

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

OMB APPROVAL
OMB Number: 3235-0123
Expires: October 31, 2023
Estimated average burden hours per response..... 12.00

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

SEC FILE NUMBER
8-28916

**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 04/01/20 AND ENDING 03/31/21  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Morris Group, Inc.

OFFICIAL USE ONLY

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

FIRM I.D. NO.

8445 Keystone Crossing Suite 240

(No. and Street)

Indianapolis

Indiana

46240

(City)

(State)

(Zip Code)

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

John R. Simmons

317-217-5440

(Area Code – Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Thomas Faust, CPA, LLC d/b/a Thomas Faust, CPA

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

174 Coldbrook Ct.

Lafayette

Indiana

47909

(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)

## OATH OR AFFIRMATION

I, John R. Simmons, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Morris Group, Inc., as of March 31, 2021, 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:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
President

\_\_\_\_\_  
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).*

**Morris Group, Inc.**

**Report on Audit of  
Financial Statements**

**March 31, 2021**

**MORRIS GROUP, INC.**  
**TABLE OF CONTENTS**

---

Report of Independent Registered Public Accounting Firm

Financial Statements:

Statement of Financial Condition

Statement of Income

Statement of Changes in Stockholder's Equity

Statement of Cash Flows

Notes to the Financial Statements

Schedule I: Computation of Net Capital Under SEC Rule 15c3-1

Schedule II: Computation for Determination of Reserve Requirements Under SEC Rule 15c3-3

Schedule III: Information Relating to Possession or Control Requirements Under SEC Rule 15c3-3

Report of Independent Registered Public Accounting Firm on Applying Agreed-Upon Procedures

Report of Independent Registered Public Accounting Firm

Broker-Dealer's Exemption Report

## THOMAS FAUST, CPA

Certified Public Accountant

174 Coldbrook Ct.

Lafayette, IN 47909

765-237-8195 thomasfaustcpa2@gmail.com

### REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors

Morris Group, Inc.

#### Opinion on the Financial Statements

I have audited the accompanying statement of financial condition of Morris Group, Inc., as of March 31, 2021, the related statements of income, changes in stockholder's equity, and cash flows for the year then ended, and the related notes and schedules (collectively referred to as the financial statements). In my opinion, the financial statements present fairly, in all material aspects, the financial position of Morris Group, Inc. as of March 31, 2021 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 Morris Group, Inc.'s management. My responsibility is to express an opinion on Morris Group, Inc.'s financial statements based on my audit. I am a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and am required to be independent with respect to Morris Group, Inc. in accordance with the U.S. federal securities laws and the applicable rules and the regulations of the Securities and Exchange Commission and the PCAOB.

I conducted my audit in accordance with the standards of the PCAOB. Those standards require that I 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. My 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. My 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. I believe that my audit provides a reasonable basis for my opinion.

#### Supplemental Information

Schedule I, Computation of Net Capital Under SEC Rule 15c3-1, Schedule II, Computation for Determination of Reserve Requirements Under Rule 15c3-3 and Schedule III, Information Relating to Possession or Control Requirements Under SEC Rule 15c3-3 have been subjected to audit procedures performed in conjunction with the audit of Morris Group, Inc.'s financial statements. The supplemental information is the responsibility of Morris Group, Inc.'s management. My 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 my opinion on the supplemental information, I evaluated whether the supplemental information, including its form and content, is presented in conformity with 17 C.F.R. §240.17a-5. In my opinion, Schedule I, Computation of Net Capital Under SEC Rule 15c3-1, Schedule II, Computation for Determination of Reserve Requirements Under Rule 15c3-3 and Schedule III, Information Relating to Possession or Control Requirements Under SEC Rule 15c3-3 are fairly stated, in all material respects, in relation to the financial statements as a whole.



Thomas Faust, CPA, LLC  
d/b/a Thomas Faust, CPA

I have served as the Company's auditor since 2018.

Lafayette, Indiana  
June 22, 2021

**MORRIS GROUP, INC.**  
**STATEMENT OF FINANCIAL CONDITION**  
**AS OF MARCH 31, 2021**

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<b>ASSETS</b>	
<b>ASSETS</b>	
Cash	\$ 74,717
Commissions receivable	33,339
Marketable securities	36,153
Right of use lease - current	9,024
<b>TOTAL CURRENT ASSETS</b>	<b>153,233</b>
<b>OTHER ASSETS</b>	
Right of use lease - long-term	17,391
<b>TOTAL ASSETS</b>	<b>170,624</b>
<b>LIABILITIES AND STOCKHOLDER'S EQUITY</b>	
<b>LIABILITIES</b>	
Commissions payable	27,922
Accrued and withheld liabilities	1,708
PPP loans payable	27,455
Lease obligation payable - current	9,024
<b>TOTAL CURRENT LIABILITIES</b>	<b>66,109</b>
<b>LONG-TERM LIABILITIES</b>	
Lease obligation payable - long-term	17,391
<b>TOTAL LIABILITIES</b>	<b>83,500</b>
<b>STOCKHOLDER'S EQUITY</b>	
Common stock, Par value \$1; 1,000 shares authorized, issued and outstanding	1,000
Retained earnings	86,124
<b>TOTAL STOCKHOLDER'S EQUITY</b>	<b>87,124</b>
<b>TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY</b>	<b>\$ 170,624</b>

**MORRIS GROUP, INC.**  
**STATEMENT OF INCOME**  
**FOR THE YEAR ENDED MARCH 31, 2021**

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**REVENUE**

Revenue from sale of insurance company shares of annuities	\$	357,327
Revenue from sale of investment company shares of mutual funds		253,445
Fees from account supervision, investment advisory and administrative services		7,578
Other revenue		33,901
<b>TOTAL REVENUE</b>		<u>652,251</u>

**EXPENSES**

Commissions		472,462
Employee compensation and benefits		75,976
Occupancy expenses		9,649
Communications		2,435
Professional fees		6,870
Other expenses		43,156
<b>TOTAL EXPENSES</b>		<u>610,548</u>

<b>NET INCOME</b>	\$	<u><u>41,703</u></u>
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**MORRIS GROUP, INC.**  
**STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY**  
**FOR THE YEAR ENDED MARCH 31, 2021**

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	Common Stock	Retained Earnings	Total Stockholder's Equity
<b>BALANCE AT THE BEGINNING OF THE YEAR</b>	\$ 1,000	\$ 86,421	\$ 87,421
Net Income	-	41,703	41,703
Stockholder's distributions	-	(42,000)	(42,000)
<b>BALANCE AT THE END OF THE YEAR</b>	<u>\$ 1,000</u>	<u>\$ 86,124</u>	<u>\$ 87,124</u>

**MORRIS GROUP, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED MARCH 31, 2021**

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**CASH FLOWS FROM OPERATING ACTIVITIES**

Net Income	\$ 41,703
Adjustments to reconcile net income to net cash provided by	
Operating activities:	
Unrealized (gain) loss on marketable securities	(11,999)
(Increase) decrease in operating assets:	
Commissions receivable	(16,416)
Increase (decrease) in operating liabilities:	
Commissions payable	11,874
Accrued and withheld liabilities	(6)
Net Cash Provided by Operating Activities	<u>25,156</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Proceeds from PPP loans	27,455
Stockholder's distributions	(42,000)
Net Cash Used in Financing Activities	<u>(14,545)</u>

**NET INCREASE IN CASH** 10,611

**CASH AT BEGINNING OF YEAR** 64,106

**CASH AT END OF YEAR** \$ 74,717

**SUPPLEMENTAL CASH FLOWS DISCLOSURES**

Cash paid during the year for:	
Income Taxes	\$ -
Interest	\$ -

**NON-CASH INVESTING AND FINANCING ACTIVITIES:**

Additions to Right of Use assets from new operating lease liability	\$ 28,105
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**NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A summary of the Firm's significant accounting policies consistently applied in the preparation of the accompanying financial statements are as follows:

- a. Nature of Operations—Morris Group, Inc. (the Firm) was incorporated on October 22, 1982 under the Indiana General Corporation Act, as amended, for the primary purpose of engaging in the sale of Direct Participation Programs and doing business as a \$5,000 broker-dealer. The Firm is registered with the Securities and Exchange Commission and is a member of the Financial Industry Regulatory Authority (FINRA), and the Securities Investor Protection Corporation (SIPC).
- b. Cash Equivalents—For purposes of the statements of cash flows, the Firm considers all highly liquid debt instruments with maturities of three months or less when purchased to be cash equivalents. There were no cash equivalents at March 31, 2021.
- c. Use of Estimates—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, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.
- d. Concentrations of Credit Risk—The Firm places its cash in accounts with a local financial institution. At times, balances in these accounts may exceed FDIC insured limits.
- e. Accounts Receivable—Accounts Receivable consists of commissions, fees and other amounts owed to the Firm. The Firm considers accounts receivable to be fully collectible. Uncollectible accounts receivable are charged directly against operations when they are determined to be uncollectible. Use of this method does not result in a material difference from the valuation method required by accounting principles generally accepted in the United States of America. No allowance was considered necessary at March 31, 2021.
- f. Leases—The Firm adopted FASB ASC 842, "Leases", effective April 1, 2019. The Firm is a lessee in one operating lease for office space. The Firm recognizes a lease liability and a right of use (ROU) asset at the commencement date of the lease. The lease liability is initially and subsequently recognized based on the present value of its future lease payments. The discount rate is the implicit rate if it is readily determinable or otherwise the Firm uses its incremental borrowing rate.
- g. Revenue Recognition—The revenue of the Firm is derived primarily from commissions earned on the sale of mutual funds, annuities, life insurance products and 12b-1 fees. Commission income is recorded based on the trade date of the mutual fund transactions and purchase date of annuity and other insurance product transactions.

In May 2014, FASB issued ASU 2014-09, "Revenue from Contracts with Customers: Topic 606" which supersedes nearly all existing revenue recognition guidance under generally accepted accounting principles. The Firm's revenue recognition policy conforms with the pronouncement by recognizing revenue in accordance with the five components of the pronouncement.

- Identify the contract with the customer
- Identify the performance obligation
- Determine the transaction price
- Allocate the transaction price to the performance obligation
- Recognize the revenue when the performance obligation is met

**MORRIS GROUP, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR MARCH 31, 2021**

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**NOTE 2: MARKETABLE SECURITIES**

The Firm has marketable securities which are stated at fair value. Fair value is defined as the price that would be received to sell an asset or the price paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurement accounting guidance describes the fair value hierarchy for disclosing assets and liabilities measured at fair value based on the inputs used to value them. The fair value hierarchy maximizes the use of observable inputs and minimizes the use of unobservable inputs. Observable inputs are based on market pricing data obtained from sources independent of the Firm. A quoted price in an active market provides the most reliable evidence of fair value and is generally used to measure fair value whenever available. Unobservable inputs reflect management's judgment about the assumptions market participants would use in pricing the asset or liability. Where inputs used to measure fair value of an asset or liability are from different levels of the hierarchy, the asset or liability is categorized based on the lowest level input that is significant to the fair value measurement in its entirety. Assessing the significance of a particular input requires judgment. The fair value hierarchy includes three levels based on the objectivity of the inputs as follows:

- Level 1 inputs are quoted prices in active markets as of the measurement date for identical assets or liabilities that the Firm has the ability to access.
- Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates, benchmark yields, issuer spreads, new issue data, and collateral performance.
- Level 3 inputs are unobservable inputs for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability.

These marketable securities are equity securities and are classified as Level 1 assets in the fair value hierarchy established in FASB 157. Increases or decreases in market value are reflected in the income statement. There were no transfers between levels during the year.

**NOTE 3: COMMISSIONS RECEIVABLE AND PAYABLE FROM AND TO BROKERS**

Receivables from brokers represent commissions due and accrued to the Firm from their correspondents. The payable to brokers are commissions due to the brokers. At March 31, 2021, there were commissions receivable of \$33,339 and accrued commissions payable of \$27,922.

**NOTE 4: EXEMPTION UNDER RULE 15c3-3**

The Firm claims an exemption under Rule 15c3-3 in accordance with the provision as a Non-Covered Firm. During the year ended March 31, 2021, there were no amounts to be reported pursuant to the possession or control requirements under Rule 15c3-3, and the Firm is in compliance with their stated exemptive provisions, and thus is exempt from the provisions of Rule 15c3-3.

**MORRIS GROUP, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR MARCH 31, 2021**

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**NOTE 5: INCOME TAX EXPENSE**

The Firm has elected to be treated as an S Corporation for tax purposes. In lieu of corporate income taxes, the shareholders of an S Corporation are taxed on their proportionate share of the Firm's taxable income. Therefore, no provision or liability for income taxes has been included in these financial statements.

Accounting principles generally accepted in the United States of America require the Firm to examine its tax positions for uncertain positions. Management is not aware of any tax positions that are more likely than not to change in the next twelve months or that would not sustain an examination by applicable taxing authorities.

The Firm's policy is to recognize penalties and interest as incurred in its Statement of Income, there were none for 2021.

The firm's federal and state income tax returns for 2017 through 2019 are subject to examination by the applicable tax authorities, generally for three years after the later of the original or extended due date.

**NOTE 6: ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES**

In June 2006, the Financial Accounting Standards Board (FASB) issued FASB Interpretation Number 48 (FIN 48), Accounting for Uncertainty in Income Taxes - an Interpretation of FASB Statement No. 109 (SFAS 109). The interpretation contains a two-step approach to recognizing and measuring uncertain tax positions accounted for in accordance with SFAS 109. The Firm has elected to defer the adoption of FIN 48 as allowed in FASB Staff Position (FSP-48-3) issued December 30, 2008. The adoption of this standard is not currently anticipated to have a material impact on the Firm's financial position, results of operations, or cash flows; however, the effect on future financial statements of this pronouncement cannot be determined at this time. Management will continue to evaluate any uncertain tax positions, if any, during the deferral period.

**NOTE 7: PPP LOANS PAYABLE**

The Firm received two Paycheck Protection Program loans during the year ended March 31, 2021. Under the provisions of this program, the entire amount of these loans, or a portion may be forgiven if the Firm meets certain requirements. At March 31, 2021, these two loans with a total balance of \$27,455 had not yet been approved for forgiveness. Subsequent to March 31, 2021, one loan for \$13,450 has been forgiven and the other for \$14,055 is expected to also be forgiven.

**NOTE 8: NET CAPITAL REQUIREMENTS**

The Firm is required to maintain minimum net capital under Rule 15c3-1 of the Securities and Exchange Commission. Net capital required under the rule is the greater of \$5,000 or 6 2/3 percent of the aggregate indebtedness of the Firm. At March 31, 2021, net capital as defined by the rules, equaled \$108,573 and net capital in excess of the minimum required was \$103,573. The ratio of aggregate indebtedness to net capital was 27.29%.

**MORRIS GROUP, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR MARCH 31, 2021**

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**NOTE 9 : LEASE EXPENSE AND FUTURE OBLIGATIONS**

The Firm leases the office in which it operates and recognizes and measures its leases in accordance with FASB ASC 842, Leases. The Firm recognizes a lease liability and a right of use asset at the commencement date of the lease. The lease liability is initially and subsequently recognized based on the present value of its future lease payments. During the year ended March 31, 2021, the Firm had rent expense of \$9,649, which consisted of operating lease costs. Lease cost for these lease payments is recognized on a straight-line basis over the lease term. The current lease is a three-year lease.

The future payments due under this operating lease as of March 31, 2021:

2022	\$ 9,475
2023	11,650
2023	<u>7,900</u>
	29,025
Less effects of discounting	<u>(2,610)</u>
Lease liability recorded	<u><u>\$ 26,415</u></u>

**NOTE 10: FILING REQUIREMENTS**

There were no liabilities subordinated to claims of creditors during the year ended March 31, 2021. Accordingly, no Statement of Changes in Liabilities Subordinated to Claims of Creditors has been included in these financial statements as required by rule 17a-5 of the Securities and Exchange Commission.

**NOTE 11: COMMITMENTS AND CONTINGENCIES**

Management has evaluated possible commitments and contingencies at March 31, 2021. They concluded that there were no commitments or contingencies that would require recognition in the financial statements or disclosure in the related notes to the financial statements.

**NOTE 12: SUBSEQUENT EVENTS**

Management has evaluated subsequent events through the date of this report. The date on which the financial statements are available to be issued and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the related notes to the financial statements.

**MORRIS GROUP, INC.**  
**COMPUTATION OF NET CAPITAL UNDER SEC RULE 15c3-1**  
**AS OF MARCH 31, 2021**

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**COMPUTATION OF NET CAPITAL**

Total ownership equity from Statement of Financial Condition	\$ 87,124
Add allowable credit from Statement of Financial Condition	27,445
Less nonallowable assets from Statement of Financial Condition	<u>(578)</u>
Net capital before haircuts on securities positions	113,991
Less haircuts on securities	<u>(5,418)</u>
Net Capital	<u><u>\$ 108,573</u></u>

**COMPUTATION OF BASIC NET CAPITAL REQUIREMENT**

Minimum net capital required based on 6-2/3% of aggregate indebtedness	1,184
Minimum dollar net capital requirement of reporting broker or dealer	<u>5,000</u>
Excess Net Capital	<u>\$ 103,573</u>
(A)-10% of total aggregate indebtedness	2,963
(B)-120% of minimum net capital requirement	<u>6,000</u>
Net capital less greater of (A) or (B)	<u><u>\$ 102,573</u></u>

**COMPUTATION OF AGGREGATE INDEBTEDNESS**

Total Aggregate Indebtedness liabilities from Statement of Financial Condition	\$ 29,630
Adjustments for Aggregate Indebtedness	<u>-</u>
Total Aggregate Indebtedness	<u><u>\$ 29,630</u></u>

Percentage of Aggregate Indebtedness to Net Capital	27.29%
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**FOCUS PART IIA RECONCILIATION BETWEEN AUDITED AND UNAUDITED NET CAPITAL**

There are no material differences between the above computation and the computation included in the most recently filed FOCUS Report, Part IIA Form X-17a-5 at March 31, 2021.

**MORRIS GROUP, INC.**

**SCHEDULE II: COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS**

**UNDER SEC RULE 15c3-3**

**AS OF MARCH 31, 2021**

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**COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS UNDER RULE 15c3-3**

Morris Group, Inc. is exempt from Rule 15c3-3 under the provision as a Non-Covered Firm.



**MORRIS GROUP, INC.**

**SCHEDULE III: INFORMATION RELATING TO POSSESSION OR CONTROL REQUIREMENTS**

**UNDER SEC RULE 15c3-3**

**AS OF MARCH 31, 2021**

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**INFORMATION RELATING TO POSSESSION OR CONTROL REQUIREMENTS UNDER RULE 15c3-3**

Morris Group, Inc. is exempt from Rule 15c3-3 under the provision as a Non-Covered Firm.

## THOMAS FAUST, CPA

Certified Public Accountant

174 Coldbrook Ct.

Lafayette, IN 47909

765-237-9185 thomasfaustcpa2@gmail.com

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

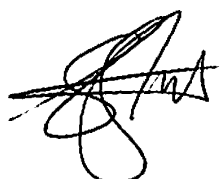
The Board of Directors and Stockholder  
Morris Group, Inc.

I 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 Morris Group, Inc. and the SIPC, solely to assist you and SIPC in evaluating Morris Group, Inc.'s compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7) for the year ended March 31, 2021. Morris Group, Inc.'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, I 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 I performed, and my 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 March 31, 2021 with the Total Revenue amount reported in Form SIPC-7 for the year ended March 31, 2021, 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.

I was 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 Morris Group, Inc.'s compliance with the applicable instructions of the Form SIPC-7 for the year ended March 31, 2021. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the information and use of the Morris Group, Inc. and the SIPC and is not intended to be and should not be used by anyone other than these specified parties.



Morris Group, Inc.

Thomas Faust, CPA, LLC  
d/b/a Thomas Faust, CPA  
Lafayette, Indiana  
June 22, 2021



## THOMAS FAUST, CPA

Certified Public Accountant

174 Coldbrook Ct.

Lafayette, IN 47909

765-237-8195 thomasfaustcpa2@gmail.com

### REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholder  
Morris Group, Inc.

I have reviewed management's statements, included in the accompanying Exemption report of Broker and Dealers, in which (1) Morris Group, Inc., identified the following provisions 17 C.F.R. § 15c3-3(k) under which the Firm claimed an exemption from 17 C.F.R. § 240.15c3-3: Non-Covered Firm Provision, and (2) Morris Group, Inc. stated that Morris Group, Inc. has met this exemption provision above mentioned throughout the past fiscal year ended March 31, 2021 without exception. Morris Group, Inc.'s management is responsible for compliance with the exemption provisions and its statements.

My 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 the Firm'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, I do not express such an opinion.

Based on my review, I am 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 Non-Covered Firm Provision of Rule 15c3-3 under the Securities Exchange Act of 1934.



Thomas Faust, CPA, LLC  
d/b/a Thomas Faust, CPA  
Lafayette, Indiana  
June 22, 2021

MORRIS GROUP, INC.

8445 Keystone Xing Ste 240

INDIANAPOLIS, IN 46240

Exemption Report for Rule 15c3-3

Morris Group, Inc. 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, states the following:

- (1) Morris Group, Inc. does not claim an exemption under paragraph (k) of 17 C.F.R. § 240.15c3-3, and
- (2) Morris Group, Inc. is filing this Exemption Report relying on Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5 because Morris Group, Inc. limits its business activities exclusively to: selling variable life insurance or annuities and selling mutual funds; and the Company (1) did not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers, (2) did not carry accounts of or for customers; and (3) did not carry PAB accounts (as defined in Rule 15c3-3).

Morris Group, Inc. has met this exemption provision throughout the most recent fiscal year ended March 31, 2021, without exception.

John R. Simmons

President

June 21, 2021