

RED CAPITAL MARKETS, LLC

Statement of Financial Condition

March 31, 2016

Assets

Cash and cash equivalents	\$ 16,166,076
Restricted cash	1,628,745
Securities inventory (note 4)	3,300,228
Remarketing agent receivables	190,174
Accounts receivable – affiliate	560,077
Derivative assets (note 8)	3,066,634
Intangible assets, net (note 11)	484,562
Other assets, net	542,934
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Total assets	\$ 25,939,429
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Liabilities and Shareholder's Equity

Liabilities:

Accrued compensation	\$ 828,921
Lines of credit (note 5)	4,845
Lines of credit – affiliate (note 5)	4,309,235
Derivative liabilities (note 8)	2,417,159
Accounts payable and accrued expenses	12,532
Deferred application fees and borrower deposits	1,627,336
Other liabilities	47,558
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Total liabilities	9,247,585
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Commitments and indemnifications (note 9)

Shareholder's equity:

Paid-in capital	10,486,633
Retained earnings	6,205,211
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Total shareholder's equity	16,691,844
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Total liabilities and shareholder's equity	\$ 25,939,429
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See accompanying notes to financial statements.