

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

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

OMB APPROVAL	
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8-70027

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: **FORTRESS PRIVATE LEDGER, LLC**

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

**3110 EDWARDS MILL RD, STE 200**

(No. and Street)

**RALEIGH**

**NC**

**27612**

(City)

(State)

(Zip Code)

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

Ana R. Carter / 813-442-1645

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

**David Lundgren & Company**

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

**508 North Mur-Len Road**

**Olathe**

**KS**

**66062**

(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)

SEC 1410 (11-05)

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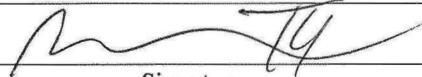
## OATH OR AFFIRMATION

I, Joseph Grabar, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of FORTRESS PRIVATE LEDGER, LLC, as of December 31, 2019, 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:

\_\_\_\_\_

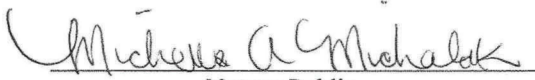
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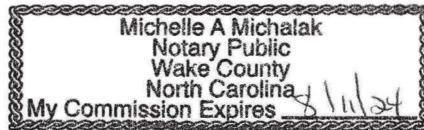
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Signature

CEO & CCO

Title

  
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).**

**FORTRESS PRIVATE LEDGER, LLC**

FINANCIAL STATEMENTS  
WITH REPORT OF INDEPENDENT REGISTERED  
PUBLIC ACCOUNTING FIRM  
AND ACCOMPANYING INFORMATION

**DECEMBER 31, 2019**

# TABLE OF CONTENTS

	<u>Page</u>
<b>Report of Independent Registered Public Accounting Firm .....</b>	<b>2</b>
 <b>Financial Statements</b>	
Statement of Financial Condition .....	3
Statement of Operations.....	4
Statement of Changes in Member’s Equity .....	5
Statement of Cash Flows .....	6
Notes to Financial Statements.....	7-10
 <b>Supplemental Schedules</b>	
Schedule I – Computation of Net Capital under Rule 15c3-1 of the Securities and Exchange Commission .....	11
Schedule II – Computation for Determination of Reserve Requirement for Brokers and Dealers Pursuant to Rule 15c3-3 under the Securities and Exchange Act of 1934 .....	12
Schedule III – Information Relating to the Possession or Control Requirements under the Securities and Exchange Commission Rule 15c3-3 .....	13



# DAVID LUNDGREN & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS, CHARTERED

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OLATHE, KANSAS 66062

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DAVID B. LUNDGREN, MBA, CPA  
CATHERINE LUNDGREN MBA, CPA

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Members  
of Fortress Private Ledger, LLC

### Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of Fortress Private Ledger, LLC as of December 31, 2019, the related statements of operations, changes in member's equity, and cash flows for the year then ended, and the related notes and schedules (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of Fortress Private Ledger, 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 Fortress Private Ledger, LLC's management. Our responsibility is to express an opinion on Fortress Private Ledger, 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 Fortress Private Ledger, 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.

### Supplemental Information

The Schedules I, II, and III have been subjected to audit procedures performed in conjunction with the audit of Fortress Private Ledger, LLC's financial statements. The supplemental information is the responsibility of Fortress Private Ledger, 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 Schedules I, II, and III are fairly stated, in all material respects, in relation to the financial statements as a whole.



We have served as Fortress Private Ledger LLC's auditor since 2018.

Olathe, Kansas  
February 21, 2020

FORTRESS PRIVATE LEDGER, LLC  
-----  
STATEMENT OF FINANCIAL CONDITION  
DECEMBER 31, 2019

ASSETS

Current assets:

Cash	\$ 80,340
Total current assets	<u>80,340</u>

Other assets:

Receivables from Clearing Firm	63,115
Prepaid expenses & Deposits	18,675
Fixed Assets (net of accumulated depreciation)	<u>8,876</u>
Total other assets	<u>80,666</u>

\$ 171,006

LIABILITIES AND MEMBER'S EQUITY

Current liabilities:

Accounts payable and accrued expenses	\$ 42,937
Total current liabilities	<u>42,937</u>

Member's equity 120,069

\$ 171,006

See notes to financial statements.

FORTRESS PRIVATE LEDGER, LLC

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STATEMENT OF OPERATIONS  
YEAR ENDED DECEMBER 31, 2019

REVENUES:

Advisory fees	\$	501,611
Variable insurance		416,694
Mutual funds		46,070
Other income		<u>64,285</u>
Total revenues		<u>1,028,660</u>

EXPENSES:

Compensation expenses		835,542
Technology		11,145
Marketing expenses		5,556
Regulatory fees and expenses		10,945
Occupancy and equipment expenses		17,005
Professional fees		41,927
Travel expenses		9,154
Other operating expenses		<u>25,572</u>
Total expenses		<u>956,846</u>

NET INCOME	\$	<u><u>71,814</u></u>
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See notes to financial statements.

FORTRESS PRIVATE LEDGER, LLC  
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STATEMENT OF CHANGES IN MEMBER'S EQUITY  
Year Ended December 31, 2019

	<u>Contributed Capital</u>	<u>Retained Earnings (Accumulated Deficit)</u>	<u>Total Member's Equity</u>
Balances, January 1, 2019	\$ 51,053	\$ 5,303	\$ 56,356
Contributed capital	-	-	-
Distributed capital	( 100)	-	( 100)
Net income (loss)	<u>-</u>	<u>71,814</u>	<u>71,814</u>
Balances, December 31, 2019	\$ <u>50,953</u>	\$ <u>77,117</u>	\$ <u>128,070</u>

See notes to financial statements.



FORTRESS PRIVATE LEDGER, LLC

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STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2019

CASH FLOWS FROM OPERATING ACTIVITIES:

Net income	\$ 71,814
Adjustments to reconcile net income (loss) to net cash provided by operating activities:	
Changes in operating assets and liabilities:	
Receivables from clearing firm	( 25,909)
Prepaid expenses and deposits	( 12,143)
Accounts payable and accrued expenses	40,398
Net cash provided by operating activities	<u>2,346</u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Capital distributions	<u>( 100)</u>
Net cash provided by financing activities	<u>( 100)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Furniture and equipment, net of accumulated depreciation	<u>( 8,876)</u>
Net cash provided by financing activities	<u>( 8,876)</u>

NET CHANGE IN CASH	65,184
CASH, beginning of year	<u>15,156</u>
 CASH, end of year	 <u><u>\$ 80,340</u></u>

See notes to financial statements.

# **FORTRESS PRIVATE LEDGER, LLC**

## **Notes to Financial Statements**

December 31, 2019

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### **Note A - Summary of Organization, Operations, and Significant Accounting and Reporting Policies**

#### **Nature of Operations**

Fortress Private Ledger, LLC (“FPL” or “the Company”), is engaged in the securities and investment brokerage business. The Company is a broker-dealer registered with the Securities and Exchange Commission (“SEC”) and the Financial Industry Regulatory Authority (“FINRA”). The Company is also a registered investment advisor and a member of the Securities Investor Protection Corporation (“SIPC”).

FPL is a single member North Carolina limited liability company.

#### **Use of Estimates in Financial Statement Preparation**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### **Cash and Cash Equivalents**

For purposes of reporting cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. The Company’s cash and cash equivalents are on deposit with a major domestic financial institution. At times, bank deposits may be in excess of federally insured limits. As of December 31, 2019, the cash on deposit did not exceed the FDIC insured limit.

#### **Recognition of Revenues**

On January 1, 2018, the Company adopted ASU 2014-09 *Revenue from Contracts with Customers* and all subsequent amendments to the ASU (collectively, “ASC 606”), which creates a single framework for recognizing revenue from contracts with customers that fall within its scope.

Revenue is measured based on a consideration specified in a contract with a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control over goods or service to a customer. Services within the scope of ASC 606 include investment advisory fees, investment brokerage fees, and mutual fund and 12b1 fees.

The Company earns Investment Advisory Fees from its contracts with brokerage customers to manage assets for investment, and/or to transact on their accounts. The Investment Advisory Fees are earned and calculated daily as the Company provides the contracted services and are generally assessed based on the market value of assets under management (AUM) at month-end. The fees are paid out monthly.

# **FORTRESS PRIVATE LEDGER, LLC**

## **Notes to Financial Statements**

December 31, 2019

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### **Note A - Summary of Organization, Operations, and Significant Accounting and Reporting Policies (Continued)**

The Company earns brokerage fees from its contracts with brokerage customers to transact on their account. Fees are transaction based, including trade execution services, are recognized at the point in time that the transaction is executed, i.e., the trade date. This includes riskless principal (government and corporate bonds) transactions in which the company receives a buy order from a customer and the Company purchases the security from another person or entity to offset the sale to the customer. Company buys the bond at a lower price than it sells it. The riskless principal revenue is earned at the time the transaction is executed.

Other related services provided include financial planning services and the fees the Company earns, which are based on a fixed fee schedule, are recognized when the services are rendered.

Mutual Funds or pooled investment vehicles (collectively, "funds") have entered into agreements with the Company to distribute/sell its shares to investors. Fees are paid up front and over time (12b-1 fees) on the basis of a contractual rate applied to the monthly or quarterly market value of the fund (that is, net asset value [NAV]), the fund may also pay, upon investor exit from the fund (that is, a contingent deferred sales charge [CDSC]), or as a combination thereof. Revenue is recognized monthly as services are provided.

#### **Customer Accounts**

The Company operates pursuant to paragraph (k)(2)(ii) of Rule 15c3-3 and does not carry customer accounts or clear customer transactions. Accordingly, all customer transactions for client assets held at the clearing firm are executed and cleared on behalf of the Company by Interactive Brokers LLC ("IB") on a fully disclosed basis. The Company's agreement with IB provides that as clearing broker, IB will make and keep such records of transactions effected and cleared in the customer accounts as are customarily made and kept by a clearing broker pursuant to the requirements of Rules 17a-3 and 17a-4 of the Securities Exchange Act of 1934, as amended, and will perform all services customarily incident thereto. All customer funds and securities received, if any, are promptly transmitted directly to IB. As a result, the Company is exempt from the remaining provisions and requirements of Rule 15c3-3.

Certain client assets are held away from IB (i.e. investments in variable insurance products, mutual funds, etc.). All customer funds are promptly transmitted directly to the carrier. The Company does not accept any physical securities.

# FORTRESS PRIVATE LEDGER, LLC

## Notes to Financial Statements

December 31, 2019

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### Note A - Summary of Organization, Operations, and Significant Accounting and Reporting Policies (Continued)

#### Income Taxes

The Company is formed as a single member limited liability company and as such, its operations are included in the Member's tax returns. Accordingly, the financial statements do not include a provision for income taxes.

The Company has addressed the provisions of ASC 740-10, *Accounting for Income Taxes*. In that regard, the Company has evaluated its tax positions, expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings and believes that no provision for income taxes is necessary at this time to cover any uncertain tax positions. Tax years that remain subject to examination by major tax jurisdictions are 2017 - 2019.

#### Prepaid Expenses

As a member of FINRA, the Company is charged annual registration fees. These fees are paid in advance and amortized monthly.

At December 31, 2019, the Company also had prepaid technology and a prepaid insurance asset.

#### Subsequent Events

The Company has evaluated subsequent events through February 21, 2020, the date the financial statements were issued. It was concluded there were no events or transactions occurring during this period that required recognition or disclosure in the financial statements.

### Note B - Related Party Transactions

The Company has entered into an expense sharing agreement with an affiliate through common ownership for rent and utilities expenditures paid by the affiliate commensurate with its operations. The overall expenses recorded for the year are detailed as follows:

Rent	\$ 14,826
Utilities	<u>1,156</u>
	\$ <u>15,982</u>

## **FORTRESS PRIVATE LEDGER, LLC**

### **Notes to Financial Statements**

December 31, 2019

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#### **Note C - Net Capital Requirements**

The Company is subject to the SEC's Uniform Net Capital Rule (SEC Rule 15c3-1) of the Securities Exchange Act of 1934, which requires maintenance of minimum Net Capital. Under the Rule, the Company is required to maintain minimum Net Capital, as defined, equal to the greater of \$5,000 or 6 2/3% of aggregate indebtedness and the ratio of aggregate indebtedness to Net Capital cannot exceed 15 to 1.

At December 31, 2019, the Company had Net Capital of \$100,518 which was \$95,518 in excess of its required Net Capital of \$5,000. The Company's ratio of aggregate indebtedness to Net Capital was 42.72% at December 31, 2019.

The Company is exempt from the provisions of SEC Rule 15c3-3 under the Securities Exchange Act of 1934, in that the Company's activities are limited to those set forth in the conditions for exemption appearing in paragraph (k)(2)(ii) of the Rule.

#### **Note D - Commitments and Contingencies**

The Company does not have any commitments, guarantees, or contingencies, including arbitration or other litigation claims that may result in a loss or a future obligation.

## **Supplemental Schedules**



## Fortress Private Ledger, LLC

### Schedule I - Computation of Net Capital under Rule 15c3-1 of the Securities and Exchange Commission

**December 31, 2019**

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#### COMPUTATION OF NET CAPITAL

Total member's equity	\$ 128,069
Deductions:	
Non-allowable assets:	
Other assets	<u>27,551</u>
Net capital before haircuts	100,518
Haircuts:	
Total haircuts	<u>-</u>
<b>NET CAPITAL</b>	<b><u>\$ 100,518</u></b>

#### COMPUTATION OF AGGREGATE INDEBTEDNESS

Items included in the statement of financial condition:	
Accounts payable, accrued expenses, and other liabilities	<u>42,937</u>
Total aggregate indebtedness	<b><u>\$ 42,937</u></b>

#### COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Minimum net capital required	<u>\$ 5,000</u>
Excess net capital	<u>\$ 95,518</u>
Ratio of aggregate indebtedness to net capital	<u>42.72%</u>

There were no material differences between the preceding computation and the Company's corresponding net capital as reported in the Company's Part IIA (unaudited) Form X-17A-5 FOCUS report as of December 31, 2019.

## **Fortress Private Ledger, LLC**

### **Schedule II – Computation for Determination of Reserve Requirements for Brokers and Dealers Pursuant to Rule 15c3-3 under the Securities and Exchange Act of 1934**

**December 31, 2019**

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The Company is exempt from the provisions of Rule 15c3-3 under the Securities Exchange Act of 1934, pursuant to paragraph (k)(2)(ii) of the Rule and does not hold customers' monies or securities.

## **Fortress Private Ledger, LLC**

### **Schedule III – Information Relating to the Possession or Control Requirements under the Securities and Exchange Commission Rule 15c3-3**

**December 31, 2019**

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The Company is exempt from the provisions of Rule 15c3-3 under the Securities Exchange Act of 1934, pursuant to paragraph (k)(2)(ii) of the Rule and does not hold customers' monies or securities.

**DAVID LUNDGREN & COMPANY**

CERTIFIED PUBLIC ACCOUNTANTS, CHARTERED

505 NORTH MUR-LEN ROAD

OLATHE, KANSAS 66062

DAVID B. LUNDGREN, MBA, CPA  
CATHERINE LUNDGREN MBA, CPA

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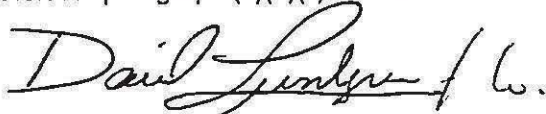
**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Directors and Members  
of Fortress Private Ledger, LLC

We have reviewed management's statements, included in the accompanying Exemption Report for year ended December 31, 2019, in which (1) Fortress Private Ledger, LLC identified the following provisions of 17 C.F.R. §15c3-3(k) under which Fortress Private Ledger, LLC claimed an exemption from 17 C.F.R. §240.15c3-3: (k)(2)(ii) (exemption provisions) and (2) Fortress Private Ledger, LLC stated that Fortress Private Ledger, LLC met the identified exemption provisions throughout the most recent fiscal year without exception. Fortress Private Ledger, 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 Fortress Private Ledger, 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.



Olathe, Kansas  
February 21, 2020

# FORTRESS PRIVATE LEDGER, LLC

## EXEMPTION REPORT

YEAR ENDED DECEMBER 31, 2019

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Fortress Private Ledger, 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 §15c3-3 under the following provisions of 17 C.F.R §240.15c3-3: (k)(2)(ii)

and

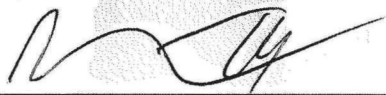
2. The Company met the identified exemption provisions in 17 C.F.R §240.15c3-3 (k)(2)(ii) throughout the most recent fiscal year ended December 31, 2019 without exception.

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

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



CCO

2/21/20



**DAVID LUNDGREN & COMPANY**

CERTIFIED PUBLIC ACCOUNTANTS, CHARTERED  
505 NORTH MUR-LEN ROAD  
OLATHE, KANSAS 66062

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CATHERINE LUNDGREN, MBA, CPA

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

Board of Directors of Fortress Private Ledger, LLC

We have performed the procedures included in Rule 17a-5(e)(4) under the Securities Exchange Act of 1934 and with the Securities Investor Protection Corporation (SIPC) Series 600 Rules, which are enumerated below, which were agreed to by Fortress Private Ledger, LLC (Company) and the SIPC, solely to assist you and the SIPC in evaluating the Company's compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7) for the year ended December 31, 2019. Management of the Company is responsible for its Form SIPC-7 and for its compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards of 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 SunTrust Bank disbursement records entries, noting no differences;
- 2) Compared the Total Revenue amount 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;
- 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; and
- 5) Compared the amount of any overpayment applied to the current assessment with the Form SIPC-7 on which it was originally computed, noting no differences.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the applicable instructions of the Form SIPC-7. Accordingly, we do not express such an opinion. 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 the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.



Olathe, Kansas

February 21, 2020