

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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**ANNUAL AUDITED REPORT
FORM X-17A-5
PART III**

SEC FILE NUMBER
8-

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01/01/2019 AND ENDING 12/31/2019
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: **Moreton Capital Markets**

OFFICIAL USE ONLY

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

FIRM I.D. NO.

101 South 200 East, Suite 300

(No. and Street)

Salt Lake City

UT

84111

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Eric Vos 612-875-2519

(Area Code – Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Haynie & Company

(Name – if individual, state last, first, middle name)

50 West Broadway

Salt Lake City

UT

84101

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

☒

Certified Public Accountant

☐

Public Accountant

☐

Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

MORETON CAPITAL MARKETS, LLC
FORM X-17A-5 WITH REPORT OF
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
FOR THE YEAR ENDED DECEMBER 31, 2019


MORETON CAPITAL MARKETS, LLC


TABLE OF CONTENTS

	<u>Page</u>
Report of Independent Registered Public Accounting Firm	1
Oath or Affirmation to Financial Statements	2
Statement of Financial Condition	3
Statement of Operations	4
Statement of Cash Flows	5
Statement of Changes in Members' Equity	6
Notes to Financial Statements	7-10
 <u>Supplementary Information</u>	
Schedule I - Computation of Net Capital and Reconciliation to Respondent's Unaudited Computation	11
Schedule II - Computation of Aggregate Indebtedness	12
Schedule III - Exemptive Provision Under Rule 15c3-3	13
Report of Independent Registered Public Accounting Firm Exemption Review Report	14
Management Exemption Report	15
Report of Independent Registered Public Accounting Firm on Applying Agreed-Upon Procedures	16



1785 West 2320 South
Salt Lake City, UT 84119

 801-972-4800

 801-972-8941

 www.HaynieCPAs.com

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Members
of Moreton Capital Markets, LLC

Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of Moreton Capital Markets, LLC as of December 31, 2019, the related statements of operations, changes in members' equity, and cash flows for the year then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of Moreton Capital Markets, LLC as of December 31, 2019, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of Moreton Capital Markets, LLC's management. Our responsibility is to express an opinion on Moreton Capital Markets, LLC's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to Moreton Capital Markets, LLC in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Auditor's Report on Supplemental Information

The supplemental information has been subjected to audit procedures performed in conjunction with the audit of Moreton Capital Markets, LLC's financial statements. The supplemental information is the responsibility of Moreton Capital Markets, LLC's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with 17 C.F.R. §240.17a-5. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.



Haynie & Company
Salt Lake City, Utah
February 26, 2020

We have served as Moreton Capital Markets, LLC's auditor since 2016.

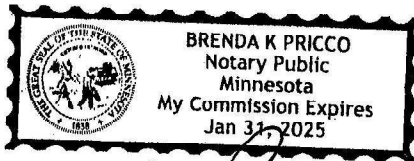


An independently owned member
RSM US Alliance



OATH OR AFFIRMATION

I, Eric Vos, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Moreton Capital Markets, as of December 31, 20 19, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:



E. Vos

Signature

President

Title

Brenda Pricco 2/27/20
Notary Public

This report ** contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss) or, if there is other comprehensive income in the period(s) presented, a Statement of Comprehensive Income (as defined in §210.1-02 of Regulation S-X).
- ☐ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☒ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

MORETON CAPITAL MARKETS, LLC
STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2019

ASSETS

Current assets:

Cash	\$ 667,967
Commissions receivable	176,862
Deposits & prepaid expenses	<u>19,105</u>
Total current assets	<u>863,934</u>

Restricted cash deposit	<u>50,000</u>
Total long term assets	<u>50,000</u>

Total Assets	<u><u>\$ 913,934</u></u>
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LIABILITIES AND MEMBERS' EQUITY

Current liabilities:

Accounts payable and accrued expenses	\$ <u>121,964</u>
Total current liabilities	<u>121,964</u>

Members' equity	<u>791,970</u>
------------------------	----------------

Total Liabilities and Members' Equity	<u><u>\$ 913,934</u></u>
--	--------------------------

The accompanying notes are an integral
part of these financial statements.

MORETON CAPITAL MARKETS, LLC
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2019

Revenues:

Commissions and fees	\$ 1,758,397
Interest income	<u>10,273</u>
Total revenues	<u>1,768,670</u>

Expenses:

Salaries, commissions and benefit expense	1,110,249
Brokerage expense	90,304
Trading platform systems	116,860
Bank custody fees	15,026
Office rent & services	37,909
Office equipment and supplies	46,661
Professional fees	47,963
Travel and entertainment	40,718
Insurance	7,394
Regulatory fees	19,505
Education and training	12,087
Service charges	2,238
Miscellaneous expense	<u>385</u>

Total expenses	<u>1,547,299</u>
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Net Income	<u>\$ 221,371</u>
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The accompanying notes are an integral
part of these financial statements.

MORETON CAPITAL MARKETS, LLC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019

Cash flows from operating activities:

Net Income	\$ 221,371
Adjustments to reconcile net income to net cash Provided by operating activities:	
(Increase) decrease in assets:	
Commissions receivable	(24,770)
Deposits and prepaid expenses	(2,783)
Increase (decrease) in liabilities:	
Accounts payable and accrued expenses	<u>12,659</u>
Net cash provided by operating activities	<u>206,477</u>

Cash flows from financing activities:

Increase (decrease) from capital distributions:	<u>(75,000)</u>
Net cash used in financing activities	<u>(75,000)</u>

Cash flows from investing activities

	<u>-</u>
Net increase in cash	131,477
Cash, beginning of year	<u>536,490</u>
Cash, end of year	<u>\$ 667,967</u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:

Cash paid during the year for:

Income taxes	<u>\$ --</u>
Interest	<u>\$ --</u>

The accompanying notes are an integral
part of these financial statements.

MORETON CAPITAL MARKETS, LLC
STATEMENT OF CHANGES IN MEMBERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2019

Members' equity, December 31, 2018	\$ 645,599
Capital distributions	(75,000)
Net income	<u>221,371</u>
Members' equity, December 31, 2019	<u>\$ 791,970</u>

The accompanying notes are an integral
part of these financial statements.

MORETON CAPITAL MARKETS, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNT POLICIES

a. Business

Moreton Capital Markets, LLC (a Utah Limited Liability Company) was formed in 2004 under the laws of the state of Utah. The Company is governed by the Operating Agreement of Moreton Capital Markets, LLC dated March 1, 2016. The Operating Agreement provides that the Company is to terminate on December 31, 2054 unless terminated earlier in accordance with the terms of the Operating Agreement.

According to the terms of the Operating Agreement, after the initial contributions are made, members have no further obligation to contribute additional amounts of capital to the Company, unless otherwise approved by the members. In addition, the liability of the members of the Company is limited to the members' equity.

The Company began operations as a securities broker dealer in 2004. The Company is registered with the Securities and Exchange Commission (SEC) and is a member of the Financial Industry Regulatory Authority (FINRA). The Company's business is principally focused on the purchase and sale of investment grade fixed income securities to institutional clients, the company also has a limited sharing of commissions with two other FINRA member firms for the referral of customers for mutual funds and variable annuity insurance products. In December of 2015 the Company filed a new continuing member application with FINRA and was approved to be a trading broker dealer clearing through RBC correspondent services. The company holds no securities inventory. The Company operates in the state of Utah and has securities transactions with customers within Utah and numerous other states where the Company is registered.

b. Revenue Recognition

The Company follows the guidance of ASC 606, which requires that an entity recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance requires an entity to follow a five-step model to (a) identify the contract(s) with a customer, (b) identify the performance obligations in the contract, (c) determine the transaction price, (d) allocate the transaction price to the performance obligations in the contract, and (e) recognize revenue when the entity satisfies a performance obligation.

Commission revenue is recorded in the accounts on a settle date basis, which is the day the transaction is executed. Commission revenue is transferred by RBC to the company operating account every 30 days usually on the third business day of the new month. Fees are recorded when earned and transactions have been fully consummated. The Company believes that the performance obligation is satisfied on the settlement date because that is when the risks and rewards of ownership have been transferred to the customer.

c. Customer Security Transactions

The Company does not handle customer funds or securities and is exempt from the provisions of the Customer Protection Rule (Rule 15c3-3).

d. **Cash and Cash Equivalents**

For purposes of reporting cash flows, the Company considers all highly liquid cash investments with an original maturity of three months or less to be cash equivalents. The Company has entered into an agreement with RBC Correspondent Services as a clearing firm for future trading activity. The agreement requires a minimum clearing deposit balance of \$50,000. As of December 31, 2019 a balance of \$50,000 was classified as restricted cash.

e. **Management Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles and prevailing industry practices requires management to make estimates and assumptions that affect certain reported amounts and disclosures in the financial statements. Accordingly, actual results could differ from those estimates.

f. **Income Taxes**

The Company is taxed as a partnership for federal and state income tax purposes, and therefore no provision for income taxes has been recognized in the financial statements. Income of the Company is allocated to the members based upon their ownership percentage and reported on their respective individual income tax returns. Interest and penalties would also be shared by the members based on their ownership percentage.

Management has evaluated the tax positions by the Company and concluded that the Company has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of ASC 740. With few exceptions, the Company is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for the tax years prior to 2016.

g. **Fair Value of Financial Instruments**

The carrying amount reflected in the statement of financial condition for cash and cash equivalents approximate fair value due to the short maturities of those instruments.

2. **COMMISSIONS RECEIVABLE**

Commissions receivable represent amounts due from our clearing agent, RBC, for commissions and revenue earned through December 31, 2019. Amounts received after year end, for services of the prior year were classified as commissions receivable. Amounts classified as commissions receivable were received in the subsequent month, therefore, an allowance for doubtful accounts was not considered necessary.

3. **RELATED PARTY TRANSACTIONS**

In August of 2004, the Company entered into an *Office and Administrative Services Agreement* with another company with common ownership. Under the terms of this agreement, the Company is provided with office space, furnishings, administrative personnel, and access to the equipment and supplies necessary to operate the business. Office rent and administrative services of \$37,909 was charged to operations during the year ended December 31, 2019. The future minimum payments required by the *Office and Administrative Services Agreement* at December 31, 2019 are \$43,560 through December 2020.

4. NET CAPITAL REQUIREMENTS

As a broker dealer, the Company is subject to the uniform net capital rule adopted and administered by the Securities and Exchange Commission. The rule requires maintenance of minimum net capital and prohibits a broker dealer from engaging in securities transactions at a time when its net capital is less than the required minimum, as those terms are defined by the rule. At December 31, 2019, the Company's net capital was \$772,865 which was \$764,734 in excess of the \$8,131 minimum required.

5. RISK MANAGEMENT

Transactions involving financial instruments involve varying degrees of market, credit and operating risk. The Company monitors its exposure to risk on a regular basis.

Market Risk

The Company does not invest in securities for its own account and, therefore is not directly subject to market risk.

Credit Risk

Concentrations of credit risk that arise from financial instruments exist for groups of counterparties when they have similar economic characteristics that would cause their ability to meet obligations to be similarly affected by economic, industry or geographic factors.

Operating Risk

Operating risk focuses on the Company's ability to accumulate, process, and communicate information necessary to conduct its daily operations. Deficiencies in technology, financial systems and controls, and losses attributed to operational problems all pose potential operating risks. In order to mitigate these risks, the Company has established and maintains an internal control environment which incorporates various control mechanisms throughout the organization. In addition, the Company periodically monitors its technological needs and makes changes as deemed appropriate.

6. CONCENTRATION OF CREDIT RISK

The Company currently maintains its bank accounts at one financial institution. Accounts at an institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times, the bank account balance exceeds the FDIC limit.

7. SIGNIFICANT BUSINESS RELATIONSHIPS

As discussed in note 1d, the Company's has entered into a clearing relationship with RBC Correspondent Services. The Company also shares commissions with another FINRA member firm for the referral of customers for mutual funds and variable annuity insurance products. Loss or impairment to any of those business relationships may negatively impact the Company's results of operations.

8. PREFERRED OWNERSHIP

William R. Moreton has contributed \$400,000 towards the capital of the firm, which is classified as preferred equity. In a liquidation event, Mr. Moreton's \$400K contribution has priority over other owners' equity, and no dividends are to be paid to other owners until the \$400,000 preferred equity has been repurchased by the Company. The Company has the option to repurchase preferred shares at any time.

9. SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 26, 2020, the date on which the financial statements were available to be issued, and has determined there are no additional subsequent events to be reported.

MORETON CAPITAL MARKETS, LLC
SUPPLEMENTARY INFORMATION
PURSUANT TO RULE 17a-5 OF THE
SECURITIES EXCHANGE ACT OF 1934
AS OF DECEMBER 31, 2019

MORETON CAPITAL MARKETS, LLC
SCHEDULE I
COMPUTATION OF NET CAPITAL AND RECONCILIATION
TO RESPONDENT'S UNAUDITED COMPUTATION
DECEMBER 31, 2019

Total members' equity	\$ 791,970
Deduct: equity not allowable for net capital	<u> --</u>
Total members' equity qualified for net capital	791,970
Liabilities subordinated to claims of general creditors allowable in computation of net capital	<u> --</u>
Total capital and allowable subordinated liabilities	<u> 791,970</u>
Total non-allowable assets from the Statement of Financial Condition	(19,105)
Total other deductions	<u> --</u>
Total deductions and/or charges	<u> (19,105)</u>
Net capital before haircuts on securities positions	<u> 772,865</u>
Haircuts on securities	<u> --</u>
Net capital per audit	<u> \$ 772,865</u>

RECONCILIATION TO RESPONDENT'S UNAUDITED COMPUTATION

Net capital per respondent's unaudited computation	\$ 772,865
Net increase in members' equity	--
Net (increase) in non-allowable assets	<u> --</u>
Net capital per audit	<u> \$ 772,865</u>

MORETON CAPITAL MARKETS, LLC
SCHEDULE II
COMPUTATION OF AGGREGATE INDEBTEDNESS
DECEMBER 31, 2019

Total Aggregate Indebtedness	<u>\$121,964</u>
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Ratio of aggregate indebtedness to net capital	<u>.1578 : 1</u>
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MORETON CAPITAL MARKETS, LLC
SCHEDULE III
EXEMPTIVE PROVISION UNDER RULE 15c3-3
DECEMBER 31, 2019


If an exemption from Rule 15c3-3 is claimed, identify below the section upon which such exemption is based (check one only)


- A. \$2,500 capital category; as per Rule 15c3-1 _____
- B. "Special Account for the Exclusive Benefit of Customers" maintained _____
- C. All customer transactions cleared through another broker-dealer on a fully disclosed basis: Name of clearing firm: RBC Correspondent Services X
- D. Exempted by order of the Commission _____



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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Members
Moreton Capital Markets, LLC

We have reviewed management's statements, included in the accompanying Exemption Report, in which (1) Moreton Capital Markets, LLC identified the following provisions of 17 C.F.R. §15c3-3(k) under which Moreton Capital Markets, LLC claimed an exemption from 17 C.F.R. §240.15c3-3: (2)(ii) (exemption provisions) and (2) Moreton Capital Markets, LLC stated that Moreton Capital Markets, LLC met the identified exemption provisions throughout the most recent fiscal year without exception. Moreton Capital Markets, LLC's management is responsible for compliance with the exemption provisions and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about Moreton Capital Markets, LLC's compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in paragraph (k)(2)(ii) of Rule 15c3-3 under the Securities Exchange Act of 1934.



Haynie & Company
Salt Lake City, Utah
February 26, 2020

EXEMPTION REPORT

Moreton Capital Markets, LLC (the “Company”) is a registered broker-dealer subject to Rule 17a-5 promulgated by the Securities and Exchange Commission (17 C.F.R. § 240.17a-5, “Reports to be made by certain brokers and dealers”). This Exemption Report was prepared as required by 17 C.F.R. § 240.17a-5(d)(1) and (4). To the best of its knowledge and belief, the Company states the following:

1. The Company claimed an exemption from 17 C.F.R. § 240.15c3-3 under the following provision of 17 C.F.R. § 240.15c3-3(k)(2)(ii).
2. The Company met the identified exemption provision in 17 C.F.R. § 240.15c3-3(k) throughout the most recent fiscal year without exception.

I, Eric Vos, affirm that, to my best knowledge and belief, this Exemption Report is true and correct.

Eric Vos


Eric Vos (Jan 22, 2020)

Eric Vos
President
Moreton Capital Markets, LLC
January 22, 2020



1785 West 2320 South
Salt Lake City, UT 84119

 801-972-4800

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 www.HaynieCPAs.com

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON APPLYING AGREED-UPON PROCEDURES

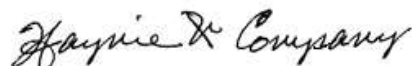
To the Members of
Moreton Capital Markets, LLC

We have performed the procedures included in Rule 17a-5(e)(4) under the Securities Exchange Act of 1934 and in the Securities Investor Protection Corporation (SIPC) Series 600 Rules, which are enumerated below and were agreed to by Moreton Capital Markets, LLC and the SIPC, solely to assist you and SIPC in evaluating Moreton Capital Markets, LLC's compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7) for the year ended December 31, 2019. Moreton Capital Markets, LLC's management is responsible for its Form SIPC-7 and for its compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with standards established by the Public Company Accounting Oversight Board (United States) and in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our findings are as follows:

- 1) Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records entries, noting no differences;
- 2) Compared the Total Revenue amounts reported on the Annual Audited Report Form X-17A-5 Part III for the year ended December 31, 2019 with the Total Revenue amount reported in Form SIPC-7 for the year ended December 31, 2019, noting no differences;
- 3) Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers, noting no differences; and
- 4) Recalculated the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting the adjustments, noting no differences;

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on Moreton Capital Markets, LLC's compliance with the applicable instructions of the Form SIPC-7 for the year ended December 31, 2019. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of Moreton Capital Markets, LLC and the SIPC and is not intended to be and should not be used by anyone other than these specified parties.



Haynie & Company
Salt Lake City, Utah
February 26, 2020

SIPC-7

(36-REV 12/18)

SECURITIES INVESTOR PROTECTION CORPORATION

P.O. Box 92185 Washington, D.C. 20090-2185

202-371-8300

General Assessment Reconciliation**SIPC-7**

(36-REV 12/18)

For the fiscal year ended **12/31/2019**

(Read carefully the instructions in your Working Copy before completing this Form)

TO BE FILED BY ALL SIPC MEMBERS WITH FISCAL YEAR ENDINGS

1. Name of Member, address, Designated Examining Authority, 1934 Act registration no. and month in which fiscal year ends for purposes of the audit requirement of SEC Rule 17a-5:

12*12*****2457*****MIXED AADC 220
 66620 FINRA DEC
 MORETON CAPITAL MARKETS LLC
 101 S 200 E STE 300
 SALT LAKE CITY, UT 84111-3107

Note: If any of the information shown on the mailing label requires correction, please e-mail any corrections to form@sipc.org and so indicate on the form filed.

Name and telephone number of person to contact respecting this form.

2. A. General Assessment (item 2e from page 2)

\$ 947

B. Less payment made with SIPC-6 filed (exclude interest)

(451)7/26/2019

Date Paid

C. Less prior overpayment applied

(_____)

D. Assessment balance due or (overpayment)

E. Interest computed on late payment (see instruction E) for _____ days at 20% per annum

F. Total assessment balance and interest due (or overpayment carried forward)

\$ 496G. PAYMENT: ☒ the boxCheck mailed to P.O. Box ☒ Funds Wired ☐ ACH ☐

Total (must be same as F above)

\$ 496

H. Overpayment carried forward

\$(_____)

3. Subsidiaries (S) and predecessors (P) included in this form (give name and 1934 Act registration number):

The SIPC member submitting this form and the person by whom it is executed represent thereby that all information contained herein is true, correct and complete.

Moreton Capital Markets LLC

(Name of Corporation, Partnership or other organization)

[Signature]

(Authorized Signature)

Dated the 20th day of January, 2020.FINOP

(Title)

This form and the assessment payment is due 60 days after the end of the fiscal year. Retain the Working Copy of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.

SIPC REVIEWER

Dates:

Postmarked _____

Received _____

Reviewed _____

Calculations _____

Documentation _____

Forward Copy _____

Exceptions:

Disposition of exceptions:

DETERMINATION OF "SIPC NET OPERATING REVENUES" AND GENERAL ASSESSMENT

Amounts for the fiscal period
beginning **1/1/2019**
and ending **12/31/2019**

Item No.	Eliminate cents
2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)	\$ <u>1,768,671</u>

2b. Additions:

- (1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above.
- (2) Net loss from principal transactions in securities in trading accounts.
- (3) Net loss from principal transactions in commodities in trading accounts.
- (4) Interest and dividend expense deducted in determining item 2a.
- (5) Net loss from management of or participation in the underwriting or distribution of securities.
- (6) Expenses other than advertising, printing, registration fees and legal fees deducted in determining net profit from management of or participation in underwriting or distribution of securities.
- (7) Net loss from securities in investment accounts.

Total additions

2c. Deductions:

- (1) Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, from the business of insurance, from investment advisory services rendered to registered investment companies or insurance company separate accounts, and from transactions in security futures products.
- (2) Revenues from commodity transactions.
- (3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.
- (4) Reimbursements for postage in connection with proxy solicitation.
- (5) Net gain from securities in investment accounts.
- (6) 100% of commissions and markups earned from transactions in (i) certificates of deposit and (ii) Treasury bills, bankers acceptances or commercial paper that mature nine months or less from issuance date.
- (7) Direct expenses of printing advertising and legal fees incurred in connection with other revenue related to the securities business (revenue defined by Section 16(9)(L) of the Act).
- (8) Other revenue not related either directly or indirectly to the securities business.
(See Instruction C):

(Deductions in excess of \$100,000 require documentation)

- (9) (i) Total interest and dividend expense (FOCUS Line 22/PART IIA Line 13, Code 4075 plus line 2b(4) above) but not in excess of total interest and dividend income.

\$ _____

- (ii) 40% of margin interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960).

\$ _____

Enter the greater of line (i) or (ii)

Total deductions

2d. SIPC Net Operating Revenues

2e. General Assessment @ .0015

\$ 631,621

\$ 947

(to page 1, line 2.A.)