

NOTES TO FINANCIAL CONDITION  
and  
**Notes to Financial Statements**  
**December 31, 2015**

**Note 1: Organization and Nature of Business**

The Company was formed on January 18, 2005, as a corporation under the laws of the State of Illinois Act.

The terms of the Company is perpetual unless and until dissolved in accordance with the provision of the member's operating agreement.

The Company is registered as a nonclearing broker/dealer and was approved as a member of the National Association of Securities Dealers, Inc. (NASD), in July 2007.

The Company was formed for the purpose of assisting in the private placement of securities, along with other securities business activities, such as mergers, acquisitions and other corporate reorganization transactions including financial advisory services.

The Company is wholly owned by Steven Knoop.

**Note 2: Summary of Significant Accounting Practices**

A summary of the Company's significant accounting policies applied in the preparation of the accompanying financial statements follows:

*Accrual basis of accounting.* The Company uses the accrual basis of accounting.

*Property and equipment.* Property and equipment items are stated at cost and are depreciated over their estimated useful lives using the straight-line depreciation method.

*Income taxes.* The Company has elected to be treated as a subchapter S corporation for income tax purposes. Generally, any taxable income of a subchapter S corporation flows through to the shareholder and is reported on personal income tax returns.

*Statement of cash flows.* For the purposes of the statement of cash flows, the Company considers only bank accounts to be cash equivalents.

**Note 3: Net Capital Requirements**

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC Rule 15c3-1). Under this rule, the company is required to maintain "net capital" equivalent to \$5,000 or 6 2/3% of "aggregate indebtedness," whichever is greater, as these terms are defined.

Net capital and aggregate indebtedness change from day to day, but at December 31, 2015, the Company had excess net capital requirements of \$17,595.00, which includes \$147.00 in money market haircuts not included in the December 31, 2015, amended

focus report. The net capital rule may effectively restrict the payment of shareholder capital withdrawals.

**Note 4: Employee Benefit Plan**

The Company maintains a SEP IRA profit-sharing plan for all eligible employees. Employees are eligible to participate in the plan if they are 21 years of age, employed as regular full-time employees, and have completed 30 days of service. However, no contributions were made for the year ended December 31, 2015.

**Note 5: Subsequent Events**

None.

**Note 6: Exemption from SEC Rule 15c3-3**

The company does not engage in any securities transactions that require clearing of monies. The company is an introducing broker dealer, solely engaged in mergers and acquisitions and private placements. The company carries no customer accounts and does no clearing for customer funds or securities. Therefore, it is exempt from SEC Rule 15c3-3 under provisions of Rule 15c3-3 (k) (2) (ii).