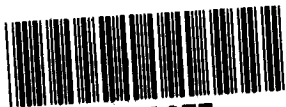


CAP 10/26



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OMB APPROVAL	
OMB Number:	3235-0123
Expires:	April 30, 2013
Estimated average burden hours per response.....	12.00

SEC  
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OCT 25 2012

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

SEC FILE NUMBER
8-46293

FACING PAGE

Washington  
401  
Registration 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 09/01/11 AND ENDING 08/31/12  
MM/DD/YY MM/DD/YY

## A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: **HARVESTONS SECURITIES, INC.**

OFFICIAL USE ONLY
FIRM I.D. NO.

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

**8301 E. PRENTICE AVE., SUITE 305**

(No. and Street)

**GREENWOOD VILLIAGE**

**COLORADO**

**80111**

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT **MORGAN BASSEY**  
**(303)832-8887**

(Area Code - Telephone Number)

## B. ACCOUNTANT IDENTIFICATION

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

**RONALD R. CHADWICK, PC**

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

**2851 S. PARKER ROAD**

**AURORA**

**CO**

**80014**

(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

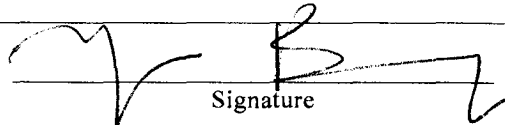
\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

CAP 11/9/12

OATH OR AFFIRMATION

I, MORGAN BASSEY, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of HARVESTONS SECURITIES, INC., as of AUGUST 31, 20 12, 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:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

  
Signature  
PRESIDENT/CEO  
Title

\_\_\_\_\_  
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 Changes in Financial Condition.
  - (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' 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).

**HARVESTONS SECURITIES, INC.**

**FINANCIAL STATEMENTS**

**August 31, 2012**

# HARVESTONS SECURITIES, INC.

## Financial Statements

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RONALD R. CHADWICK, P.C.  
Certified Public Accountant  
2851 South Parker Road, Suite 720  
Aurora, Colorado 80014  
Telephone (303)306-1967  
Fax (303)306-1944

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Harvestons Securities, Inc.  
Greenwood Village, Colorado


I have audited the accompanying statement of financial position of Harvestons Securities, Inc. as of August 31, 2012, and the related statements of income, stockholder's equity and cash flows for the year then ended that the Company is filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards in the United States of America. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Harvestons Securities, Inc. as of August 31, 2012, 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.

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying information contained in the computations of net capital, basic net capital requirement and aggregate indebtedness, and Schedules II, III and IV is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Aurora, Colorado  
October 10, 2012

  
Ronald R. Chadwick, P.C.  
RONALD R. CHADWICK, P.C.

**HARVESTONS SECURITIES, INC.**  
**STATEMENT OF FINANCIAL CONDITION**

	<b>Aug. 31, 2012</b>
<b>ASSETS</b>	
<b>Current assets</b>	
Cash	\$ 16,910
Marketable securities	64,213
Deposits with clearing organization	100,000
Due from clearing organization	29,043
Other deposits	185
<b>Total current assets</b>	<b>210,351</b>
Fixed assets	210,710
Less accumulated depreciation	(205,227)
	5,483
<b>Total Assets</b>	<b>\$ 215,834</b>
<b>LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>	
<b>Current liabilities</b>	
Accounts payable	\$ 30,009
Related party payables	33,232
Accrued payroll liabilities	32
<b>Total current liabilities</b>	<b>63,273</b>
<b>Total Liabilities</b>	<b>63,273</b>
<b>Stockholder's Equity</b>	
Common stock, \$1 par value; 1,000,000 shares authorized; 5,000 shares issued and outstanding	5,000
Additional paid in capital	458,309
Retained earnings	(310,748)
<b>Total Stockholders' Equity</b>	<b>152,561</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 215,834</b>

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

**HARVESTONS SECURITIES, INC.**  
**STATEMENT OF INCOME**

	<u>Year Ended</u> <u>Aug. 31, 2012</u>
<b>Revenues</b>	
Commissions	\$ 118,053
Underwriting income	232,610
Interest & dividend income	607
Other income	109
	<u>351,379</u>
<b>Expenses</b>	
Operating expenses:	
Commissions	111,587
Clearing expenses	12,831
Salaries	90,000
General and administrative	278,750
Trading loss (unrealized)	180
Taxes	3,855
Interest expense	18,095
Depreciation	3,984
	<u>519,282</u>
Income (loss) before provision for income taxes	(167,903)
Provision for income tax	<u>-</u>
<b>Net income (loss)</b>	<u><u>\$ (167,903)</u></u>

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

**HARVESTONS SECURITIES, INC.**  
**STATEMENT OF STOCKHOLDER'S EQUITY**

	Common Stock Shares	Common Stock Amount \$1 Par Value	Additional Paid In Capital	Retained Earnings	Stock- holders' Equity
Balances at August 31, 2011	5,000	\$ 5,000	\$ 408,309	\$ (142,845)	\$ 270,464
Cash capital contribution - officers			50,000		50,000
Net income (loss) for the year				(167,903)	(167,903)
Balances at August 31, 2012	<u>5,000</u>	<u>\$ 5,000</u>	<u>\$ 458,309</u>	<u>\$ (310,748)</u>	<u>\$ 152,561</u>

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



**HARVESTONS SECURITIES, INC.**  
**STATEMENT OF CASH FLOWS**

	<u>Year Ended</u> <u>Aug. 31, 2012</u>
<b>Cash Flows From Operating Activities:</b>	
Net income (loss)	\$ (167,903)
Adjustments to reconcile net loss to net cash provided by (used for) operating activities:	
Depreciation	3,984
Advances to stockholder	98,017
Due from clearing organization	(10,948)
Unrealized loss on securities	180
Accrued payables	36,017
<b>Net cash provided by (used for)</b> <b>operating activities</b>	<b>(40,653)</b>
 <b>Cash Flows From Investing Activities:</b>	
<b>Net cash provided by (used for)</b> <b>investing activities</b>	-

(Continued On Following Page)

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

**HARVESTONS SECURITIES, INC.**  
**STATEMENT OF CASH FLOWS**

(Continued From Previous Page)

	<u><b>Year Ended Aug. 31, 2012</b></u>
<b>Cash Flows From Financing Activities:</b>	
Capital contribution	50,000
<b>Net cash provided by (used for)     financing activities</b>	<u>50,000</u>
<b>Net Increase (Decrease) In Cash</b>	9,347
<b>Cash At The Beginning Of The Period</b>	<u>7,563</u>
<b>Cash At The End Of The Period</b>	<u><u>\$ 16,910</u></u>

Schedule Of Non-Cash Investing And Financing Activities

None

Supplemental Disclosure

Cash paid for interest	\$ 18,095
Cash paid for income taxes	\$ 3,855

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

**HARVESTONS SECURITIES, INC.  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1. ORGANIZATION, OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

Harvestons Securities, Inc. (the “Company”), was incorporated in the State of Colorado on January 15, 1933 and conducts business as a registered, fully disclosed securities broker-dealer. The Company is subject to the rules and regulations of the United States Securities and Exchange Commission and the Financial Industry Regulatory Authority. The Company has claimed an exemption from Rule 15c3-3 of the Securities and Exchange Commission. The Company does not hold cash or securities for the account of customers. The Company clears certain of its proprietary and customer transactions through a clearing organization on a fully disclosed basis. The amounts receivable from and/or payable to the clearing organization relate to these transactions. In addition, the Company maintains a deposit of \$100,000 with the clearing organization at August 31, 2012.

Fiscal year

The Company employs a fiscal year ending August 31.

Cash and cash equivalents

The Company considers all highly liquid investments with an original maturity of three months or less as cash equivalents.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect 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.

Income tax

The Company accounts for income taxes pursuant to ASC 740. Under ASC 740 deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss carryforwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

**HARVESTONS SECURITIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1. ORGANIZATION, OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):**

Accounts receivable

The Company reviews accounts receivable periodically for collectability and establishes an allowance for doubtful accounts and records bad debt expense when deemed necessary. At August 31, 2012, the Company had no balance in its allowance for doubtful accounts.

Property and equipment

Property and equipment are recorded at cost and depreciated under the straight line method over each item's estimated useful life of from three to five years. Leasehold improvements are amortized over the lesser of the economic useful life of the improvement or the term of the lease. At August 31, 2012 the Company had a fixed asset balance of \$210,710 consisting of furniture and fixtures \$35,333, computers and equipment \$160,183, and leasehold improvements \$15,194, with corresponding accumulated depreciation of \$201,244. Depreciation expense for fiscal year 2012 was \$3,984.

Marketable Securities

The Company's marketable securities are classified as available-for-sale, are presented in the balance sheets at fair market value, and consist of debt and equity securities. Gains and losses are determined using the specific identification method. The change in unrealized gains and losses in 2012 was \$(180). All securities transactions are recorded on a trade date basis. Amounts receivable and payable for securities transactions that have not reached their contractual settlement date are recorded net on the Statement of Financial Condition. Commissions and related clearing expenses are recorded on a trade date basis.

Revenue recognition

Revenue includes gains, losses, and fees, net of syndicate expenses, arising from securities offerings in which the Company acts as an underwriter or agent. Investment banking revenues also include fees earned from providing merger and acquisition and financial restructuring advisory services. Investment banking management fees are recorded on offering date, sales concessions on settlement date, and underwriting fees at the time the underwriting is completed and the income is reasonably determinable.

**HARVESTONS SECURITIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1. ORGANIZATION, OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):**

Concentrations of Credit Risk

The Company engaged in various trading and brokerage activities in which counterparties primarily include broker-dealers, banks, and other financial institutions. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counterparty.

Financial Instruments

The carrying value of the Company's financial instruments, as reported in the accompanying balance sheet, approximates fair value.

**NOTE 2. RELATED PARTY TRANSACTIONS**

The Company from time to time uses credit cards and equity lines held in the name of officers for working capital. In fiscal year 2012 the Company made interest payments in the amount of \$18,095 on these lines.

**NOTE 3. LEASE COMMITMENTS**

The Company rents space from a related party entity under common control under an office lease expiring in December 2013, and carrying a five year renewal option. The required monthly payment over the remaining life of the lease ranges from \$2,600 - \$2,650, plus costs. All rent expense incurred under the lease in fiscal year 2012 of approximately \$31,000 was forgiven by the related party lessor. At August 31, 2012 the Company owed the related party lessor approximately \$23,232 from 2011 rent. Subsequent to August 31, 2012 future minimum payments under the lease by fiscal year are approximately: 2013 \$31,500, 2014 \$15,900, Total \$47,400. The Company also carries a month to month office lease at \$185 per month plus costs. Rent expense under this lease in fiscal year 2012 was \$2,751.

**HARVESTONS SECURITIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 4. INCOME TAXES**

Deferred income taxes arise from the temporary differences between financial statement and income tax recognition of net operating losses. These loss carryovers are limited under the Internal Revenue Code should a significant change in ownership occur. The Company accounts for income taxes pursuant to ASC 740. At August 31, 2012, the Company had approximately \$168,000 in unused federal net operating loss carryforwards, which begin to expire in the year 2032. A deferred tax asset of approximately \$34,000 resulting from the loss carryforward has been offset by a 100% valuation allowance. The change in the valuation allowance in fiscal year 2012 was approximately \$34,000.

**NOTE 5. NET CAPITAL REQUIREMENTS**

The Company is subject to the Securities and Exchange Uniform Net Capital Rule for fully disclosed broker-dealers (SEC Rule 15c3-1), which requires the maintenance of minimum net capital of \$100,000 and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. At August 31, 2012, the Company had net capital of \$135,186, which was \$35,186 in excess of its required net capital of \$100,000. The Company's net capital ratio was .47 to 1.

**NOTE 6. SIPC, NET OPERATING REVENUE AND GENERAL ASSESSMENT**

The Company is subject to the Securities and Exchange Commission's determination of the Security Investor Protection Corporation's ("SIPC") net operating revenues and general assessment. At August 31, 2012 the Company had SIPC net operating revenue of \$351,379 with a general assessment of \$878. The Company has paid \$414 leaving a balance of \$464, which is due by October 31, 2012. The Company plans to pay the assessment timely.

**NOTE 7. SUBSEQUENT EVENTS**

The Company has evaluated subsequent events through the date these financial statements were available to be issued of October 11, 2012 and determined that there are no reportable subsequent events.

**HARVESTONS SECURITIES, INC.**  
**COMPUTATION OF NET CAPITAL**  
**August 31, 2012**

**Net Capital**

Total stockholder's equity from Statement of Financial Condition	<u>\$ 152,561</u>
Deduct stockholder's equity not allowed for net capital:	
Fixed assets, net	5,483
Other deposits	185
	<u>5,668</u>
Total stockholder's equity qualified for net capital before haircuts on securities positions	<u>146,893</u>
Haircuts on securities positions:	
Debt securities	300
Other securities owned - net	8,130
Undue concentration	2,647
	<u>11,077</u>
Net capital	135,816
Net capital requirement	<u>100,000</u>
Net capital in excess of required net capital	<u>\$ 35,816</u>

**Aggregate Indebtedness**

Accounts payable	\$ 63,241
Accrued payroll liabilities	32
Total aggregate indebtedness	<u>\$ 63,273</u>

**Ratio: Aggregate Indebtedness to Net Capital**

.47 to 1

**RECONCILIATION WITH THE COMPANY'S COMPUTATION**

(Included in Part IIA of Form X-17A-5 as of August 31, 2012)

Net capital, as reported in the Company's Part IIA (Unaudited) FOCUS report	\$ 135,815
Adjustments:	
Audit adjustment to "Advances to Stockholder" asset	(58,261)
Audit adjustment to stockholder's equity not allowed for net capital	58,261
Net capital, as adjusted	<u>\$ 135,815</u>
Aggregate indebtedness, as reported in the Company's Part IIA (Unaudited) FOCUS report	\$ 63,273
Adjustments:	
None	-
Aggregate indebtedness, as adjusted	<u>\$ 63,273</u>

**HARVESTONS SECURITIES, INC.**  
**SCHEDULES II, III, AND IV**  
**For The Year Ended August 31, 2012**

The information required by Schedules II, III and IV has not been provided as an exemption from Rule 15c3-3 is claimed. The Company does not hold cash or securities for the account of customers. All transactions are cleared through separate broker-dealers, on a fully disclosed basis. Consequently, the Company qualifies for exemption from the provision of SEC Rule 15c3-3(k)(2)(I) and Schedules II, III and IV of FOCUS Form X-17a-5, Part III are not required.



RONALD R. CHADWICK, P.C.  
Certified Public Accountant  
2851 South Parker Road, Suite 720  
Aurora, Colorado 80014  
Telephone (303)306-1967  
Fax (303)306-1944

Board of Directors  
Harvestons Securities, Inc.  
Greenwood Village, Colorado

### **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL**

In planning and performing my audit of the financial statements and supplemental schedules of Harvestons Securities, Inc. (the "Company") for the year ended August 31, 2012 in accordance with auditing standards generally accepted in the United States of America, I considered the Company's internal control over financial reporting (internal control) as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, I 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 U.S. Securities and Exchange Commission ("SEC"), I 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 I considered relevant to the objectives stated in Rule 17a-5(g)(1) in making the periodic computations of aggregate indebtedness (or aggregate debits) 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, I 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.
2. Recordation of differences required by Rule 17a-13.
3. Compliance with the requirement 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 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 of disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance 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 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 a 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.

My 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. I did not identify any deficiencies in internal control and control activities for safeguarding securities that I consider to be material weaknesses, as defined above.

I 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 include a material inadequacy for such purposes. Based on this understanding and on my study, I believe that the Company's practices and procedures, as described in the second paragraph of this report, were adequate at August 31, 2012 to meet the SEC's objectives.

This report is intended solely for the use of the Board of Directors, management, the SEC, and other regulatory agencies that 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.

Aurora, Colorado  
October 10, 2012

  
Ronald R. Chadwick, P.C.  
RONALD R. CHADWICK, P.C.

RONALD R. CHADWICK, P.C.  
Certified Public Accountant  
2851 South Parker Road, Suite 720  
Aurora, Colorado 80014  
Telephone (303)306-1967  
Fax (303)306-1944

Board of Directors  
Harvestons Securities, Inc.  
Greenwood Village, Colorado

**INDEPENDENT AUDITOR'S REPORT ON APPLYING AGREED-UPON  
PROCEDURES RELATED TO AN ENTITY'S SIPC ASSESSMENT  
RECONCILIATION**

In accordance with Rule 17a-5(e)(4) under the Securities and Exchange Act of 1934, I have performed the procedures enumerated below with respect to the accompanying Schedule of Assessment and Payments to the Securities Investor Protection Corporation ("SIPC") for the period from September 1, 2011 through August 31, 2012, which were agreed to by Harvestons Securities, Inc. and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., SIPC, and any other designated examining authority, solely to assist you and the other specified parties in evaluating Harvestons Securities, Inc.'s compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). Harvestons Securities, Inc.'s management is responsible for Harvestons Securities, Inc.'s compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures I performed and my findings are as follows:

1. Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records entries in the general ledger and bank statements noting no differences;
2. Compared the Total Revenue amounts of the audited Form X-17A-5 for year ended August 31, 2012, as applicable, with the amounts reported in Form SIPC-7 for the year ended August 31, 2012 noting no differences;
3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers noting no differences;
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers, including internally prepared balance reconciliations and the general ledger supporting the adjustments noting no differences; and
5. Compared the amount of any overpayment, if any, applied to the current assessment with the Form SIPC-7 on which it was originally computed noting no differences.

I was not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

Aurora, Colorado  
October 10, 2012

  
Ronald R. Chadwick, P.C.  
RONALD R. CHADWICK, P.C.

**HARVESTONS SECURITIES, INC.**  
**SCHEDULE OF ASSESSMENTS AND PAYMENTS TO THE**  
**SECURITIES AND INVESTOR PROTECTION CORPORATION**  
**Year Ended August 31, 2012**

**GENERAL ASSESSMENT COMPUTATION**

Revenue	\$ 351,379
Deductions:	
None	<u>-</u>
SIPC net operating revenues	351,379
General assessment percentage	<u>0.25%</u>
General assessment	878
Less amount paid mid-year	<u>414</u>
Amount due August 31, 2012	<u><u>\$ 464</u></u>

**RECONCILIATION WITH THE COMPANY'S COMPUTATION**

There were no adjustments to the general assesement and payments as reported in the Company's SIPC Form-7.