

SECURITIE



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**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

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 1/1/2011 AND ENDING 12/31/2011  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: V.B.C. SECURITIES, LLC

OFFICIAL USE ONLY
FIRM ID. NO.

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

348 CLIFTON AVENUE

(No. and Street)

CLIFTON

NJ

07015

(City)

(State)

(Zip Code)

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

PETER MASTRIANO

973-928-5400

(Area Code -- Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

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

WEISBERG, MOLE', KRANTZ & GOLDFARB LLP

(Name -- if individual, state last, first, middle name)

185 CROSSWAYS PARK DRIVE

WOODBURY

NY

11797

(Address)

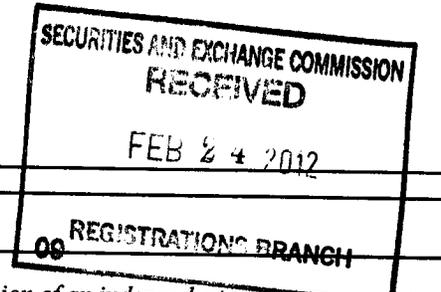
(City)

(State)

(Zip Code)

**CHECK ONE:**

- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions



<b>FOR OFFICIAL USE ONLY</b>
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\*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).

**Potential 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.**

*Handwritten initials*

*Handwritten initials*

OATH OR AFFIRMATION

I, PETER MASTRIANO, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of V.B.C. SECURITIES, LLC, as of

31-Dec 20 11, are true and correct. I further swear (or 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, except as follows:

NONE

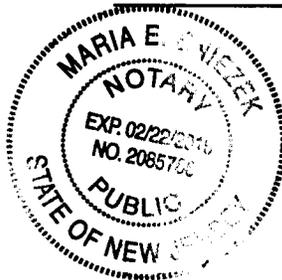
Peter Mastriano

Signature

Managing Member

Title

Maria E. Sniezek  
Notary Public



This report\*\* contains (check all applicable boxes):

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

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

***V.B.C SECURITIES LLC***

***December 31, 2011***

***Financial Statements***

**WMK & G**

**Weisberg, Mole, Krantz & Goldfarb, LLP**

*Certified Public Accountants*

***V.B.C. SECURITIES, LLC***

*Financial Statements*

*December 31, 2011*

# V.B.C. Securities, LLC

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Weisberg, Molé, Krantz & Goldfarb, LLP  
Certified Public Accountants

**Independent Auditors' Report**

To the Members of  
V.B.C. Securities, LLC

We have audited the accompanying statement of financial condition of V.B.C. Securities, LLC (a limited liability company) as of December 31, 2011, and the related statements of operations, changes in members' equity and cash flows for the year 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 audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 audit provides 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 V.B.C. Securities, LLC as of December 31, 2011 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on page 10, required by Rule 17a-5 under the Securities Exchange Act of 1934, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Weisberg, Molé, Krantz & Goldfarb, LLP*

Woodbury, New York  
January 18, 2012

V.B.C. SECURITIES, LLC  
STATEMENT OF FINANCIAL CONDITION

December 31, 2011

ASSETS

Cash and cash equivalents	\$ 76,772
Commissions and sales fees receivable	33,844
Good faith deposit and other clearing accounts	51,188
Prepaid expenses and other	3,582
Furniture and equipment, net of accumulated depreciation of \$20,227	14,275
Goodwill	<u>770,000</u>
Total assets	<u>\$ 949,661</u>

LIABILITIES AND MEMBERS' EQUITY

Accounts payable and accrued expenses	<u>\$ 8,555</u>
Total liabilities	<u>\$ 8,555</u>
Members' equity	<u>\$ 941,106</u>
Total liabilities and members' equity	<u>\$ 949,661</u>

V.B.C. SECURITIES, LLC  
STATEMENT OF OPERATIONS  
For the Year Ended December 31, 2011

REVENUES

Commissions	\$ 431,612
Other income	<u>62,985</u>
Total revenues	<u>\$ 494,597</u>

EXPENSES

Clearing charges	\$ 54,656
Commissions and employee compensation	228,080
Rent	27,733
General, administrative and other	<u>88,087</u>
Total expenses	<u>\$ 398,556</u>
Net income	<u>\$ 96,041</u>

V.B.C. SECURITIES, LLC

STATEMENT OF CHANGES IN MEMBERS' EQUITY

For the Year Ended December 31, 2011

Balance at January 1, 2011	\$ 934,378
Distribution to members	(89,313)
Net income	<u>96,041</u>
Balance at December 31, 2011	<u><u>\$ 941,106</u></u>

V.B.C. SECURITIES, LLC  
STATEMENT OF CASH FLOWS  
For the Year Ended December 31, 2011

CASH FLOWS FROM OPERATING ACTIVITIES

Net income	\$ 96,041
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	6,756
Cash flow from changes in assets and liabilities:	
Decrease in commissions and sales fees receivable	6,178
Increase in good faith deposit and other clearing accounts	(574)
Increase in prepaid expenses and other, net	(430)
Decrease in accounts payable and accrued expenses	<u>(8,567)</u>
Total adjustments	<u>3,363</u>
Net cash provided by operating activities	<u>\$ 99,404</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of equipment	\$ <u>(1,092)</u>
Net cash used in investing activities	<u>\$ (1,092)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Distribution to members	\$ <u>(89,313)</u>
Net cash used in financing activities	<u>\$ (89,313)</u>

Net change in cash	\$ 8,999
Cash and cash equivalents at beginning of year	67,773
Cash and cash equivalents at end of year	<u><u>\$ 76,772</u></u>

SUPPLEMENTAL CASH FLOW DISCLOSURES:

Interest paid	\$ <u><u>-</u></u>
Income taxes paid	<u><u>\$ -</u></u>

**V.B.C. Securities, LLC**  
Notes to Financial Statements  
December 31, 2011

NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES

Nature of Operations

V.B.C. Securities, LLC (“the Company”), a limited liability company, is a broker-dealer registered with the Securities and Exchange Commission (“SEC”) and a member of the Financial Industry Regulatory Authority (“FINRA”).

Revenue Recognition

The Company’s business consists substantially of commissions based on customer transactions and fees from the sale of investment products. Commission revenues are recorded on a trade date basis. Sales fees are recorded when earned. The Company is a non-clearing broker and, accordingly, utilizes a clearing broker on a fully disclosed basis on applicable transactions.

Use of Estimates and Subsequent Events

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates. The Company has evaluated events and transactions that occurred through January 18, 2012, which is the date the financial statements were available for issuance, for possible disclosure and recognition in the financial statements.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash in banks, and short-term, highly liquid investments purchased with an original maturity of three months or less.

Good Faith Deposit

At December 31, 2011 the Company maintained a Good Faith Deposit of \$50,199 with its clearing broker. The entire deposit is invested in a money market fund which maintains a constant \$1 per share value.

Goodwill

As part of the acquisition of the assets of the Company, goodwill was recorded based on the excess of the purchase price over the fair market value of the assets purchased. Goodwill is reviewed by the Company for potential impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. During 2011, the Company determined that no impairment has occurred

**V.B.C. Securities, LLC**  
Notes to Financial Statements  
December 31, 2011

**NOTE 2 – FURNITURE AND EQUIPMENT**

Furniture and equipment are stated at cost. Depreciation is provided on the straight-line basis using estimated useful lives. Depreciation expense for the year amounted to \$6,756.

**NOTE 3 – NET CAPITAL REQUIREMENTS**

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (rule 15c3-1), which requires the maintenance of minimum net capital of \$5,000 and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. At December 31, 2011, the Company had net capital of \$144,155 which was \$139,155 in excess of its required net capital. The Company's aggregate indebtedness to net capital ratio was 5.93 to 1.

**NOTE 4 – REGULATION**

The Company is registered as a broker-dealer with the SEC. The securities industry in the United States is subject to extensive regulation under both federal and state laws. The SEC is the federal agency responsible for the administration of the federal securities laws. Much of the regulation of broker-dealers has been delegated to self-regulatory organizations, such as the FINRA, which had been designated by the SEC as the Company's primary regulator. These self-regulatory organizations adopt rules, subject to approval by the SEC, that govern the industry and conduct periodic examinations of the Company's operations. The primary purpose of these requirements is to enhance the protection of customer assets. These laws and regulatory requirements subject the Company to standards of solvency with respect to capital requirements, financial reporting requirements, record keeping and business practices.

**NOTE 5 – CUSTOMER PROTECTION RULE**

The Company had no items reportable as customers' fully paid securities: (1) not in the Company's possession or control as of the audit date (for which instructions to reduce to possession or control had been issued as of the audit date) but for which the required action was not taken by the Company within the time frames specified under Rule 15c3-3 or (2) for which instructions to reduce to possession or control has not been issued as of the audit date, excluding items arising from "temporary lags which result from normal business operations" as permitted under Rule 15c3-3.

The Company is exempt from SEC rule 15c3-3 pursuant to the exemptive provisions under sub-paragraph (k)(2)(i) and, therefore, is not required to maintain a "Special Reserve Bank Account for the Exclusive Benefit of Customers".

**V.B.C. Securities, LLC**  
Notes to Financial Statements  
December 31, 2011

**NOTE 6 – CREDIT AND OFF BALANCE SHEET RISK**

The Company receives its commission income from customer transactions on a monthly basis from its clearing brokers and, accordingly, is not exposed to credit risk. The Company does not have uninsured bank balances that exceed FDIC insured limits and does not hold any financial instruments with off-balance-sheet risk.

**NOTE 7 – COMMITMENTS AND CONTINGENCIES**

The company rents office space pursuant a lease term expiring September 30, 2012. The lease provides for monthly rent at the rate of \$2,250 and annual renewals at the same rate at the discretion of the Company.

**NOTE 8 – INCOME TAXES**

The Company is treated as a partnership for income tax purposes. The members of the Company are then taxed on their proportionate share of the Company's taxable income. Accordingly, the Company is not subject to income taxes.

**NOTE 7 - EMPLOYEE RETIREMENT PLAN**

All full-time employees of the Company are eligible to participate in a Simple IRA retirement plan upon completion of service requirements. The plan provides for discretionary matching contributions from the Company based on a percentage of the employees' contribution. During 2011, the Company's matching contributions amounted to \$1,560.

**NOTE 8 - FAIR VALUE MEASUREMENTS**

Professional standards define fair value, establish a framework for measuring fair value, and establish a fair value hierarchy, which prioritizes the inputs to valuation techniques. Fair value 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. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified in accordance with professional standards, are used to measure fair value.

**V.B.C. Securities, LLC**  
Notes to Financial Statements  
December 31, 2011

NOTE 8 - FAIR VALUE MEASUREMENTS *(continued)*

Level 1 - Pricing inputs are unadjusted, quoted prices available in active markets for identical assets or liabilities the Company has the ability to access.

Level 2 - Pricing inputs are quoted prices for similar investments, or inputs that are observable for the asset or liability either directly or indirectly for substantially the full term through corroboration with observable market data.

Level 3 - Pricing inputs are unobservable for the asset or liability and rely on management's own assumptions. The unobservable inputs should be developed based on the best information available in the circumstances and may include the Company's own data.

Management considers all investments in securities to be valued using Level 1 inputs.

*Supplementary Information*

V.B.C. SECURITIES, LLC

COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1 OF THE  
SECURITIES AND EXCHANGE COMMISSION

For the Year Ended December 31, 2011

NET CAPITAL	
Total members' capital	\$ 941,106
Deduct members' capital not allowable for net capital	-
Total members' equity qualified for net capital	<u>\$ 941,106</u>
Additions: none	
Deductions:	
Non-allowable assets	\$ 795,947
Total deductions	<u>\$ 795,947</u>
Net capital before haircuts on securities positions	\$ 145,159
Haircuts on securities	(1,004)
Net capital	<u>\$ 144,155</u>
AGGREGATE INDEBTEDNESS	
Items included in statement of financial condition	
Accounts payable and accrued expenses	\$ 8,555
Total aggregate indebtedness	<u>\$ 8,555</u>
COMPUTATION OF BASIC NET CAPITAL REQUIREMENTS	
Minimum net capital required (6 2/3% of aggregate indebtedness) (A)	\$ 570
Minimum dollar net capital requirement for reporting broker or dealer (B)	\$ 5,000
Net capital requirement (greater of (A) or (B))	<u>\$ 5,000</u>
Excess net capital	<u>\$ 139,155</u>
Net capital less 120% of minimum required	<u>\$ 138,155</u>
Ratio: Aggregate indebtedness to net capital	<u>5.93 to 1</u>
RECONCILIATION WITH COMPANY'S COMPUTATION (Included in Part II A of Form X-17A-5 as of December 31, 2011)	
Net capital as reported in Company's Part II A (unaudited) FOCUS report	\$ 144,155
No Differences	<u>-</u>
Net capital per above	<u>\$ 144,155</u>

**Weisberg, Molé, Krantz & Goldfarb, LLP**  
**Certified Public Accountants**

**Independent Auditors' Report on Internal Accounting Control Required by SEC Rule  
17a-5 for a Broker-Dealer Claiming an Exemption from SEC Rule 15c3-3**

To the Members of  
V.B.C. Securities, LLC

In planning and performing our audit of the financial statements and supplemental schedules of V.B.C. Securities, LLC (the Company), as of and for the year ended December 31, 2011, in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company, including consideration of control activities for safeguarding securities. This study included tests of such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g) in making the periodic computations of aggregate indebtedness and net capital under rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons and recordation of differences required by rule 17a-13.
2. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control and the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

A control deficiency exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the company's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities for safeguarding securities that we considered to be material weaknesses, as defined previously.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures, as described in the second paragraph of this report, were adequate at December 31, 2011, to meet the SEC's objectives.

This report recognizes that it is not practical in an organization the size of V.B.C. Securities, LLC, to achieve all the divisions of duties and crosschecks generally included in an internal control environment and that alternatively, greater reliance must be placed on surveillance and direct involvement by management.

This report is intended solely for the use of Management, the Securities and Exchange Commission, and other regulatory agencies which rely on rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

*Whisbey, Hole, Kuntz + Goldfarb, LLP*

Woodbury, New York  
January 18, 2012

**SIPC-7**

(33-REV 7/10)

**SECURITIES INVESTOR PROTECTION CORPORATION**

P.O. Box 92185 Washington, D.C. 20090-2185  
202-371-8300

**General Assessment Reconciliation**

**SIPC-7**

(33-REV 7/10)

For the fiscal year ended December 31<sup>st</sup>, 2011

(Read carefully the instructions in your Working Copy before completing this Form)

**TO BE FILED BY ALL SIPC MEMBERS WITH FISCAL YEAR ENDINGS**

1. Name of Member, address, Designated Examining Authority, 1934 Act registration no. and month in which fiscal year ends for purposes of the audit requirement of SEC Rule 17a-5:

[ ]

[ ]

Note: If any of the information shown on the mailing label requires correction, please e-mail any corrections to [form@sipc.org](mailto:form@sipc.org) and so indicate on the form filed.

Name and telephone number of person to contact respecting this form.

[ ]

[ ]

2. A. General Assessment (item 2e from page 2) \$ 804

B. Less payment made with SIPC-6 filed (exclude interest) (411)

7/20/11  
Date Paid

C. Less prior overpayment applied (0)

D. Assessment balance due or (overpayment) 393

E. Interest computed on late payment (see instruction E) for      days at 20% per annum 0

F. Total assessment balance and interest due (or overpayment carried forward) \$ 393

G. PAID WITH THIS FORM:

Check enclosed, payable to SIPC  
Total (must be same as F above)

\$ 393

H. Overpayment carried forward \$( 0 )

3. Subsidiaries (S) and predecessors (P) included in this form (give name and 1934 Act registration number):

None

The SIPC member submitting this form and the person by whom it is executed represent thereby that all information contained herein is true, correct and complete.

VBC Securities, LLC  
(Name of Corporation, Partnership or other organization)

[Signature]  
(Authorized Signature)

Monasins Member  
(Title)

Dated the 31<sup>st</sup> day of January, 2012

This form and the assessment payment is due 60 days after the end of the fiscal year. Retain the Working Copy of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.

**SIPC REVIEWER**

Dates:      Postmarked      Received      Reviewed     

Calculations      Documentation      Forward Copy     

Exceptions:     

Disposition of exceptions:

**DETERMINATION OF "SIPC NET OPERATING REVENUES"  
AND GENERAL ASSESSMENT**

Amounts for the fiscal period  
beginning 1/1, 2011  
and ending 12/31, 2011

Eliminate cents

Item No.

2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)

\$ 494,597

2b. Additions:

(1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above.

0

(2) Net loss from principal transactions in securities in trading accounts.

0

(3) Net loss from principal transactions in commodities in trading accounts.

0

(4) Interest and dividend expense deducted in determining Item 2a.

0

(5) Net loss from management of or participation in the underwriting or distribution of securities.

0

(6) Expenses other than advertising, printing, registration fees and legal fees deducted in determining net profit from management of or participation in underwriting or distribution of securities.

0

(7) Net loss from securities in investment accounts.

0

Total additions

0

2c. Deductions:

(1) Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, from the business of insurance, from investment advisory services rendered to registered investment companies or insurance company separate accounts, and from transactions in security futures products.

<118,016

(2) Revenues from commodity transactions.

0

(3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.

<54,656

(4) Reimbursements for postage in connection with proxy solicitation.

0

(5) Net gain from securities in investment accounts.

0

(6) 100% of commissions and markups earned from transactions in (i) certificates of deposit and (ii) Treasury bills, bankers acceptances or commercial paper that mature nine months or less from issuance date.

<300

(7) Direct expenses of printing advertising and legal fees incurred in connection with other revenue related to the securities business (revenue defined by Section 16(9)(L) of the Act).

0

(8) Other revenue not related either directly or indirectly to the securities business. (See Instruction C):

0

(Deductions in excess of \$100,000 require documentation)

(9) (i) Total interest and dividend expense (FOCUS Line 22/PART IIA Line 13, Code 4075 plus line 2b(4) above) but not in excess of total interest and dividend income.

\$ 0

(ii) 40% of margin interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960).

\$ 0

Enter the greater of line (i) or (ii)

Total deductions

0  
172,972

2d. SIPC Net Operating Revenues

\$ 321,625

2e. General Assessment @ .0025

\$ 804-

(to page 1, line 2.A.)