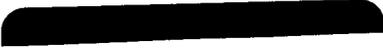


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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

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

SEC

Mail Processing
Section 53371
FILE NUMBER

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Washington DC
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: H&L EQUITIES, LLC

OFFICIAL USE ONLY
FIRM I.D. NO.

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

1175 PEACHTREE ST. , NE; 10 COLONY SQUARE, SUITE 2120

ATLANTA ATLANTA (City) (No. and Street) GA (State) 30361-6206 (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
PHYLLIS J. BECK 404-892-3300

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

ROBERT S. BLAD, CPA OF ROBERT S. BLAD, P.C.

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

1832 INDEPENDENCE SQUARE; STE A DUNWOODY GA 30338
(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 (06-02)

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.

old steps

OATH OR AFFIRMATION

I, PHYLLIS J. BECK, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of H&L EQUITIES, LLC, 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:

Sandra M Lewis
Notary Public



Phyllis J Beck
Signature
General Securities Principal
Title

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).

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Washington DC
400

H&L EQUITIES, LLC
AUDITED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011

Robert S.

Blad, P.C.

H & L EQUITIES, LLC

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INDEPENDENT AUDITOR'S REPORT

To the Members of
H & L Equities, LLC
Atlanta, Georgia

Report on the Financial Statements

I have audited the accompanying financial statements of H & L Equities, LLC which comprise the statements of financial condition, as of December 31, 2012 and 2011, and the related statements of operations and changes in members' equity and cash flows for the years then ended, and the related notes to the financial statements that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934.

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

My 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 entity'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 entity's internal control. Accordingly, I 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.

I believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of H & L Equities, LLC, as of December 31, 2012 and 2011, and the results of its operations and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

My audit was conducted for the purpose of forming an opinion on the basic financial statements, taken as a whole. The information contained in Schedules 1,2,3 and 4 is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 of the Securities and 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 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 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.

INDEPENDENT AUDITOR'S REPORT
(Concluded)

Other Reporting Required by rule 17a-5(g)(1) of the Securities Exchange Commission

I have also issued a report dated February 23, 2013, on my consideration of the Company's internal control over certain practices and procedures followed by the Company including tests of such practices and procedures that I considered relevant to the objectives in rule 17a-5(g) in making 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. The purpose of that report is not to provide an opinion on internal control over financial reporting.

Robert A. Bear, P. C.

February 22, 2013
Dunwoody, Georgia

H&L EQUITIES, LLC
Statements of Financial Condition

	As of December 31,	
	2012	2011
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents:	\$ 60,872	45,681
Commissions receivable	156,875	50,000
Other receivables	-	330
Prepays	1,324	800
TOTAL ASSETS	\$ 219,071	\$ 96,811
LIABILITIES AND MEMBERS' EQUITY		
CURRENT LIABILITIES:		
Commissions payables	\$ 102,096	\$ 30,000
MEMBERS' EQUITY	116,975	66,811
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 219,071	\$ 96,811

See Accompanying Notes to the Financial Statements

H&L EQUITIES, LLC
Statements of Operations and
Changes in Members' Equity

	<u>Year Ended December, 31,</u>	
	<u>2012</u>	<u>2011</u>
REVENUE:		
Commission revenue (note 2)	\$ 1,132,361	\$ 650,524
Interest Income	-	42
Total Revenue	<u>1,132,361</u>	<u>650,566</u>
EXPENSES:		
Commission	679,417	390,315
Overhead (note 2)	68,634	45,844
Professional fees	11,909	13,322
License and registration fees	7,590	6,578
Other	5,648	6,029
Total Expenses	<u>773,198</u>	<u>462,088</u>
NET INCOME	359,163	188,478
DISTRIBUTIONS	(309,000)	(190,000)
MEMBERS' EQUITY:		
Beginning of year	<u>66,811</u>	<u>68,333</u>
End of year	<u>\$ 116,975</u>	<u>\$ 66,811</u>

See Accompanying Notes to the Financial Statements

H&L EQUITIES, LLC
Statements of Cash Flows

	Year Ended December, 31,	
	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 359,163	\$ 188,478
Adjustments to reconcile net income to cash provided by (used in) operating activities:		
Cash provided by (used for):		
Receivables	(106,545)	(12,830)
Prepays	(524)	1,538
Commissions payable	72,096	6,238
	324,191	183,424
Net Cash Provided by (Used in) Operating Activities		
CASH FLOWS FROM FINANCING ACTIVITIES:		
Distributions	(309,000)	(190,000)
	(309,000)	(190,000)
Net Cash Provided by (Used in) Financing Activities		
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	15,191	(6,576)
CASH AND CASH EQUIVALENTS:		
Beginning of year	45,681	52,257
	\$ 60,872	\$ 45,681
End of year		

See Accompanying Notes to the Financial Statements

H & L EQUITIES, LLC

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES

ORGANIZATION

The Company, formed on May 30, 2001, operates as a broker-dealer in the private placements of Real Estate Investment Trusts (REITS). The Company is registered with the Securities and Exchange Commission ("SEC"); the Financial Industry Regulatory Authority ("FINRA"); and the states of Georgia, Florida, North Carolina, Maryland, Oklahoma, Pennsylvania, South Carolina, Texas and Virginia Securities Commissions. Pursuant to this registration, the Company must maintain a minimum Net Capital, as defined by Rule 15c3-1 of the Securities Exchange Act of 1934, of \$5,000 and is not authorized to hold securities or funds for customers.

INCOME TAXES

The Company is treated as a partnership for federal income tax purposes. Consequently, federal income taxes are not payable by, or provided for, the Company. Members are taxed individually on their shares of the Company's earnings. The Company's net income or loss is allocated among the members in accordance with the regulations of the Company.

REVENUE RECOGNITION

Commission income and the related expense are recorded when the related REIT is fully subscribed and the proceeds are wired to the REIT.

STATEMENT OF CASH FLOWS

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents. In 2012 and 2011, the Company made no income tax or interest payments.

USE OF ESTIMATES

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires reliance on accounting information based on estimates which may or may not come true in the near future.

SUBSEQUENT EVENTS

Subsequent events have been evaluated through the report date, which is the date the financials were available to be issued.

H & L EQUITIES, LLC

NOTES TO FINANCIAL STATEMENTS (CONCLUDED)

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES-concluded

UNCERTAIN TAX POSITIONS

The Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authority, based on the technical merits of the position. As of December 31, 2012 and 2011, there are no known items which would result in a material accrual related to where the Organization has federal or state attributable tax positions.

NOTE 2 - RELATED PARTY TRANSACTIONS

Overhead expense reflects amounts paid to company partially owned by one of the Company's members for the Company's share of overhead expenses in accordance with an expense allocation agreement.

For 2012 and 2011, all of Company's commission income related to commissions earned on REITS administrated by a company partially owned by one of the Company's members.

H & L EQUITIES, LLCCOMPUTATION OF NET CAPITAL UNDER RULE 15c3-1
(Pursuant to rule 15c3-1 of the
Securities Exchange Act of 1934)

DECEMBER 31, 2012

Total Members' equity	\$ 116,975
Less non-allowable assets:	
Prepays	(1,324)
Commissions receivable*	<u>(62,750)</u>
Net Capital	<u>\$52,901</u>

* Allowable to extent of related commissions payable

H & L EQUITIES, LLC

RECONCILIATION OF NET CAPITAL COMPUTATION
(Pursuant to rule 17a-5(d)(4) of the
Securities Exchange Act of 1934)

DECEMBER 31, 2012

	Reported in Unaudited Part II A Focus Report	Difference	Reported in Audited Financial Statements
Total Members' equity	\$116,975	-	\$116,975
Less non allowable assets	(64,074)	-	(64,074)
Net Capital	<u>\$ 52,901</u>	-	<u>\$ 52,901</u>

H & L EQUITIES, LLC

**COMPUTATION OF AGGREGATE INDEBTEDNESS AND BASIC
NET CAPITAL REQUIREMENT**
(Pursuant to rule 15c3-1 of the
Securities Exchange Act of 1934)

DECEMBER 31, 2012

Aggregate Indebtedness:

Accounts payable	<u>\$102,096</u>
Total Aggregate Indebtedness	<u>\$102,096</u>
Total Aggregate Indebtedness to Net Capital	<u>1.93 to 1</u>

Basic Net Capital Requirement:

Minimum Net Capital requirement	\$5,000
Net Capital - SCHEDULE 1	<u>47,901</u>
Excess Net Capital	<u>\$52,901</u>

H & L EQUITIES, LLC

**STATEMENT OF EXEMPTION FROM COMPLIANCE
WITH RULE 15c3-3 AND STATEMENT OF
SUBORDINATED LIABILITIES**

YEAR ENDED DECEMBER 31, 2012

STATEMENT OF EXEMPTION FROM COMPLIANCE WITH RULE 15c3-3

The Company is exempt from compliance with rule 15c3-3. The Company does not carry security accounts for customers or perform custodial functions relating to customer securities. The Company was in compliance with the conditions of the exemption during the year ended December 31, 2012

STATEMENT OF SUBORDINATED LIABILITIES

The Company had no liabilities subordinated to the claims of general creditors as of December 31, 2012.

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

To the Members of
H & L Equities, LLC
Atlanta, Georgia

In planning and performing my audit of the financial statements and supplemental schedules of H & L Equities, LLC, for the year ended December 31, 2012, I considered its internal control over financial reporting 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 H & L Equities, LLC's internal control. Accordingly, I do not express an opinion on the effectiveness of the Organization's internal control.

As required by rule 17a-5(g)(1) of the Securities Exchange Commission (SEC), I made a study of the practices and procedures followed by the Company including tests of such practices and procedures that I considered relevant to the objectives in rule 17a-5(g) in making 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 security accounts for customers or perform custodial functions relating to customer securities, I did not review the practices and procedures followed by the Company in making the quarterly securities examinations, counts, verifications and comparisons, the recordation of differences required by rule 17a-13 or in complying with the requirements for prompt payment for securities under section 8 of Regulation T of the Board of Governors of the Federal Reserve System.

The management of the Company is responsible for establishing and maintaining an 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 objective. Two of the objectives of an 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 accordance with accounting principles generally accepted in the United States of America. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in any internal control or the practices and procedures referred to above, errors 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.

**INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL STRUCTURE
(CONCLUDED)**

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. I consider the following deficiency in internal controls to be a significant deficiency.

There is an inherent, inadequate segregation of duties, due to the small nature of the Company.

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 financial statements will not be prevented or detected and corrected on a timely basis. My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, I believe the significant deficiency described above is not a material weakness.

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 my study, I believe that the Company's practices and procedures were adequate at December 31, 2012, to meet the SEC's objective.

This report is intended solely for the use of management, the SEC, 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 for any other purpose.

Robert A. Bear, P. C.

February 22, 2013
Dunwoody, Georgia

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

To the Members of
H&L Equities, LLC
Atlanta, Georgia

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 Assessments and Payments [General Assessment Reconciliation (Form SIPC-7)] to the Securities Investor Protection Corporation (SIPC) for the year ended December 31, 2012, which were agreed to by H&L Equities, LLC and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., SIPC and other designated examining authority or specified parties of report, solely to assist you and the other specified parties in evaluating H&L Equities, LLC's compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). H&L Equities, LLC's management is responsible for the H&L Equities, LLC'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 I 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 reported on 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 noting no differences; and
5. Compared the amount of any overpayment applied to the current assessment with the Form SIPC-7 on which it was originally computed noting no differences.

I was not engaged to, and did not conduct an examination, the objective of which would be the expression of my 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.

Robt A. Bras, P. C.

February 22, 2013
Dunwoody, Georgia

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

For the fiscal year ended 12/31/2012

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

SIPC-7

(33-REV 7/10)

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:

053371 FINRA DEC
H & L EQUITIES LLC 15*15
1175 PEACHTREE STREET NE
100 COLONY SQ NE STE 2120
ATLANTA GA 30361-6206

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

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

Lori Mayfield 678.904.1492

2. A. General Assessment (item 2e from page 2)

\$ 2,831

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

(1,886)

7/20/12
Date Paid

C. Less prior overpayment applied

(-)

D. Assessment balance due or (overpayment)

945

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

-

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

\$ 945

G. PAID WITH THIS FORM:

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

\$ 945

H. Overpayment carried forward

\$(-)

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

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.

H+L Equities LLC

(Name of Corporation, Partnership or other organization)

Lori Mayfield

(Authorized Signature)

Dated the 18th day of February, 20 13.

Financial & Operations Principle

(Title)

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 1/1/2012
and ending 12/31/2012

Eliminate cents

Item No.	
2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)	\$ <u>1,132,361</u>
2b. Additions:	
(1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above.	<u> -</u>
(2) Net loss from principal transactions in securities in trading accounts.	<u> -</u>
(3) Net loss from principal transactions in commodities in trading accounts.	<u> -</u>
(4) Interest and dividend expense deducted in determining item 2a.	<u> -</u>
(5) Net loss from management of or participation in the underwriting or distribution of securities.	<u> -</u>
(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.	<u> -</u>
(7) Net loss from securities in investment accounts.	<u> -</u>
Total additions	<u> -</u>
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.	<u> -</u>
(2) Revenues from commodity transactions.	<u> -</u>
(3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.	<u> -</u>
(4) Reimbursements for postage in connection with proxy solicitation.	<u> -</u>
(5) Net gain from securities in investment accounts.	<u> -</u>
(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.	<u> -</u>
(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).	<u> -</u>
(8) Other revenue not related either directly or indirectly to the securities business. (See Instruction C):	<u> -</u>
<hr/>	
(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.	\$ <u> -</u>
(ii) 40% of margin interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960).	\$ <u> -</u>
Enter the greater of line (i) or (ii)	<u> -</u>
Total deductions	<u> -</u>
2d. SIPC Net Operating Revenues	\$ <u>1,132,361</u>
2e. General Assessment @ .0025	\$ <u>2,831</u>

(to page 1, line 2.A.)