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SECURITIES AND COMMISSION  
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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**

2/6/13

REPORT FOR THE PERIOD BEGINNING 01/01/12 AND ENDING 12/31/12  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER - DEALER:  
U S Participations Ltd.

OFFICIAL USE ONLY  
FIRM ID. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
3909 Hartzdale Drive, Suite 901

(No. and Street)

Camp Hill PA 17011  
(City) (State) (Zip Code)

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

Thomas S. Lonergan (717) 731-1161  
(Area Code - Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

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

Sanville & Company

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

1514 Old York Road Abington PA 19001  
(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).

SEC 1410 (3-91)

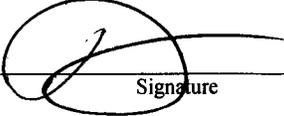
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2/11

OATH OR AFFIRMATION

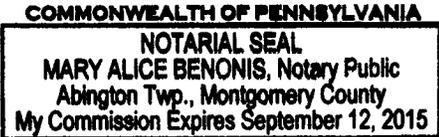
I, Thomas J. Lonergan, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of U S Participations Ltd., as of December 31, 2012, are true and correct. I further swear (or affirm) that neither the company nor 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/Chief Compliance Officer  
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 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.
- N/A  (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- N/A  (m) A copy of the SIPC Supplemental Report.
- N/A  (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.
- (o) Independent Auditor's Report on Internal Accounting Control.

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

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Washington DC  
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**U S PARTICIPATIONS LTD.**  
**Financial Statements**  
**and**  
**Supplemental Schedules Pursuant**  
**to SEC Rule 17a-5**  
**December 31, 2012**

*Sanville & Company*

CERTIFIED PUBLIC ACCOUNTANTS

**U S PARTICIPATIONS LTD.**  
**Financial Statements**  
**and**  
**Supplemental Schedules Pursuant**  
**to SEC Rule 17a-5**  
**December 31, 2012**

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### FINANCIAL STATEMENTS

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# Sanville & Company

CERTIFIED PUBLIC ACCOUNTANTS

ROBERT F. SANVILLE, CPA  
MICHAEL T. BARANOWSKY, CPA  
JOHN P. TOWNSEND, CPA

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(215) 884-8460 • (215) 884-8686 FAX

---

MEMBERS OF  
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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
U S Participations Ltd.

### *Report on the Financial Statements*

We have audited the accompanying statement of financial condition of U S Participations Ltd. (the "Company") as of December 31, 2012, and the related statements of income, changes in stockholders' equity, changes in liabilities subordinated to claims of general creditors, and cash flows for the year then ended that are filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of U S Participations Ltd. as of December 31, 2012, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matter**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The information contained in Schedules I and II is presented for purposes of additional analysis and is not a required part of the financial statements, but is supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934. 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 in Schedules I and II 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 in Schedules I and II is fairly stated in all material respects in relation to the financial statements as a whole.

Abington, Pennsylvania  
January 18, 2013

A handwritten signature in black ink that reads "Sawille & Company". The signature is written in a cursive, flowing style.

**U S Participations Ltd.**  
**Statement of Financial Condition**  
**December 31, 2012**

---

**Assets**

|                                    |                  |
|------------------------------------|------------------|
| Cash and cash equivalents (Note 2) | \$ 27,188        |
| Prepaid expenses                   | <u>393</u>       |
| Total assets                       | <u>\$ 27,581</u> |

**Liabilities and Stockholders' Equity**

|                                       |                 |
|---------------------------------------|-----------------|
| Accounts payable and accrued expenses | \$ <u>1,646</u> |
| Total liabilities                     | <u>1,646</u>    |

Commitments and contingent liabilities -

**Stockholders' Equity:**

|   |                  |
|---|------------------|
| Common stock, no par value, authorized - 3,000 shares,<br>issued and outstanding - 804 shares | 16,355           |
| Retained earnings   | <u>9,580</u>     |
| Total stockholders' equity  | <u>25,935</u>    |
| Total liabilities and stockholders' equity  | <u>\$ 27,581</u> |

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

**U S Participations Ltd.**  
**Statement of Income**  
**For the Year Ended December 31, 2012**

---

**Revenue**

|  |               |
|--|---------------|
| Commissions on direct participation programs | \$ 10,000     |
| Interest                                     | <u>19</u>     |
| Total revenue                                | <u>10,019</u> |

**Expenses**

|                            |                        |
|----------------------------|------------------------|
| Director's fee             | 2,500                  |
| Regulatory fees            | 1,500                  |
| Professional fees          | 3,000                  |
| Other                      | <u>29</u>              |
| Total expenses             | <u>7,029</u>           |
| Income before income taxes | 2,990                  |
| Provision for income taxes | <u>-</u>               |
| Net income                 | <u><u>\$ 2,990</u></u> |

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

**U S Participations Ltd.**  
**Statement of Changes in Stockholders' Equity**  
**For the Year Ended December 31, 2012**

|                              | Common<br>Stock<br>Shares | Common<br>Stock<br>Amount | Retained<br>Earnings | Total<br>Stockholder's<br>Equity |
|------------------------------|---------------------------|---------------------------|----------------------|----------------------------------|
| Balance at December 31, 2011 | 804                       | \$ 16,355                 | \$ 6,590             | \$ 22,945                        |
| Net income                   | -                         | -                         | 2,990                | 2,990                            |
| Redemption of shares         | -                         | -                         | -                    | -                                |
| Withdrawals by shareholders  | -                         | -                         | -                    | -                                |
| Balance at December 31, 2012 | <u>804</u>                | <u>\$ 16,355</u>          | <u>\$ 9,580</u>      | <u>\$ 25,935</u>                 |

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

**U S Participations Ltd.**  
**Statement of Changes in Liabilities Subordinated**  
**to Claims of General Creditors**  
**For the Year Ended December 31, 2012**

---

|  |                    |
|--|--------------------|
| Subordinated borrowings at December 31, 2011 | \$ -               |
| Increases:                                   | -                  |
| Decreases:                                   | <u>-</u>           |
| Subordinated borrowings at December 31, 2012 | <u><u>\$ -</u></u> |

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

**U S Participations Ltd.**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2012**

---

Cash flows from operating activities:

|   |                  |
|---|------------------|
| Net income  | \$ 2,990         |
| Changes in assets and liabilities:                |                  |
| (Increase) decrease in assets:                    |                  |
| Prepaid expenses                                  | ( 22)            |
| Increase (decrease) in liabilities:               |                  |
| Accounts payable and accrued expenses             | <u>146</u>       |
| Net cash provided by operating activities         | <u>3,114</u>     |
| Net increase in cash                              | 3,114            |
| Cash at beginning of year                         | <u>24,074</u>    |
| Cash at end of year                               | <u>\$ 27,188</u> |
| Supplemental disclosures of cash flow information |                  |
| Cash paid during the year for:                    |                  |
| Income taxes                                      | \$ -             |
| Interest paid                                     | \$ -             |

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

**U S Participations Ltd.**  
**Notes to Financial Statements**  
**December 31, 2012**

---

**1. Organization**

U S Participations Ltd. ("the Company") is a registered securities broker/dealer with the Securities and Exchange Commission and is a member of the Financial Industry Regulatory Authority. The Company is incorporated under the laws of the Commonwealth of Pennsylvania. The Company has agreed to limit its business to the distribution of direct participation programs. The Company, like other securities firms, is directly affected by general economic and market conditions. The Company is also subject to the risks of the real estate market because its business is limited to that industry.

**2. Summary of Significant Accounting Policies**

*Revenue* - Securities transactions are recorded on a settlement date basis, generally when the transaction closes. This is not materially different than recorded on a trade date basis.

*Use of Estimates* - The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that effect 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 may differ from those estimates and assumptions.

*Subsequent Events* - Management has evaluated the impact of all subsequent events through the date the financial statements were issued and has determined that there were no subsequent events requiring disclosure in the these financial statements.

*Cash and cash equivalents* - are defined as highly liquid investments not held for resale, with a maturity of three months or less when purchased.

**3. Income Taxes**

The Company, with the consent of its shareholders, has elected under the Internal Revenue Code to be an S Corporation. In lieu of corporation income taxes, the shareholders of an S Corporation are taxed on their proportionate share of the Company's taxable income. Therefore, no provision of liability for federal income taxes has been included in the financial statements.

**4. Related Party Transactions**

The Company has an "Expense-Sharing Agreement" with Northeast & Bucks Co. T/A Mullin & Lonergan Associates Inc. ("M&L") which is an affiliated company. Under the terms of the agreement M & L agrees to pay all of the overhead expenses of the Company. The Company is not obligated to repay M & L for such disbursements. The method of allocating overhead expenses to the Company is based on the square footage of the office space occupied by the Company divided by the total office space in the building occupied by M&L.

**U S Participations Ltd.**  
**Notes to Financial Statements (Continued)**  
**December 31, 2012**

---

**5. Net Capital Requirements**

Pursuant to the net capital provisions of the Securities and Exchange Commission, 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 December 31, 2012, the Company had net capital of \$25,542 which was \$20,542 in excess of its net capital requirement of \$ 5,000. At December 31, 2012, the Company's ratio of aggregate indebtedness to net capital was .064 to 1.

**6. Computation for Determination of Reserve Requirements**

The Company operates pursuant to the provisions of Paragraph (k)(2)(i) of Rule 15c3-3 of the Securities Exchange Act of 1934 (as amended) and accordingly, is exempt from the remaining provisions of that rule. The Company maintains a "Special Account for the Exclusive Benefit of Customers". The Company had no transactions with customers, as defined in Rule 15c3-3, for the year ended December 31, 2012.

**7. New Accounting Pronouncement**

In December 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update ("ASU") No. 2011-11 (the "Pronouncement") related to disclosures about offsetting assets and liabilities. The amendments in this ASU require an entity to disclose information about offsetting and related arrangements to enable users of its financial statements to understand the effect of those arrangements on its financial position. The ASU is effective for annual reporting periods beginning on or after January 1, 2013, and interim periods within those annual periods. The Pronouncement requires retrospective application for all comparative periods presented. Management is currently evaluating the impact that this pronouncement may have on the Company's financial statements.

**U S Participations Ltd.**  
**Computation of Net Capital Under Rule 15c3-1**  
**of the Securities and Exchange Commission**  
**December 31, 2012**

**Schedule I**

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COMPUTATION OF NET CAPITAL

|  |                         |
|--|-------------------------|
| Total stockholders' equity                                 | \$ 25,935               |
| Deduct stockholders' equity not allowable for Net Capital: | <u>-</u>                |
| Total stockholders' equity qualified for Net Capital       | <u>25,935</u>           |
| Deductions and/or charges:                                 |                         |
| Non-allowable assets:                                      |                         |
| Prepaid expenses and other assets                          | <u>393</u>              |
| Total non-allowable assets                                 | <u>393</u>              |
| Net Capital  | <u><u>\$ 25,542</u></u> |

COMPUTATION OF AGGREGATE INDEBTEDNESS

|  |                        |
|--|------------------------|
| Total aggregate indebtedness liabilities from Statement of Financial Condition     |                        |
| Accounts payable and accrued expenses  | \$ <u>1,646</u>        |
| Total aggregate indebtedness   | <u><u>\$ 1,646</u></u> |
| Percentage of aggregate indebtedness to Net Capital                                | 6.44%                  |
| Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1(d) | 0%                     |

**U S Participations Ltd.**  
**Computation of Net Capital Under Rule 15c3-1**  
**of the Securities and Exchange Commission (Continued)**  
**December 31, 2012**

**Schedule I (Continued)**

---

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

|   |    |        |
|---|----|--------|
| Minimum Net Capital (6 2/3% of \$1,646)   | \$ | 110    |
| Minimum dollar Net Capital requirement of reporting broker or dealer<br>and minimum Net Capital requirement | \$ | 5,000  |
| Net Capital requirement   | \$ | 5,000  |
| Excess Net Capital  | \$ | 20,542 |
| Net Capital less greater of 10% of aggregate indebtedness or 120% of minimum net capital                    | \$ | 19,542 |

RECONCILIATION BETWEEN COMPUTATION OF ANNUAL AUDIT REPORT  
AND COMPUTATION IN COMPANY'S UNAUDITED FOCUS REPORT

Computation of Net Capital Under Rule 15c3-1

|  |    |               |
|--|----|---------------|
| Net Capital per Company's Unaudited Focus Report | \$ | 25,935        |
| Increase in non-allowable assets                 | \$ | <u>393</u>    |
| Net Capital per Annual Audit Report              | \$ | <u>25,542</u> |

**U S Participations Ltd.**  
**Computation for Determination of the**  
**Reserve Requirements Under Rule 15c3-3**  
**of the Securities and Exchange Commission**  
**December 31, 2012**

**Schedule II**

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The Company is exempt from the provisions of Rule 15c3-3 in accordance with Section (k) (2) (i).

**RECONCILIATION BETWEEN COMPUTATION OF ANNUAL AUDIT REPORT**  
**AND COMPUTATION IN COMPANY'S UNAUDITED FOCUS REPORT**

Computation for Determination of Reserve Requirements Under  
Exhibit A of Rule 15c3-3

No material difference exists between the broker's most recent, unaudited, Part IIA filing and the Annual Audit Report.

# Sanville & Company

CERTIFIED PUBLIC ACCOUNTANTS

ROBERT F. SANVILLE, CPA  
MICHAEL T. BARANOWSKY, CPA  
JOHN P. TOWNSEND, CPA

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## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL

To the Board of Directors  
U S Participations Ltd.

In planning and performing our audit of the financial statements of U S Participations Ltd. (the Company) as of and for the year ended December 31, 2012 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 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 previously-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 deficiency in internal control 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 and correct, 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.

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 consider 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, 2012, to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, FINRA, 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.

Abington, Pennsylvania  
January 18, 2013

A handwritten signature in cursive script that reads "Sawicki & Company". The signature is written in black ink and is positioned to the right of the typed address and date.