 U.S.C. §78aaa et seq. ("SIPA"). During its 2017 tax year, SIPC made no lobbying expenditures to outside firms

Part IV **Supplemental Information** *(continued)*

Lined area for supplemental information.

**SCHEDULE D
(Form 990)**

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.**
▶ **Attach to Form 990.**

▶ **Go to www.irs.gov/Form990 for instructions and the latest information.**

OMB No 1545-0047

2017

**Open to Public
Inspection**

Name of the organization

Securities Investor Protection Corporation

Employer identification number

52-0910763

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.

Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate value of contributions to (during year)		
3 Aggregate value of grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?		☐ Yes ☐ No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?		☐ Yes ☐ No

Part II Conservation Easements.

Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply). ☐ Preservation of land for public use (e.g., recreation or education) ☐ Preservation of a historically important land area ☐ Protection of natural habitat ☐ Preservation of a certified historic structure ☐ Preservation of open space	
2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 7/25/06, and not on a historic structure listed in the National Register	2d
3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶	
4 Number of states where property subject to conservation easement is located ▶	
5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?	☐ Yes ☐ No
6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶	
7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ \$	
8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?	☐ Yes ☐ No
9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.	

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.	
b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items: (i) Revenue included on Form 990, Part VIII, line 1 ▶ \$ (ii) Assets included in Form 990, Part X ▶ \$	
2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items: a Revenue included on Form 990, Part VIII, line 1 ▶ \$ b Assets included in Form 990, Part X ▶ \$	

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a** ☐ Public exhibition
b ☐ Scholarly research

- d** ☐ Loan or exchange programs
e ☐ Other _____

c ☐ Preservation for future generations

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements.

Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

c Beginning balance

d Additions during the year

e Distributions during the year

f Ending balance

	Amount
1c	
1d	
1e	
1f	

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII ☐

Part V Endowment Funds.

Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

a Board designated or quasi-endowment %

b Permanent endowment %

c Temporarily restricted endowment %

The percentages on lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

(i) unrelated organizations

(ii) related organizations

	Yes	No
3a(i)		
3a(ii)		
3b		

b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land	-0-	-0-	-0-	-0-
b Buildings	-0-	-0-	-0-	-0-
c Leasehold improvements	-0-	1,451,559	517,840	933,719
d Equipment	-0-	5,041,155	4,094,596	946,559
e Other	-0-	1,200,241	438,737	761,504
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				2,641,782

Part VII Investments—Other Securities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

Part VIII Investments—Program Related.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

Part IX Other Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	

Part X Other Liabilities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	-0-
(2) Estimated costs to complete customer	847,300,000
(3) protection proceedings in progress	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	847,300,000

2. Liability for uncertain tax positions In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII ☐

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements	1	321,350,593
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains (losses) on investments	2a	(14,174,544)
b	Donated services and use of facilities	2b	-0-
c	Recoveries of prior year grants	2c	-0-
d	Other (Describe in Part XIII.)	2d	-0-
e	Add lines 2a through 2d	2e	(14,174,544)
3	Subtract line 2e from line 1	3	335,525,137
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	-0-
b	Other (Describe in Part XIII.)	4b	-0-
c	Add lines 4a and 4b	4c	-0-
5	Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.)	5	335,525,137

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements	1	70,545,227
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	-0-
b	Prior year adjustments	2b	-0-
c	Other losses	2c	-0-
d	Other (Describe in Part XIII.)	2d	3,327,187
e	Add lines 2a through 2d	2e	3,327,187
3	Subtract line 2e from line 1	3	67,218,040
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	-0-
b	Other (Describe in Part XIII.)	4b	-0-
c	Add lines 4a and 4b	4c	-0-
5	Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18.)	5	67,218,040

Part XIII Supplemental Information.

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

Part XII, line 2d - Pension and postretirement benefit changes other than net periodic pension costs

Part XIII Supplemental Information *(continued)*

Area for supplemental information with horizontal dashed lines.

SCHEDULE J
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest
Compensated Employees

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 23.**

▶ **Attach to Form 990.**

▶ **Go to www.irs.gov/Form990 for instructions and the latest information.**

OMB No 1545-0047

2017

**Open to Public
Inspection**

Securities Investor Protection Corporation

Employer identification number

52-0910763

Part I Questions Regarding Compensation

	Yes	No
1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items. ☒ First-class or charter travel ☒ Travel for companions ☐ Tax indemnification and gross-up payments ☐ Discretionary spending account ☐ Housing allowance or residence for personal use ☐ Payments for business use of personal residence ☐ Health or social club dues or initiation fees ☐ Personal services (such as, maid, chauffeur, chef)		
b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain.	1b	✓
2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a?	2	✓
3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III. ☒ Compensation committee ☒ Independent compensation consultant ☒ Form 990 of other organizations ☐ Written employment contract ☒ Compensation survey or study ☒ Approval by the board or compensation committee		
4 During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization: a Receive a severance payment or change-of-control payment? b Participate in, or receive payment from, a supplemental nonqualified retirement plan? c Participate in, or receive payment from, an equity-based compensation arrangement? If "Yes" to any of lines 4a–c, list the persons and provide the applicable amounts for each item in Part III.	4a 4b 4c	✓ ✓ ✓
Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5–9.		
5 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of: a The organization? b Any related organization? If "Yes" on line 5a or 5b, describe in Part III.	5a 5b	
6 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of: a The organization? b Any related organization? If "Yes" on line 6a or 6b, describe in Part III.	6a 6b	
7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III.	7	
8 Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III.	8	
9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9	

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that aren't listed on Form 990, Part VII.

Note: The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title	(B) Breakdown of W-2 and/or 1099-MISC compensation				(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation					
Stephen P Harbeck 1President & CEO	(i) 548,135 (ii) -0-	318,063 -0-	6,181 -0-	-18,842 -0-	37,261 -0-	890,798 -0-		
Josephine Wang 2General Counsel & Secretary	(i) 444,650 (ii) -0-	395,884 -0-	1,980 -0-	262,069 -0-	17,002 -0-	1,121,585 -0-		
Joseph S Furr, Jr 3Vice President - Finance	(i) 330,374 (ii) -0-	60,008 -0-	3,810 -0-	256,616 -0-	17,950 -0-	668,758 -0-		
Karen L. Saperstein 4Vice President - Operations	(i) 301,274 (ii) -0-	94,096 -0-	3,810 -0-	132,329 -0-	36,267 -0-	567,776 -0-		
Kevin H Bell 5Sr Assoc Gen Counsel-Disp Res	(i) 280,190 (ii) -0-	32,000 -0-	6,181 -0-	-49,743 -0-	46,249 -0-	314,877 -0-		
Kenneth J Caputo 6Sr. Assoc General Counsel	(i) 306,582 (ii) -0-	49,905 -0-	1,290 -0-	346,568 -0-	32,046 -0-	736,391 -0-		
Christopher H LaRosa 7Sr Assoc Gen Counsel - Lit,	(i) 266,971 (ii) -0-	36,000 -0-	690 -0-	231,377 -0-	21,184 -0-	556,222 -0-		
Abraham L Wons 8Director - Risk Management	(i) 250,517 (ii) -0-	29,100 -0-	1,980 -0-	132,938 -0-	46,580 -0-	461,115 -0-		
Charles E Glover 9Asst Vice President - Finance	(i) 231,364 (ii) -0-	27,000 -0-	1,290 -0-	328,167 -0-	17,770 -0-	605,591 -0-		
10								
11								
12								
13								
14								
15								
16								

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

Part 1, Line 1a - First class train fare was allowed pursuant to policy and paid for Mr. Jasien, Mr. Harbeck, Mr. Furr, Ms. Saperstein, Mr. Bell, Mr. Caputo and Mr. Glover

when it was less than or equivalent to the cost of coach airfare and related ground transportation

Companion expenses for train fare and meals were paid for Mr. D'Agostino (\$271.31 - meal), Mr. Jasien (\$983.31 - train fare and meal), Ms. Saperstein (\$271.31 - meal)

and Mr. Wons (\$301.35 - meals)

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

► Attach to Form 990 or 990-EZ.
► Go to www.irs.gov/Form990 for the latest information.

OMB No 1545-0047

2017

**Open to Public
Inspection**

Name of the organization

Securities Investor Protection Corporation

Employer identification number

52-0910763

Part VI, line 6 - SIPC is a membership corporation. Membership is by operation of law.

Part VI, line 7b - No decisions of the governing body are subject to approval by members. However, proposed rule changes and bylaw changes are subject to review by the U.S. Securities and Exchange Commission.

Part VI, line 9 - Daniel M. Covitz, Deputy Dir., Fed. Res. Bd., Div. of Research & Statistics, Bd. of Gov. of the Fed. Res. System, 20th & Constitution Avenue, N.W., Washington, DC 20551.

Anthony D'Agostino, Maven Medical, 2321 Cavesdale Road, Owings Mills, MD 21117.

Sarah Hammer, Sr. Dir., Alternative Investments Initiative, Wharton School of the U. of Penn., 3620 Locust Walk, Steinberg-Dietrich Hall, Philadelphia, PA 19104 (formerly with U.S. Dept. of the Treasury).

William S. Jasien, Stonehedge Global Partners, 7421 Dunquin Court, Clifton, VA 20124.

Gregory S. Karawan, Genworth Financial, 6620 W. Broad St., Building 2 - 8th floor, Richmond, VA 23230.

Jared C. Sawyer, Deputy Asst. Sec'y for Fin'l Inst. Policy, U.S. Dept. of the Treasury, 15th & Pennsylvania Ave., N.W., Washington, DC 20220.

Part VI, line 11b - The Form 990 was prepared by the SIPC accounting staff, directed by the Vice President-Finance, using the books and records of the corporation after the completion of an audit by independent Certified Public Accountants. The filing was reviewed by the President & CEO of SIPC. Prior to the filing, copies of the completed Form 990, including required schedules, as it was filed with the IRS, were provided for review to the Audit and Budget Committee of the SIPC Board of Directors for its June 2018 meeting. The Form 990 was also provided to the SIPC Board of Directors for its review at its June 2018 meeting with recommendations by the Audit and Budget Committee.

Part VI, line 12b&c - SIPC has written Business Ethics and Whistleblower Policies which include provisions regarding conflicts of interests. They are incorporated into the written Personnel Guide. Upon employment and annually thereafter each employee, including officers, must sign a document stating that they have read and understand those provisions. During the annual audit, the independent Certified Public Accountants, inquire of the staff on a test basis as to their understanding of the policies and report their findings to the Audit and Budget Committee of the SIPC Board of Directors. Upon appointment and at least annually thereafter each non-government Director shall certify in

Name of the organization

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writing that he or she has read and understood and will adhere to the Code of Ethics for Directors that he or she has no known conflicts of interest. The Government Directors must adhere to their government standards and codes of ethics. Each director also must immediately disclose any conflict as it arises and recuse themselves from any decision so affected. Any such event is documented in the meeting minutes.

Part VI, line 15 a&b - Compensation for all SIPC officers is set by the SIPC Board of Directors annually in conformity with compensation guidelines adopted by the Board and based on the recommendations of the Compensation Committee of the SIPC Board of Directors. They review Form 990 data for other organization, salary studies, U.S. Government pay scales, securities industry data, and inflation statistics from the U.S. Department of Labor, Bureau of Labor Statistics, as well as performance and work loads. Generally, an independent compensation study is commissioned every three years.

Part VI, line 19 - SIPC was created by the Securities Investor Protection Act (15 U.S.C. §78aaa et seq.). This statute, SIPC Rules and the SIPC Bylaws, which includes "Conduct of Employees of the Securities Investor Protection Corporation" in Section 5, are posted on the SIPC website www.sipc.org. The current, as well as the entire prior 45 year history of, SIPC Annual Reports, including the audited financial statements, are also posted on the website. Copies will be mailed upon request.

Part XI, line 9 - Pension related changes other than net periodic pension costs