

SAMUEL A. RAMIREZ & COMPANY, INC.

STATEMENT OF FINANCIAL CONDITION

SEPTEMBER 30, 2016

ASSETS

Cash	\$	5,209,461
Deposit with clearing agent		500,000
Receivables from brokers, dealers and counterparties		3,598,936
Net trade date receivable		17,100,317
Marketable securities owned, at fair value		50,945,099
Due from affiliates		1,756,487
Due from related parties		1,285,885
Furniture, equipment and leasehold improvements, at cost, less accumulated depreciation and amortization of \$1,140,657		1,575,196
Other assets		1,837,157
Deferred income taxes		152,600
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Total Assets	\$	<u>83,961,138</u>

LIABILITIES AND STOCKHOLDER'S EQUITY

Liabilities		
Securities sold, not yet purchased at fair value	\$	26,503,394
Accrued expenses and other liabilities		19,522,904
Due to clearing agent		7,418,938
Subordinated loan		5,000,000
Payables to brokers, dealers and counterparties		1,612,690
Income taxes payable		85,757
Due to affiliate		3,860
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Total Liabilities		<u>60,147,543</u>
Commitments and contingencies		
Stockholder's equity		
Common stock, \$.10 par value, 100,000 shares authorized; 24,176 shares issued and outstanding		2,418
Additional paid-in-capital		3,727,975
Retained earnings		20,083,202
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Total Stockholder's Equity		<u>23,813,595</u>
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	\$	<u>83,961,138</u>

See notes to financial statements.

SAMUEL A. RAMIREZ & COMPANY, INC.
STATEMENT OF INCOME
FISCAL YEAR ENDED SEPTEMBER 30, 2016

REVENUES

Investment banking and underwriting revenue	\$ 40,887,393
Net trading profit	18,732,378
Financial advisory, placement and remarketing fees	2,347,556
Commission income and other fees	2,194,956
Interest income	3,567,663
Gain on insurance recovery	1,184,706
Other income	<u>245,400</u>

Total Revenues	<u>69,160,052</u>
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EXPENSES

Employee compensation and benefits	47,498,015
Brokerage and clearing fees	819,138
Communication and technology services	3,807,582
Occupancy	2,868,589
Other operating expenses	6,018,798
Interest	<u>941,734</u>

Total Expenses	<u>61,953,856</u>
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INCOME BEFORE INCOME TAXES	<u>7,206,196</u>
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INCOME TAX EXPENSE

Current	2,607,295
Deferred	<u>77,900</u>

Total Income Tax Expense	<u>2,685,195</u>
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NET INCOME	<u><u>\$ 4,521,001</u></u>
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See notes to financial statements.

SAMUEL A. RAMIREZ & COMPANY, INC.
STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY
FISCAL YEAR ENDED SEPTEMBER 30, 2016

	Common Stock		Additional Paid-in- Capital	Retained Earnings	Total Stockholder's Equity
	Outstanding Shares	Amount			
Balance, September 30, 2015	24,176	\$ 2,418	\$ 3,727,975	\$ 17,185,201	\$ 20,915,594
Net income	-	-	-	4,521,001	4,521,001
Dividend paid	-	-	-	(1,623,000)	(1,623,000)
Balance, September 30, 2016	<u>24,176</u>	<u>\$ 2,418</u>	<u>\$ 3,727,975</u>	<u>\$ 20,083,202</u>	<u>\$ 23,813,595</u>

See notes to financial statements.

SAMUEL A. RAMIREZ & COMPANY, INC.
STATEMENT OF CASH FLOWS
FISCAL YEAR ENDED SEPTEMBER 30, 2016

CASH FLOWS FROM OPERATING ACTIVITIES

Net income	\$ 4,521,001
Adjustments to reconcile net income to net cash provided by operating activities	
Depreciation and amortization	104,166
Deferred income taxes	77,900
Loss on disposals	188,045
Decrease (increase) in assets:	
Deposit with clearing agent	(250,000)
Receivables from brokers, dealers and counterparties	(1,867,722)
Net trade date receivable	(13,150,502)
Marketable securities owned	4,247,198
Due from clearing agents	14,604
Other assets	825,837
Due from affiliates	819,884
Due from related parties	(162,702)
Increase (decrease) in liabilities:	
Securities sold, not yet purchased	3,833,398
Accrued expenses and other liabilities	7,544,739
Due to clearing agents	(5,359,953)
Payables to brokers, dealers and counterparties	1,566,201
Income taxes payable	80,973
Due to affiliate	3,860
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Net Cash Provided by Operating Activities	<hr/> 3,036,927 <hr/>

CASH FLOWS FROM INVESTING ACTIVITIES

Acquisition of furniture, equipment and leasehold improvements	<hr/> (1,399,626) <hr/>
Net Cash Used in Investing Activities	<hr/> (1,399,626) <hr/>

CASH FLOWS FROM FINANCING ACTIVITIES

Issuance of subordinated loans	30,000,000
Repayment of subordinated loans	(30,000,000)
Dividends paid	<hr/> (1,623,000) <hr/>
Net Cash Used in Financing Activities	<hr/> (1,623,000) <hr/>

NET INCREASE IN CASH

	14,301
Cash at September 30, 2015	<hr/> 5,195,160 <hr/>
Cash at September 30, 2016	\$ <hr/> <hr/> 5,209,461 <hr/> <hr/>

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash Paid During the Year for:	
Interest	\$ <hr/> <hr/> 911,343 <hr/> <hr/>
Income taxes	\$ <hr/> <hr/> 251,932 <hr/> <hr/>

See notes to financial statements.

SAMUEL A. RAMIREZ & COMPANY, INC.

STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED
TO CLAIMS OF GENERAL CREDITORS

FISCAL YEAR ENDED SEPTEMBER 30, 2016

Balance, September 30, 2015	\$ 5,000,000
Issuances of subordinated loan	30,000,000
Repayments of subordinated loan	<u>(30,000,000)</u>
Balance, September 30, 2016	\$ <u>5,000,000</u>

See notes to financial statements.