

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

ANNUAL REPORTS
FORM X-17A-5
PART III

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Information Required Pursuant to Rules 17a-5, 17a-12, and 18a-7 under the Securities Exchange Act of 1934

FILING FOR THE PERIOD BEGINNING August 1 2022 AND ENDING July 31 2023
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF FIRM: First Dallas Securities

TYPE OF REGISTRANT (check all applicable boxes):

- ☒ Broker-dealer ☐ Security-based swap dealer ☐ Major security-based swap participant
☐ Check here if respondent is also an OTC derivatives dealer

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use a P.O. box no.)

2905 Maple Ave

(No. and Street)

Dallas

TX

75201

(City)

(State)

(Zip Code)

PERSON TO CONTACT WITH REGARD TO THIS FILING

Charmagne Darabadey 2146659103

cdarabadey@hodgescapital.com

(Name)

(Area Code – Telephone Number)

(Email Address)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose reports are contained in this filing*

Moss Adams

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

14555 Dallas Parkway Ste 300 Dallas

TX

75254

(Address)

(City)

(State)

(Zip Code)

10/16/2003

659

(Date of Registration with PCAOB)(if applicable)

(PCAOB Registration Number, if applicable)

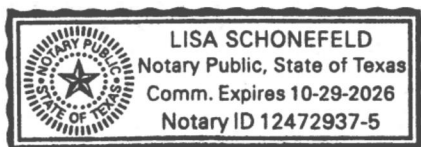
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* Claims for exemption from the requirement that the annual reports be covered by the reports of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis of the exemption. See 17 CFR 240.17a-5(e)(1)(ii), if applicable.

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

OATH OR AFFIRMATION

I, Craig Hodges, swear (or affirm) that, to the best of my knowledge and belief, the financial report pertaining to the firm of First Dallas Securities, as of 7/31, 2023, is true and correct. I further swear (or affirm) that neither the company nor any partner, officer, director, or equivalent person, as the case may be, has any proprietary interest in any account classified solely as that of a customer.



Signature: *Craig Hodges*

Title: President

Notary Public *Lisa Schonefeld 9/28/23*

This filing** contains (check all applicable boxes):

- ☒ (a) Statement of financial condition.
- ☐ (b) Notes to consolidated 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 cash flows.
- ☒ (e) Statement of changes in stockholders' or partners' or sole proprietor's equity.
- ☐ (f) Statement of changes in liabilities subordinated to claims of creditors.
- ☒ (g) Notes to consolidated financial statements.
- ☒ (h) Computation of net capital under 17 CFR 240.15c3-1 or 17 CFR 240.18a-1, as applicable.
- ☐ (i) Computation of tangible net worth under 17 CFR 240.18a-2.
- ☐ (j) Computation for determination of customer reserve requirements pursuant to Exhibit A to 17 CFR 240.15c3-3.
- ☐ (k) Computation for determination of security-based swap reserve requirements pursuant to Exhibit B to 17 CFR 240.15c3-3 or Exhibit A to 17 CFR 240.18a-4, as applicable.
- ☒ (l) Computation for Determination of PAB Requirements under Exhibit A to § 240.15c3-3.
- ☐ (m) Information relating to possession or control requirements for customers under 17 CFR 240.15c3-3.
- ☐ (n) Information relating to possession or control requirements for security-based swap customers under 17 CFR 240.15c3-3(p)(2) or 17 CFR 240.18a-4, as applicable.
- ☐ (o) Reconciliations, including appropriate explanations, of the FOCUS Report with computation of net capital or tangible net worth under 17 CFR 240.15c3-1, 17 CFR 240.18a-1, or 17 CFR 240.18a-2, as applicable, and the reserve requirements under 17 CFR 240.15c3-3 or 17 CFR 240.18a-4, as applicable, if material differences exist, or a statement that no material differences exist.
- ☐ (p) Summary of financial data for subsidiaries not consolidated in the statement of financial condition.
- ☒ (q) Oath or affirmation in accordance with 17 CFR 240.17a-5, 17 CFR 240.17a-12, or 17 CFR 240.18a-7, as applicable.
- ☐ (r) Compliance report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☒ (s) Exemption report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☐ (t) Independent public accountant's report based on an examination of the statement of financial condition.
- ☒ (u) Independent public accountant's report based on an examination of the financial report or financial statements under 17 CFR 240.17a-5, 17 CFR 240.18a-7, or 17 CFR 240.17a-12, as applicable.
- ☐ (v) Independent public accountant's report based on an examination of certain statements in the compliance report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☒ (w) Independent public accountant's report based on a review of the exemption report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☐ (x) Supplemental reports on applying agreed-upon procedures, in accordance with 17 CFR 240.15c3-1e or 17 CFR 240.17a-12, as applicable.
- ☐ (y) Report describing any material inadequacies found to exist or found to have existed since the date of the previous audit, or a statement that no material inadequacies exist, under 17 CFR 240.17a-12(k).
- ☐ (z) Other: _____

**To request confidential treatment of certain portions of this filing, see 17 CFR 240.17a-5(e)(3) or 17 CFR 240.18a-7(d)(2), as applicable.

FIRST DALLAS SECURITIES, INC.
REPORT PURSUANT TO RULE 17a-5(d)
YEAR ENDED JULY 31, 2023

FIRST DALLAS SECURITIES, INC.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON
MANAGEMENT'S EXEMPTION REPORT

Report of Independent Registered Public Accounting Firm

The Stockholder and Board of Directors
First Dallas Securities, Inc.

We 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 on the accompanying General Assessment Reconciliation (Form SIPC-7) for the year ended July 31, 2023. Management of First Dallas Securities, Inc. is responsible for its Form SIPC-7 and for its compliance with the applicable instructions on Form SIPC-7.

Management of First Dallas Securities, Inc. has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting First Dallas Securities, Inc. and SIPC in evaluating the Company's compliance with the applicable instructions on Form SIPC-7 for the year ended July 31, 2023. Additionally, SIPC has agreed to and acknowledged that the procedures performed are appropriate to meet their purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the appropriateness of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed, and our 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 July 31, 2023, with the Total Revenue amounts reported in Form SIPC-7 for the year ended July 31, 2023, 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 in procedure 3 above, noting no differences.
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.

We were engaged by First Dallas Securities, Inc. to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and in accordance with the standards of the Public Company Accounting Oversight Board (United States). An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed. We were not engaged to and did not conduct an examination or a review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the First Dallas Securities, Inc. Form SIPC-7 and for its compliance with the applicable instructions on Form SIPC-7 for the year ended July 31, 2023. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of First Dallas Securities, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

A handwritten signature in cursive script that reads "Moss Adams LLP".

Dallas, Texas
September 28, 2023

First Dallas Securities, Inc.

Statement of Financial Condition

July 31, 2023

ASSETS

Cash and cash equivalents	\$	1,234,908
Receivable from broker-dealers and clearing organizations		300,536
Other assets		42,521
TOTAL ASSETS	\$	1,577,965

LIABILITIES AND STOCKHOLDER'S EQUITY

LIABILITIES

Accrued expenses and other liabilities	\$	99,886
Due to Parent		42,410
TOTAL LIABILITIES		142,296

STOCKHOLDER'S EQUITY

Common stock, 1,000,000 authorized, with \$.05 par value; 10,000 shares issued and outstanding		500
Additional paid-in capital		61,200
Retained earnings		1,373,969
TOTAL STOCKHOLDER'S EQUITY		1,435,669
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	\$	1,577,965

The accompanying notes are an integral part of these financial statements.

First Dallas Securities, Inc.

Statement of Income
For the Year Ended July 31, 2023

Revenues:	
Commissions	\$ 2,113,459
Distribution fees	180,390
Other income	148,354
Interest and dividend income	22,330
Realized gains(losses)	(9,476)
Unrealized gains(losses)	334
Total revenues	<hr/> 2,455,391 <hr/>
Expenses:	
Registered representatives commissions	787,904
Commissions and clearance paid all other brokers	167,000
Compensation and benefits	762,752
Professional fees	127,538
Regulatory fees and expenses	44,830
Other expenses	213,982
Total expenses	<hr/> 2,104,006 <hr/>
Net income before taxes	351,385
Provision for income taxes	6,641
Net income	<hr/> \$ 344,744 <hr/>

The accompanying notes are an integral part of these financial statements.

First Dallas Securities, Inc.
Statement of Changes in Stockholder's Equity
For the Year Ended July 31, 2023

	Common <u>Stock</u>	Additional <u>Paid-In Capital</u>	Retained <u>Earnings</u>	<u>Total</u>
Balances at July 31, 2022	\$ 500	\$ 61,200	\$ 1,029,225	\$ 1,090,925
Net income			344,744	344,744
Balances at July 31, 2023	<u>\$ 500</u>	<u>\$ 61,200</u>	<u>\$ 1,373,969</u>	<u>\$ 1,435,669</u>

The accompanying notes are an integral part of these financial statements.

First Dallas Securities, Inc.Statement of Cash Flows
For the Year Ended July 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Net income	\$	344,744
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Changes in assets and liabilities:		
Increase in receivable from broker-dealers and clearing organizations		44,785
Increase in other assets		2,775
Increase in accrued expenses and liabilities		(3,114)
Increase in due to Parent		(66,602)
Net cash flows provided by operating activities		<u>322,588</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Net cash flows provided by (used in) investing activities		<u>-</u>
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CASH FLOWS FROM FINANCING ACTIVITIES

Net cash flows provided by (used in) financing activities		<u>-</u>
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INCREASE IN CASH AND CASH EQUIVALENTS 322,588

CASH AND CASH EQUIVALENTS, at the beginning of the year 912,320

CASH AND CASH EQUIVALENTS, at the end of the year \$ 1,234,908

The accompanying notes are an integral part of these financial statements.

First Dallas Securities, Inc.

Notes to Financial Statements

July 31, 2023

Note 1 -Organization and Nature of Business

First Dallas Securities, Inc. (the “Company”) is a broker-dealer in securities registered with the Securities and Exchange Commission (“SEC”) and is a member of the Financial Industry Regulatory Authority (“FINRA”). The Company operates under SEC Rule 15c3-3(k)(2)(ii), which provides that all funds and securities belonging to the Company’s customers would be handled by a clearing broker-dealer. The Company is registered with the SEC as a registered investment advisor. The Company is a Texas Corporation that is a wholly-owned subsidiary of Hodges Capital Holdings, Inc. (the “Parent”). Substantially all of the Company’s business is conducted with customers located in the southwestern United States.

Note 2 -Significant Accounting Policies

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“U.S. 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.

The Company follows the provisions of Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 606, Revenue from Contracts with Customers. Revenues are recognized when control of the promised services is transferred to customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those services. Revenues are analyzed to determine whether the Company is the principal (i.e. reports revenues on a gross basis) or agent (i.e. reports revenues on a net basis) in the contract. Principal or agent designations depend primarily on the control an entity has over the product or service before control is transferred to a customer.

The Company’s timing of revenue recognition may differ from the timing of customer payments. When there is an unconditional right to payment, according to the terms of the contract, the Company records a receivable. For receivables with unsatisfied performance obligations, the Company records deferred revenue until the performance obligations are satisfied. Receivables with no outstanding performance obligations are recognized as revenue upon issuance of the related invoice.

Securities readily marketable are carried at fair value as determined by quoted market prices and securities not readily marketable are carried at fair value as determined by management of the Company. The increase or decrease in net unrealized appreciation or depreciation of securities is credited or charged to operations.

The Company follows the provisions of ASC Topic 326, Financial Instruments – Credit Losses, which requires an organization to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. The standard requires an entity to estimate its lifetime expected credit loss and record an allowance, that when deducted from the amortized cost basis of the financial asset, presents the net amount expected to be collected on the financial asset.

First Dallas Securities, Inc.

Notes to Financial Statements

July 31, 2023

Note 2 -Significant Accounting Policies (cont.)

The Company takes into consideration the composition of the receivables, current economic conditions, the estimated net realizable value of the underlying collateral, historical loss experience, delinquency, and bankrupt accounts when determining management's estimate of probable credit losses and the adequacy of the allowance for credit losses. Any receivables deemed uncollectible are written off against the allowance.

Money market funds are considered cash equivalents for the purposes of the statement of cash flows. Cash consists of deposits with banks and all highly liquid investments, with maturities of three months or less, that are not segregated and deposited for regulatory purposes.

The Company's federal and state tax returns are subject to examination over various statutes of limitations generally ranging from three to five years.

Note 3 -Net Capital Requirements

Pursuant to the net capital provisions of Rule 15c3-1 of the Securities Exchange Act of 1934, the Company is required to maintain a minimum net capital as defined under such provisions. Net capital and the related net capital ratio may fluctuate on a daily basis. At July 31, 2023, the Company had net capital of \$1,379,634 and net capital requirements of \$250,000. The Company's ratio of aggregate indebtedness to net capital was 10.31%. The Securities and Exchange Commission permits a ratio of no greater than 15 to 1.

Note 4 -Possession or Control Requirements

The Company operates subject to the exemptive provisions of SEC Rule 15c3-3(k)(2)(ii) by promptly transmitting all customer funds and securities to the clearing broker who carries the customer accounts. The Company does not have any possession or control of customer funds or securities.

Note 5 -Income Taxes

The Company is a member of a group that files a consolidated federal tax return. The group filed for an S-Corporation election that became effective on August 1, 2017. Therefore, there are no federal income taxes reflected within these financial statements as income tax is the responsibility of the members of the Parent. The provisions for income tax and accrued income taxes payable included in the accompanying financial statements represent state income taxes.

Note 6 -Related Party Transactions

The Parent, pursuant to a services agreement, provides all of the general administrative expenses for the Company. The Company incurred \$872,722 in administrative fees and \$6,641 in income taxes during the year ended July 31, 2023. The Company also incurred fees of \$787,904 which the Parent, as a common paymaster, paid to licensed salesmen of the Company. At July 31, 2023 the Company owed the Parent \$42,410.

The Company receives income from mutual funds ("Funds") that are managed by Hodges Capital Management, Inc. which is owned by the Parent. These Funds paid to the Company securities commissions of \$230,032 for the year ended July 31, 2023.

First Dallas Securities, Inc.

Notes to Financial Statements

July 31, 2023

Note 7 -Risk and Uncertainties

The Company maintains deposits in excess of federally insured limits at various times during the year ended July 31, 2023. The balance at July 31, 2023 was \$625,270 in money market mutual funds. The risk is managed by maintaining all deposits in high quality institutions. The Company did not experience any losses during the year ended July 31, 2023 related to these concentrations.

The Company's securities are held by the clearing broker-dealer. Should the clearing broker-dealer fail to deliver securities to the Company, the Company may be required to purchase identical securities on the open market.

The Company has a clearing deposit due from and held by its clearing broker-dealer of approximately \$57,000 as of July 31, 2023.

Note 8 -Revenue Recognition

Significant Judgments

Revenue from contracts with customers includes commission income and distribution fees. The recognition and measurement of revenue is based on the assessment of individual contract terms. Significant judgement is required to determine whether performance obligations are satisfied at a point in time or over time; how to allocate transaction prices where multiple performance obligations are identified; when to recognize revenue based on the appropriate measure of the Company's progress under the contract; whether revenue should be presented gross or net of certain costs; and whether constraints on variable consideration should be applied due to uncertain future events.

The economic conditions which affect the firm's operations are related to overall trends in the economy and can be significantly influenced by changes in interest rates and overall market conditions.

Commission Revenue

The Company buys and sells securities on behalf of its customers. Each time a customer enters into a buy or sell transaction, the Company charges a commission. Commissions and related clearing expenses are recorded on the trade date (the date that the Company fills the trade order by finding and contracting with a counterparty and confirms the trade with the customer). The Company believes that the performance obligation is satisfied on the trade date because that is when the underlying financial instrument or purchaser is identified, the pricing is agreed upon, and the risks and rewards of ownership of the securities have been transferred to/from the customer.

Distribution Fees

Mutual Funds, Insurance and Annuity Products

The Company earns revenue for selling affiliated and unaffiliated mutual funds, fixed variable annuities and insurance products. The performance obligation is satisfied at the time of each individual sale. A portion of the revenue is based on a fixed rate applied, as a percentage, to amounts invested at the time of sale. The remaining revenue is recognized over the time the client owns the investment or holds the contract and is generally earned based on a fixed rate applied, as a percentage, to the net asset value of the fund, or the value of the insurance policy or annuity contract. The ongoing revenue is not recognized at the time of sale because it is variably constrained due to factors outside the Company's control including market volatility and client behavior (such as how long clients hold their investment, insurance policy or annuity contract). The revenue will not be recognized until it is probable that a significant reversal will not occur.

First Dallas Securities, Inc.

Notes to Financial Statements

July 31, 2023

Note 8 -Revenue Recognition (cont.)

The Company had receivables related to contracts from customers of \$288,898 and \$245,641 at July 31, 2022 and at July 31, 2023, respectively. These receivables are from broker-dealers and clearing organizations and are generally collected in full in the month following their accrual. As such, management has not recorded an allowance for credit losses on these receivables.

The Company had no deferred revenue where the performance obligations have not yet been satisfied at July 31, 2022 and at July 31, 2023, respectively.

Note 9 -Commitments and Contingencies

Included in the Company's clearing agreement with its clearing broker-dealer is an Indemnification clause. This clause relates to instances where the Company's customers fail to settle security transactions. In the event this occurs, the Company will Indemnify the clearing broker-dealer to the extent of the net loss on the unsettled trade. At July 31, 2023, management of the Company had not been notified by the clearing broker-dealer, nor were they otherwise aware of any potential losses relating to this indemnification.

The Company may become involved in various legal matters and regulatory inquiries or examinations in the ordinary course of business. The Company is not aware of any material contingencies relating to such matters that would require accrual or disclosure in the financial statements or their notes as of July 31, 2023. The Company does not have any guarantees or other commitments as of July 31, 2023.

Note 10 -Subsequent Events

The Company paid a \$270,000 dividend to the Parent on August 21, 2023.

Supplemental Information
Pursuant to Rule 17a-5 of the
Securities Exchange Act of 1934
as of July 31, 2023

Schedule I

FIRST DALLAS SECURITIES, INC.
Computation of Net Capital Under Rule 15c3-1
of the Securities and Exchange Commission
As of July 31, 2023

COMPUTATION OF NET CAPITAL

Total stockholder's equity qualified for net capital	\$ 1,435,669
Add:	
Other deductions or allowable credits	-
Total capital and allowable subordinated liabilities	<u>1,435,669</u>
Deductions and/or charges	
Non-allowable assets: Receivables non-allowable	(42,521)
Other assets	-
Other deductions and/or charges	
Net capital before haircuts on securities positions	<u>1,393,148</u>
Haircuts on securities (computed, where applicable, pursuant to Rule 15c3-1(f))	
Other securities	<u>(13,514)</u>
Net capital	<u><u>\$ 1,379,634</u></u>

AGGREGATE INDEBTEDNESS

Items included in statement of financial condition	
Accrued expenses and other liabilities	\$ 99,886
Due to Parent	42,410
Total aggregate indebtedness	<u><u>\$ 142,296</u></u>

Schedule I (continued)

FIRST DALLAS SECURITIES, INC.
Computation of Net Capital Under Rule 15c3-1
of the Securities and Exchange Commission
As of July 31, 2023

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Minimum net capital required (6 2/3% of total aggregate indebtedness)	<u><u>\$ 9,486</u></u>
Minimum dollar net capital requirement of reporting broker or dealer	<u><u>\$ 250,000</u></u>
Net capital requirement (greater of above two minimum requirement amounts)	<u><u>\$ 250,000</u></u>
Net capital in excess of required minimum	<u><u>\$ 1,129,634</u></u>
Ratio: Aggregate Indebtedness to net capital	<u><u>10.31%</u></u>

RECONCILIATION WITH COMPANY'S COMPUTATION

There were no material differences between the preceeding computation and the Company's corresponding unaudited Part II of Form X-17A-5 as of July 31, 2023.



Report of Independent Registered Public Accounting Firm

The Stockholder and Board of Directors
First Dallas Securities, Inc.

We have reviewed management's statements, included in the accompanying First Dallas Securities, Inc. Exemption Report in which:

- 1) First Dallas Securities, Inc. states First Dallas Securities, Inc. claims an exemption under paragraph (k)(2)(ii) of 17 C.F.R. §240.15c3-3 (the exemption provisions); and
- 2) First Dallas Securities, Inc. states First Dallas Securities, Inc. met the identified exemption provisions throughout the most recent fiscal year without exception.

First Dallas Securities, Inc.'s management 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 First Dallas Securities, Inc.'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)(2)(ii) of 17 C.F.R. §240.15c3-3.

Dallas, Texas
September 28, 2023

FIRST DALLAS SECURITIES, INC.

BROKER-DEALER ANNUAL EXEMPTION REPORT

July 31, 2023

First Dallas Securities, Inc. (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 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 the Company states the following:

1. The Company claimed an exemption from 17 C.F.R. §240.15c3-3 under the following provisions of 17 C.F.R. §240.15c3-3 (k)(2)(ii).
2. The Company met the identified exemption provisions in 17 C.F.R. §240.15c3-3(k) throughout the most recent fiscal year without exception.

First Dallas Securities

I, Craig Hodges, affirm that to my best knowledge and belief, this Exemption Report is true and correct.



Craig Hodges
President

August 25, 2023