

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

<b>OMB APPROVAL</b>	
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**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

<b>SEC FILE NUMBER</b>
8-15855

**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 January 1, 2016 AND ENDING December 31, 2016  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER:

FBL Marketing Services, LLC

OFFICIAL USE ONLY

FIRM ID. NO.

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

5400 University Avenue

(No. and Street)

West Des Moines, Iowa 50266

(City)

(State)

(Zip Code)

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

Anthony Aldridge

(515) 225-5949

(Area Code – Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

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

Ernst & Young LLP

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

801 Grand Avenue, Suite 3000, Des Moines, Iowa 50309

(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**

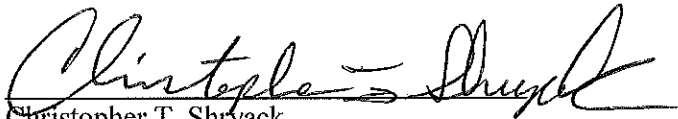
*\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).*

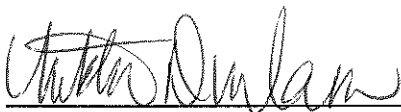
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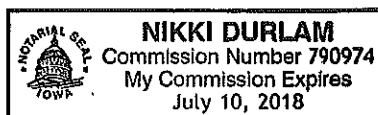
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information contained in this form are not required to respond  
unless the form displays a currently valid OMB control number.**

## Oath or Affirmation

I, Christopher T. Shryack, affirm that, to the best of my knowledge and belief the accompanying financial statements and supporting schedules pertaining to the firm of FBL Marketing Services, LLC as of December 31, 2016, are true and correct. I further 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.

  
Christopher T. Shryack  
President

  
Notary Public 2-23-17



This report contains:

- (X) (a) Facing page
- (X) (b) Statement of Financial Condition
- (X) (c) Statement of Operations
- (X) (d) Statement of Cash Flows
- (X) (e) Statement of Changes in Members' Equity
- ( ) (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors
- (X) (g) Computation of Net Capital
- (X) (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3
- (X) (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
- (X) (l) An Oath or Affirmation
- ( ) (m) A copy of the SIPC Supplemental Report (*under separate cover*)
- ( ) (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit

# **FBL Marketing Services, LLC**

## **Financial Statements and Supplementary Information**

**Years Ended December 31, 2016 and 2015**

### **Contents**

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## Report of Independent Registered Public Accounting Firm

The Members  
FBL Marketing Services, LLC

We have audited the accompanying statements of financial condition of FBL Marketing Services, LLC (the Company) as of December 31, 2016 and 2015, and the related statements of operations, changes in members' equity, and cash flows for the years then ended that are filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of FBL Marketing Services, LLC at December 31, 2016 and 2015, and the results of its operations and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

The accompanying information contained in Schedules I, II and III has been subjected to audit procedures performed in conjunction with the audit of the Company's financial statements. Such information is the responsibility of the Company's management. Our audit procedures included determining whether the 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. In forming our opinion on the information, we evaluated whether such information, including its form and content, is presented in conformity with Rule 17a-5 under the Securities Exchange Act of 1934. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

*Ernst & Young LLP*

February 23, 2017

## FBL Marketing Services, LLC

### Statements of Financial Condition

	December 31	
	2016	2015
<b>Assets</b>		
Cash and cash equivalents, at fair value:		
Cash	\$ 360,778	\$ 102,321
Short-term investments	1,796,459	2,212,322
	<u>2,157,237</u>	<u>2,314,643</u>
Accounts receivable	401,676	392,983
Due from Farm Bureau Life Insurance Company	11,267	11,404
Due from EquiTrust Life Insurance Company	17,336	17,349
Prepaid expenses	223,784	228,089
Prepaid pension cost	749,984	569,142
Total assets	<u>\$ 3,561,284</u>	<u>\$ 3,533,610</u>
<b>Liabilities and members' equity</b>		
Due to FBL Financial Group, Inc.	\$ 84,945	\$ 135,913
Accounts payable and accrued expenses	652,508	690,774
Total liabilities	<u>737,453</u>	<u>826,687</u>
Members' equity:		
Series A member's equity	2,767,767	2,659,454
Series C member's equity	56,064	47,469
Total members' equity	<u>2,823,831</u>	<u>2,706,923</u>
Total liabilities and members' equity	<u>\$ 3,561,284</u>	<u>\$ 3,533,610</u>

*See accompanying notes.*

## FBL Marketing Services, LLC

### Statements of Operations

	<b>Year Ended December 31</b>	
	<b>2016</b>	<b>2015</b>
Revenues:		
Administrative service fees	\$ 7,970,829	\$ 9,049,286
Registered representative fees	120,823	131,622
Other	5,188	1,330
Total revenues	8,096,840	9,182,238
Expenses:		
Regulatory fees and expenses	340,483	357,280
Salaries and related expenses	1,648,202	1,957,722
Commission and bonus expenses	5,258,958	6,077,445
Other operating expenses	744,307	762,207
Total expenses	7,991,950	9,154,654
Net income	\$ 104,890	\$ 27,584

*See accompanying notes.*

## **FBL Marketing Services, LLC**

### **Statements of Changes in Members' Equity**

	<b>Series A Member's Equity</b>	<b>Series C Member's Equity</b>	<b>Total Members' Equity</b>
Balance at January 1, 2015	\$ 2,579,843	\$ 35,971	\$ 2,615,814
Capital contributions	-	63,525	63,525
Net income (loss)	79,611	(52,027)	27,584
Balance at December 31, 2015	2,659,454	47,469	2,706,923
Capital contributions	-	12,018	12,018
Net income (loss)	108,313	(3,423)	104,890
Balance at December 31, 2016	<u>\$ 2,767,767</u>	<u>\$ 56,064</u>	<u>\$ 2,823,831</u>

*See accompanying notes.*

## FBL Marketing Services, LLC

### Statements of Cash Flows

	Year Ended December 31	
	2016	2015
<b>Operating activities</b>		
Net income	\$ 104,890	\$ 27,584
Adjustments to reconcile net income to net cash used in operating activities:		
Changes in operating assets and liabilities:		
Accounts receivable	(8,693)	(12,342)
Due from Farm Bureau Life Insurance Company	137	1,235
Due from EquiTrust Life Insurance Company	13	2,005
Prepaid expenses	4,305	4,850
Prepaid pension cost	(180,842)	(119,743)
Due to FBL Financial Group, Inc.	(50,968)	(44,571)
Accounts payable and accrued expenses	(38,266)	39,538
Net cash used in operating activities	(169,424)	(101,444)
<b>Financing Activities</b>		
Capital contributions	12,018	63,525
Net cash provided by financing activities	12,018	63,525
Decrease in cash and cash equivalents	(157,406)	(37,919)
Cash and cash equivalents at beginning of year	2,314,643	2,352,562
Cash and cash equivalents at end of year	<u>\$ 2,157,237</u>	<u>\$ 2,314,643</u>

*See accompanying notes.*

# **FBL Marketing Services, LLC**

## **Notes to Financial Statements**

**December 31, 2016**

### **1. Significant Accounting Policies**

#### **Organization**

FBL Marketing Services, LLC (the Company) engages in sales of retail mutual funds from a variety of mutual fund companies as well as variable life and annuity products of an unrelated insurance company. The Company also continues to receive renewal commissions from variable life and annuity products from Farm Bureau Life Insurance Company (Farm Bureau Life), which is an indirect wholly owned subsidiary of FBL Financial Group, Inc., and EquiTrust Life Insurance Company (EquiTrust Life), a non-affiliated company.

The Company has one Series A member, FBL Financial Services, Inc., a wholly owned subsidiary of FBL Financial Group, Inc. and one Series C member, United Farm Family Life Insurance Company (collectively, the Members).

#### **Recent Accounting Pronouncements**

In May 2014, the Financial Accounting Standards Board (FASB) issued guidance that outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers, which supersedes most current revenue recognition guidance, including industry-specific guidance. The new guidance is based on the principle that an entity should recognize revenue to reflect the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to fulfill a contract. Entities have the option of using either a full retrospective or a modified retrospective approach for the adoption of the new standard, which becomes effective for fiscal years beginning after December 15, 2017; early adoption is not permitted. The Company is currently evaluating the impact of this new guidance on the financial statements.

## **FBL Marketing Services, LLC**

### **Notes to Financial Statements (continued)**

In June 2016, the FASB issued guidance amending the accounting for the credit impairment of financial instruments. Under the new guidance, impairment losses are required to be estimated using an expected loss model under which a valuation allowance is established and adjusted over time. The valuation allowance will be based on the probability of loss over the life of the instrument, considering historical, current and forecasted information. The new guidance differs significantly from the incurred loss model used today, and will result in the earlier recognition of impairment losses. The new guidance will also increase the volatility of earnings to the extent actual results differ from the assumptions used in the establishment of the valuation allowance. The guidance becomes effective for fiscal years beginning after December 15, 2019, with early adoption permitted on January 1, 2019. The Company is currently evaluating the impact of this new guidance on the financial statements.

#### **Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) 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 the statements of cash flows, the Company considers investments in money market funds, where the underlying investments are of a short-term nature, to be cash equivalents.

#### **Fair Value**

Fair value is based on an exit price, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. GAAP establishes a hierarchal disclosure framework for fair value that ranks the level of market price observability used in measuring financial instruments at fair value into three levels.

- **Level 1** – Fair values are based on unadjusted quoted prices in active markets for identical assets or liabilities.
- **Level 2** – Fair values are based on inputs, other than quoted prices from active markets, that are observable for the asset or liability, either directly or indirectly.
- **Level 3** – Fair values are based on significant unobservable inputs for the asset or liability.

All investments included in the statements of financial condition at December 31, 2016 and 2015 are in money market funds that are carried at cost, which approximates fair value. These investments are based upon daily quoted prices, and therefore are considered Level 1. There were no transfers between Level 1, Level 2 or Level 3 during 2016 or 2015.

## **FBL Marketing Services, LLC**

### **Notes to Financial Statements (continued)**

#### **Recognition of Income**

Administrative service fees consist of commission revenue related to the sales of mutual funds and variable products. Commissions are recognized on a trade-date basis, which is the date a trade is executed. Related commission and bonus expense are concurrently recognized based on agreed-upon rates.

#### **Subsequent Events**

The Company has evaluated the financial statements for subsequent events through February 23, 2017, the date which the financial statements were available to be issued. During this period, there were no subsequent events requiring recognition or disclosure in the financial statements.

#### **2. Income Taxes**

As a limited liability company, the Company has elected to be classified as a partnership for federal tax reporting purposes. Therefore, the Company will generally not be subject to federal or state income taxes.

#### **3. Retirement and Compensation Plans**

The Company indirectly participates with affiliates in various defined benefit pension plans (the Plans). The Company and affiliates have adopted a policy allocating the required contribution to the plans between themselves generally on a basis of time incurred by the respective employees. Pension expense aggregated \$134,450 in 2016 and \$269,771 in 2015 and included settlement charges totaling \$103,696 in 2015.

The Company indirectly participates with several affiliates in a 401(k) defined contribution plan which covers substantially all employees and includes company matching contributions. The Company and affiliates allocate these expenses in a manner consistent with pension expense discussed above. Expenses related to the plan aggregated \$82,158 in 2016 and \$77,632 in 2015.

The Company also indirectly participates with affiliates in two share-based payment arrangements under the FBL Financial Group, Inc. Class A Common Stock Compensation Plan and a Cash-Based Restricted Stock Unit Plan. Beginning in 2012, stock options and awards were no longer being granted. Compensation expense is recognized for all share-based payments granted, modified, or settled. The impact of forfeitures is estimated and compensation expense is recognized only for those stock-based instruments expected to vest. The Company and affiliates allocate these compensation expenses in a manner consistent with pension expense discussed above. Expenses related to these plans were \$25,094 in 2016 and \$21,656 in 2015.

## **FBL Marketing Services, LLC**

### **Notes to Financial Statements (continued)**

#### **4. Regulatory Requirements**

The Company is subject to the Securities and Exchange Commission (SEC) uniform net capital rule (Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined therein, shall not exceed 15 to 1. Net capital and the related net capital ratio may fluctuate on a daily basis. At December 31, 2016, the Company had defined net capital of \$1,383,855 which was \$1,334,691 in excess of its required net capital of \$49,164. The Company's aggregate indebtedness to net capital ratio was 0.53 to 1 at December 31, 2016. The Company is exempt from maintaining a special reserve bank account under Rule 15c3-3(k)(1).

#### **5. Limited Liability Company Agreement**

The Limited Liability Company Agreement approved by the Members outlines the capital structure of the Company, capital contributions to be made by the Members, allocations of revenues and expenses to the Members, and distributions to the Members.

Interests in the Company are divided into Series, with the interest of each Member constituting a separate Series. The Company is authorized to issue 100 Series. The holder of Series A interest, referred to as the Principal Member, is the only Member with voting rights for the Company. All other members are Associate Members.

Associate Members are allowed to conduct business relating only to the sale of variable life insurance, variable annuity, and mutual fund products, which have been approved by the Board of Managers for distribution through the Company.

A separate capital account has been established for each Member and will be established for each new Member admitted to the Company in the future. Each Member's capital account will contain that Member's initial capital contribution adjusted at the end of each calendar quarter for: (a) the amount of revenue received by the Company during the quarter as a result of that Member's operations; (b) the amount of additional capital contributions by that Member during the quarter; (c) all costs and expenses directly incurred by that Member and all costs and expenses allocated to that Member's Series during the quarter, including general overhead of the Company; and (d) the amount of all distributions made to the Member during the quarter.

The amount of minimum required capital for each associate Member is currently \$50,000. The Members may be called upon for additional capital contributions in certain situations, including the necessity to maintain minimum regulatory capital requirements.

## **FBL Marketing Services, LLC**

### **Notes to Financial Statements (continued)**

Distributions may be made to the Principal Member at the discretion of the Board of Managers of the Company. Distributions may be made to an Associate Member within 30 days after the end of each calendar quarter, provided that such distribution would not cause that Member's capital balance to decline below the minimum required capital.

Associate Members may terminate their Series at any time, so long as the balance in their capital account is greater than zero. The Board of Managers may also terminate the Series of any Associate Member if that Member's capital account is less than the minimum required capital and the Associate Member has failed to honor a capital call for the shortfall.

#### **6. Related-Party Transactions**

The Company had entered into agreements with Farm Bureau Life and EquiTrust Life to sell variable universal life and variable annuity products. EquiTrust Life currently cedes 100% of its variable product business to Farm Bureau Life. These agreements provide that Farm Bureau Life and EquiTrust Life compensate the Company for all commissions paid to its registered representatives. Although registered representatives of the Company are no longer selling new business under these agreements, the Company continues to collect service fee commissions on renewal premiums associated with these policies. In addition, Farm Bureau Life agrees to pay the Company a registered representative fee to cover the costs and expenses associated with facilitating variable product sales. Under these agreements, revenues earned by the Company totaled \$2,749,416 in 2016 and \$2,986,482 in 2015, of which the registered representative expenses totaled \$2,542,779 in 2016 and \$2,762,758 in 2015.

The Company participates in a management agreement with FBL Financial Group, Inc. Under this agreement, FBL Financial Group, Inc. provides general business, administrative analysis, and management services to the Company. The Company incurred management fee expenses under this contract totaling \$11,148 in 2016 and \$14,010 in 2015. General expenses consist primarily of salaries and related expenses, travel, and occupancy costs. These expenses are allocated from FBL Financial Group, Inc., to its affiliated companies on the basis of cost and time studies that are updated annually. Aggregate expenses incurred by the Company under this agreement were \$2,416,026 in 2016 and \$2,754,352 in 2015.

## Supplementary Information

# FBL Marketing Services, LLC

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

December 31, 2016

### Computation of Net Capital

1. Total ownership equity from Statement of Financial Condition			\$ 2,823,831
2. Deduct ownership equity not allowable for Net Capital			—
3. Total ownership equity qualified for Net Capital			2,823,831
4. Add:			
A. Liabilities subordinated to claims of general creditors allowable in computation of net capital			—
B. Other deductions or allowable credits			—
5. Total capital and allowable subordinated liabilities			2,823,831
6. Deductions and/or charges:			
A. Total non allowable assets from Statement of Financial Condition (Notes B and C):			
1. Accounts receivable	\$ 401,676		
2. Due from Farm Bureau Life Insurance Company	11,267		
3. Due from EquiTrust Life Insurance Company	17,336		
4. Prepaid expenses	223,784		
5. Prepaid pension cost	749,984	\$ 1,404,047	
B. Secured demand note deficiency		—	
C. Commodity futures contracts and spot commodities – proprietary capital charges		—	
D. Other deductions and/or charges		—	(1,404,047)
7. Other additions and/or allowable credits			—
8. Net capital before haircuts on securities positions			1,419,784
9. Haircuts on securities [computed, where applicable, pursuant to 15c3-1(f)]:			
A. Contractual securities commitments		\$ —	
B. Subordinated securities borrowings		—	
C. Trading and investment securities:			
1. Exempted securities		—	
2. Debt securities		—	
3. Options		—	
4. Other securities		—	
D. Undue concentration		—	
E. Other		35,929	(35,929)
10. Net Capital			\$ 1,383,855

## FBL Marketing Services, LLC

### Schedule I - Computation of Net Capital Under Rule 15c3-1 (continued)

#### Computation of Basic Net Capital Requirement

##### Part A

11. Minimum net capital required (6-2/3% of line 19)	\$ 49,164
12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	5,000
13. Net capital requirement (greater of line 11 or 12)	49,164
14. Excess net capital (line 10 less 13)	1,334,691
15. Net capital less greater of 10% of line 19 or 120% of line 12	1,310,110

#### Computation of Aggregate Indebtedness

16. Total A.I. liabilities from Statement of Financial Condition	737,453
17. Add:	
A. Drafts for immediate credit	\$ —
B. Market value of securities borrowed for which no equivalent value is paid or credited	—
C. Other unrecorded amounts	—
19. Total aggregate indebtedness	737,453
20. Percentage of aggregate indebtedness to net capital (line 19 ÷ by line 10)	53.29%
21. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1(d)	—

#### Notes:

- (A) The minimum net capital requirement should be computed by adding the minimum dollar net capital requirement of the reporting broker dealer and, for each subsidiary to be consolidated, the greater of:
1. Minimum dollar net capital requirement, or
  2. 6 2/3% of aggregate indebtedness or 2% of aggregate debits if alternative method is used.
- (B) Do not deduct the value of securities borrowed under subordination agreements or secured demand note covered by subordination agreements not in satisfactory form and the market values of memberships in exchanges contributed for use of Company (contra to item 1740) and partners' securities that were included in non-allowable assets.
- (C) For reports filed pursuant to paragraph (d) of Rule 17a-5, respondent should provide a list of material non allowable assets.

There are no differences between the computation of net capital under Rule 15c3-1 included in this audited report and the computation included in the Company's corresponding unaudited Form X-17A-5 Part IIA filing as of December 31, 2016.

## **FBL Marketing Services, LLC**

**December 31, 2016**

### **Schedule II - Computation for Determination of Reserve Requirements Under Rule 15c3-3**

The Company is exempt from the provisions of Rule 15c3-3 of the Securities Exchange Act of 1934, as it relates to the computation for determination of reserve requirements, in accordance with paragraph (k)(1) of Rule 15c3-3.

### **Schedule III – Information Relating to the Possession or Control Requirements Under Rule 15c3-3**

The Company is exempt from the provisions of Rule 15c3-3 of the Securities Exchange Act of 1934, as it relates to the information for possession or control requirements, in accordance with paragraph (k)(1) of Rule 15c3-3.



Ernst & Young LLP  
Suite 3000  
801 Grand Avenue  
Des Moines, IA 50309-2764

Tel: +1 515 243 2727  
Fax: +1 515 362 7200  
ey.com

## Report of Independent Registered Public Accounting Firm

### The Members and Management of FBL Marketing Services, LLC

We have reviewed management's statements, included in the accompanying FBL Marketing Services, LLC Exemption Report, in which (1) FBL Marketing Services, LLC (the Company) identified the following provisions of 17 C.F.R. § 15c3-3(k) under which the Company claimed an exemption from 17 C.F.R. § 240.15c3-3: (k)(1) (the "exemption provisions") and (2) the Company stated that it met the identified exemption provisions throughout the most recent fiscal year ended December 31, 2016 except as described in its exemption report. Management of the Company 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 the Company'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)(1) of Rule 15c3-3 under the Securities Exchange Act of 1934.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, FINRA, other regulatory agencies that rely on Rule 17a-5 under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and other recipients specified by Rule 17a-5(d)(6) and is not intended to be and should not be used by anyone other than these specified parties.

*Ernst & Young LLP*

February 23, 2017

**FBL Marketing Services, LLC**  
**Exemption Report**  
**January 1, 2016 through December 31, 2016**

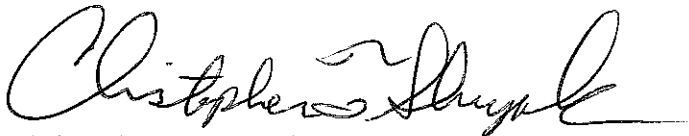
FBL Marketing Services, LLC (the Company) is a registered broker-dealer subject to Rule 17a-5 promulgated by the Securities and Exchange Commission (17 C.F.R. §240.17a-5, "Reports to be made by certain broker dealers"). This Exemption Report was prepared as required by 17 C.F.R. § 240.17a-5(d)(1) and (4). To the best of its knowledge and belief, the Company states the following:

(1) The Company claims an exemption from 17 C.F.R. § 240.15c3-3 under the provisions of 17 C.F.R. § 240.15c3-3(k)(1).

(2) The Company met the identified exemption provisions in 17 C.F.R. § 240.15c3-3(k)(1) throughout the period of January 1, 2016 through December 31, 2016 except as described in Exhibit A.

I, Christopher T. Shyrack, swear that, to the best of my knowledge and belief, this Exemption Report is true and correct.

FBL Marketing Services, LLC

A handwritten signature in black ink, appearing to read "Christopher Shyrack", with a long horizontal flourish extending to the right.

Christopher T. Shyrack

*President*

2/23/2017

**Exhibit A**  
**FBL Marketing Services, LLC**

There were 38 instances of late transmittal of funds during the period January 1, 2016 through December 31, 2016. These are instances in which the registered representative failed to promptly transmit funds.

**Registered Representative Delay in Transmitting Funds:**

<u>Date</u>	<u># of Instances</u>	<u>Date</u>	<u># of Instances</u>
1/8/2016	1	4/12/2016	2
1/27/2016	1	4/13/2016	2
2/8/2016	1	5/20/2016	1
2/19/2016	1	6/10/2016	2
2/20/2016	1	7/21/2016	1
2/24/2016	1	8/10/2016	1
2/25/2016	2	8/12/2016	1
2/29/2016	1	8/25/2016	1
3/1/2016	2	9/7/2016	3
3/3/2016	1	10/14/2016	1
3/9/2016	1	10/17/2016	1
3/10/2016	1	11/1/2016	1
3/16/2016	1	11/4/2016	1
3/29/2016	1	11/8/2016	1
4/4/2016	1	12/19/2016	1
4/8/2016	1	<b>Total Instances</b>	<b>38</b>