

**MBS SOURCE ETRADING INC.**

SCHEDULE II

RECONCILIATION BETWEEN THE COMPUTATION OF NET CAPITAL PER  
THE BROKER'S UNAUDITED FOCUS REPORT, PART IIA, AND THE  
AUDITED COMPUTATION OF NET CAPITAL

December 31, 2015

<b>Net capital, as reported in Company's Part IIA (unaudited) FOCUS report</b>	\$	426,736
<b>Adjustments made after the Focus report filing</b>		
Increase in prepaid expenses		(1,310)
Increase in accounts payable and accrued expenses		(2,049)
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<b>Net capital per audited financial statements</b>	\$	<u>423,377</u>