

UNIONBANC INVESTMENT SERVICES, LLC
(A wholly owned subsidiary of MUFG Union Bank, N.A.)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net Loss	<u>\$ (5,925,271)</u>
Adjustment to reconcile net loss to net cash provided by operating activities:	
Depreciation and amortization	(189,358)
Stock-based compensation expense	138,447
Provision for deferred income taxes	(24,727)
(Increase) Decrease in Operating Assets:	
Financial Instruments	(11,846,165)
Receivable from clearing organizations	(489,123)
Fees and commissions receivable	85,060
Due from Parent — net	(665,037)
Other assets	(1,262)
Increase (Decrease) in Operating Liabilities:	
Accounts payable, accrued expenses and other liabilities	<u>(868,401)</u>
Total adjustments	<u>(13,860,566)</u>
Net cash used in operating activities	<u>(19,785,837)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Sale of furniture, equipment, and leasehold improvements	<u>245,084</u>
Net cash provided by investing activities	<u>245,084</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Repayment of Loan from Parent	<u>(10,000,000)</u>
Net cash used in financing activities	<u>(10,000,000)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(29,540,753)
CASH AND CASH EQUIVALENTS — Beginning of year	<u>31,292,387</u>
CASH AND CASH EQUIVALENTS — End of year	<u>\$ 1,751,634</u>
CASH PAID DURING THE YEAR FOR:	
Interest	<u>\$ 107,417</u>
CASH RECEIVED DURING THE YEAR FOR:	
Income taxes	<u>\$ 2,791,525</u>
See accompanying notes to financial statements.	