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

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

SEC FILE NUMBER  
8- 48926

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 01/01/12 AND ENDING 12/31/12  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: M & A Securities Group, Inc.

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

4151 N. Mulberry Dr., Suite 252

(No. and Street)

Kansas City

MO

64116

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
Jessica Pastorino (816) 888-7920

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

Bruce D. Culley CPA, PC

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

3000 Brooktree Lane, Suite 210

Gladstone

MO

64119

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

SEC  
Mail Processing  
Section

FOR OFFICIAL USE ONLY  
MAR 01 2013

\*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)

10/3/12

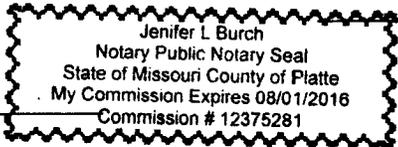
OATH OR AFFIRMATION

I, Jessica Pastorino, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of M & A Securities Group, Inc., as of December 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:

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

JLB  
Signature  
President  
Title

JLB  
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).

**BRUCE D. CULLEY, C.P.A., P.C.**

3000 BROOKTREE LANE, SUITE 210

GLADSTONE, MISSOURI 64119

816-453-1040 FAX: 816-453-0721

bruceculley@sbcglobal.net

Member American Institute of  
Certified Public Accountants

Member Missouri Society of  
Certified Public Accountants

**M & A SECURITIES GROUP, INC.**

**AUDITED FINANCIAL STATEMENTS**

**DECEMBER 31, 2012**

## M & A SECURITIES GROUP, INC.

### *Table of Contents*

Independent Auditor's Report .....	1
Financial Statements	
Statement of Financial Condition .....	2
Statement of Income .....	3
Statement of Changes in Stockholder's Equity .....	4
Statement of Changes in Liabilities Subordinated to Claims of General Creditors .....	5
Statement of Cash Flows .....	6
Notes to Financial Statements.....	7 – 9
Supplementary Information	
Schedule I — Computation of Net Capital under SEC Rule 15c3-1 .....	11
Schedule II — Computation for Determination of Reserve Requirements under SEC Rule 15c3-3 .....	11
Schedule III — Information Relating to the Possession or Control Requirements under SEC Rule 15c3-3 .....	11
Schedule IV — Reconciliation Pursuant to SEC Rule 17a-5(d)(4) .....	11
Report on Internal Control Required by SEC Rule 17a-5 (alt 1) for a Broker-Dealer Claiming an Exemption from SEC Rule 15c3-3 .....	12 – 13

**BRUCE D. CULLEY C.P.A., P.C.**  
3000 Brooktree Lane, Suite 210  
Gladstone, MO. 64119  
816-453-1040 Fax: 816-453-0721

Independent Auditor's Report

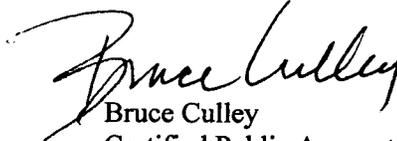
The Board of Directors  
M & A Securities Group, Inc.  
Kansas City, Missouri

I have audited the accompanying statement of financial condition of M & A Securities Group, Inc. as of December 31, 2012, and the related statements of income, changes in stockholder's equity, change in liabilities subordinated to claims of general creditors, and cash flows for the year then ended that you are 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 auditing standards generally accepted 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, such financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2012, and the results of its operations and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

My audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary information 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.

  
Bruce Culley  
Certified Public Accountant

Gladstone, Missouri  
February 23, 2013

**M & A SECURITIES GROUP, INC.**  
**STATEMENT OF FINANCIAL CONDITION**  
**DECEMBER 31, 2012**

<b>ASSETS</b>	
Cash	\$ 38,088
Prepaid Insurance	<u>16,453</u>
Total Assets	<u>\$ 54,541</u>
<b>LIABILITIES AND STOCKHOLDER'S EQUITY</b>	
Liabilities	
Accounts Payable	\$ 2,471
Income Tax Payable	4,529
Deferred Income Taxes	<u>3,290</u>
Total Liabilities	10,290
Stockholder's Equity	
Common Stock, \$1 Par Value, 100,000 Shares Authorized, 100 Issued and Outstanding	100
Additional Paid-in Capital	125,123
Retained Earnings (Deficit)	<u>(80,972)</u>
Total Stockholder's Equity	<u>44,251</u>
Total Liabilities and Stockholder's Equity	<u>\$ 54,541</u>

See notes to the financial statements.

**M & A SECURITIES GROUP, INC.**  
**STATEMENT OF INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

<b>REVENUES</b>	
Mergers and Acquisitions Retainer and Success Fees	\$ 344,895
Administrative Fee	48,889
Reimbursed Expenses	37,687
Other Revenue	4,871
Total Revenues	<u>436,342</u>
<b>EXPENSES</b>	
Commissions	311,213
Employee Compensation and Benefits	-
Professional Services	26,985
Rent	5,125
Registration Fees and Bonding	31,859
Office Expenses	918
Insurance	18,447
Telephone and Communications	1,017
Other Administrative Expenses	207
Total Expenses	<u>395,771</u>
Net Income (Loss) from Operations	40,571
<b>OTHER INCOME (EXPENSES)</b>	
Interest Income	<u>7</u>
Total Other Income (Expenses)	<u>7</u>
Net Income (Loss) Before Income Tax	40,578
<b>Income Tax Benefits</b>	
Current	4,813
Deferred	15,242
Total Income Tax Benefits	<u>20,055</u>
Net Income (Loss) After Income Tax	<u>\$ 20,523</u>

See notes to the financial statements.

**M & A SECURITIES GROUP, INC.**  
**STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	Common Stock	Additional Paid-in Capital	Retained Earnings Deficit	Total
Stockholder's Equity, Beginning of Year	\$ 100	\$125,123	\$ (101,495)	\$ 23,728
Net Income (Loss)	<u>-</u>	<u>-</u>	<u>20,523</u>	<u>20,523</u>
Stockholder's Equity, End of Year	<u>\$ 100</u>	<u>\$125,123</u>	<u>\$ (80,972)</u>	<u>\$ 44,251</u>

See notes to the financial statements.

**M & A SECURITIES GROUP, INC.**  
**STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED**  
**TO CLAIMS OF GENERAL CREDITORS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

Subordinated Borrowings, Beginning of Year	\$ -
Changes in Subordinated Borrowings	<u>-</u>
Subordinated Borrowings, End of Year	<u><u>\$ -</u></u>

See notes to the financial statements.

**M & A SECURITIES GROUP, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Net Income (Loss)	\$ 20,523
Adjustments to Reconcile Net Cash to Net Cash Used in Operating Activities (Increase) and Decrease in Assets	
Prepaid Insurance	(16,453)
Deferred Income Tax	12,235
Increase in Liabilities:	
Accounts Payable	2,471
Income Tax Payable	4,529
Deferred Taxes	<u>3,290</u>
Net Cash Provided (Used) by Operating Activities	26,595
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	
Net Cash (Used) by Financing Activities	<u>-</u>
Increase (Decrease) in Cash	26,595
Cash, Beginning of Year	<u>11,493</u>
Cash, End of Year	<u><u>\$ 38,088</u></u>

See notes to the financial statements.

**M & A SECURITIES GROUP, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Business Activity

M & A Securities Group, Inc. (the Company) is a broker-dealer registered in 31 states with the Securities and Exchange Commission and is a member of the Financial Industry Regulatory Authority. The Company is primarily involved in licensing of mergers and acquisitions professionals to accommodate any securities related to middle market mergers and acquisition transactions.

Securities and Commission Transactions

Commission fee revenues and expenses are recorded on an accrual basis as transactions are closed.

Concentrations

*Financial Instruments*

Financial instruments that potentially subject the Company to significant concentrations consist principally of cash and commissions receivable. The Company places its cash with high credit quality financial institutions which maintain FDIC insurance such that deposits are fully covered by insurance.

The Company records commissions receivable from completed transactions upon the sale or the closing date of a transaction.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**M & A SECURITIES GROUP, INC.**  
**NOTES TO FINANCIAL STATEMENTS – CONTINUED**  
**DECEMBER 31, 2012**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

Income Taxes

We determine our income tax provision, using the asset and liability method (ASC 740 *Accounting for Income Taxes*). Under this method, deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. We measure deferred tax assets and liabilities using enacted tax rates in effect for the year in which we expect to recover or settle the temporary differences. The effect of a change in tax rates on deferred taxes is recognized in the period that the change is enacted.

The components of the deferred tax asset and liability on the statement of financial condition as of December 31, 2012, relates to the following:

<u>Temporary Difference</u>	<u>Asset</u>	<u>Liability</u>	Related Statement of Financial Condition Account
Insurance	-	\$ 3,290	Prepaid Insurance
	<u>\$ -</u>	<u>\$ 3,290</u>	

Fair Value of Financial Instruments

All of the Company's financial assets and liabilities are carried at market value or at amounts, which, because of their short-term nature, approximate current fair value.

**NOTE 2 – NET CAPITAL REQUIREMENTS**

The Company is subject to the Securities and Exchange Commission's Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. At December 31, 2012, the Company had net capital of \$27,798 which was \$22,798 in excess of its required net capital of \$5,000.

The aggregate indebtedness to net capital ratio was .25 to 1.

**M & A SECURITIES GROUP, INC.**  
**NOTES TO FINANCIAL STATEMENTS – CONTINUED**  
**DECEMBER 31, 2012**

**NOTE 3 – RELATED PARTY TRANSACTIONS: JANUARY 1, 2012 TO MARCH 31, 2012**

On July 1, 2007, the Company entered into a five-year Expense Sharing the Agreement (“Agreement”) with Aim, Inc. (“Aim”) and Intermark Commercial Services, LLC (“Intermark”), both related party companies. The Agreement provides that Aim will provide the use of telephones and office space at no cost to the Company and Intermark will provide the use of telephones at no cost to the Company. The agreement was terminated at the end of the first quarter.

**NOTE 4 – NAME CHANGE**

The Company’s name was changed from Tower Brokerage Services, Inc. to M & A Securities Group, Inc. effective March 23, 2012. The name change corresponds to the sale of the remaining share of stock of Tower Brokerage Services, Inc. to new owners.

**NOTE 5 – SUBSEQUENT EVENTS**

In accordance with the *Subsequent Events Topic* of the FASB Accounting Standards Codification No. 855 (“FASB ASC 855”), the Company has evaluated those events and transactions that occurred from January 1, 2013, through February 23, 2013, the date the financial statements were available to be issued. No material events or transactions have occurred during this period which would render these financial statements to be misleading.

**SUPPLEMENTARY INFORMATION**

**M & A SECURITIES GROUP, INC.**  
**SUPPLEMENTARY INFORMATION**  
**DECEMBER 31, 2012**

I. Computation of Net Capital under SEC Rule 15c3-1

Total Stockholder's Equity	\$ 44,251
Non-allowable Assets	<u>(16,453)</u>
Net Capital	27,798
Minimum Net Capital Required, the Greater of \$5,000 or 6 2/3% of Aggregate Indebtedness	<u>5,000</u>
Excess Net Capital	<u>\$ 22,798</u>
Aggregate Indebtedness:	
Total Liabilities	\$ 10,290
Less Deferred Taxes	<u>(3,290)</u>
Aggregate Indebtedness	<u>\$ 7,000</u>
Ratio: Aggregate Indebtedness to Net Capital	.25 to 1

II. Computation for Determination of Reserve Requirements under SEC Rule 15c3-3

The Company operates under the exemptive provisions of Paragraph (k)(2)(B) of SEC Rule 15c3-3.

III. Information Relating to the Possession or Control Requirements under SEC Rule 15c3-3

The Company has complied with the exemptive requirements of SEC Rule 15c3-3 and did not maintain possession or control of any customer funds or securities as of December 31, 2012.

IV. Reconciliation Pursuant to SEC Rule 17a-5(d)(4)

Net Capital per December 31, 2012, Form X-17A-5	\$ 27,798
Audit Adjustments	<u>-</u>
Adjusted Net Capital	<u>\$ 27,798</u>
Net Capital per Schedule I above	<u>\$ 27,798</u>

**BRUCE D. CULLEY C.P.A., P.C.**  
3000 Brooktree Lane, Suite 210  
Gladstone, MO. 64119  
816-453-1040 Fax: 816-453-0721

**Report on Internal Control Required by SEC Rule 17a-5 (alt 1)  
for a Broker-Dealer Claiming an Exemption from SEC Rule 15c3-3**

The Board of Directors  
M & A Securities Group, Inc.  
Kansas City, Missouri

In planning and performing my audit of the financial statements of M & A Securities Group, Inc., as of and for the year ended December 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 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) 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 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 control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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 indicate 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 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 Securities and Exchange Commission, 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.

  
Bruce Culley  
Certified Public Accountant

Gladstone, Missouri  
February 23, 2013

**BRUCE D. CULLEY, C.P.A., P.C.**  
3000 BROOKTREE LANE, SUITE 210  
GLADSTONE, MISSOURI 64119  
816-453-1040 FAX: 816-453-0721  
bruceculley@sbcglobal.net

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**M & A SECURITIES GROUP, INC.**

**AGREED UPON PROCEDURES RELATED TO AN  
ENTITY'S SIPC ASSESSMENT RECONCILIATION**

**FOR THE YEAR ENDED DECEMBER 31, 2012**

**BRUCE D. CULLEY, C.P.A., P.C.**

3000 BROOKTREE LANE, SUITE 210

GLADSTONE, MISSOURI 64119

816-453-1040 FAX: 816-453-0721

bruceculley@sbcglobal.net

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Independent Accountant's Report on Applying Agreed-Upon  
Procedures Related to an Entity's SIPC Assessment Reconciliation

To the Board of Directors of M & A Securities Group, Inc.  
4151 N. Mulberry Drive, Suite 252  
Kansas City, Missouri 64116

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, I have performed the procedures enumerated below with respect to the accompanying Schedule of Assessment and Payments (Form SIPC-7)] to the Securities Investor Protection Corporation (SIPC) for the year ended December 31, 2012, which were agreed to by M & A Securities Group, Inc. and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., and SIPC solely to assist you and the other specified parties in evaluating M & A Securities Group, Inc.'s compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). M & A Securities Group, Inc.'s management is responsible for the M & A Securities Group, 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 noting no differences;
2. Compared the amounts of the audited Form X-17A-5 for the year ended December 31, 2012, as applicable, with the amounts reported in Form SIPC-7 for the year ended December 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 supporting the adjustments noting no differences; and

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.

A handwritten signature in black ink, appearing to read "Bruce Culley". The signature is written in a cursive, flowing style.

Bruce Culley  
Certified Public Accountant

Gladstone, Missouri  
February 23, 2013

**M & A SECURITIES GROUP, INC.**  
**DETERMINATION OF SIPC NET OPERATING REVENUES**  
**AND GENERAL ASSESSMENT**  
**SCHEDULE OF ASSESSMENT AND PAYMENT**  
**DECEMBER 31, 2012**

Total Revenue	\$ 436,350
Deductions	
Other Revenue not Related Either Directly or Indirectly to the Securities Business	<u>(42,565)</u>
SIPC Net Operating Revenues	<u>\$ 393,785</u>
General Assessment @ .0025	<u>\$ 985</u>
General Assessment	\$ 985
Less Payment Made with SIPC-6 Filed July 23, 2012	<u>(74)</u>
Assessment Balance Due	<u>\$ 911</u>