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SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

MAR - 1 2013

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

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**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: **DFPG INVESTMENTS, INC.**

OFFICIAL USE ONLY
FIRM ID. NO.

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

**406 WEST SOUTH JORDAN PARKWAY, SUITE 240**

(No. and Street)

**SOUTH JORDAN**

(City)

**UTAH**

(State)

**84095**

(Zip Code)

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

**CHARLES R. BADALAMENTI**

**303-904-9614**

(Area Code — Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

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

**HAYNIE AND COMPANY, P.C.**

(Name — if individual state as: first, middle name)

**1785 WEST 2320 SOUTH**

(Address)

**SALT LAKE CITY**

(City)

**UTAH**

(State)

**84119**

(Zip Code)

**CHECK ONE:**

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

<b>FOR OFFICIAL USE ONLY</b>

\* 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).

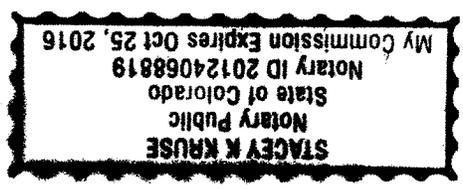
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OATH OR AFFIRMATION

I, CHARLES R. BADALAMENTI, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of DFPG INVESTMENTS, INC., 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]  
Signature  
Chief Financial Officer / FINOP  
Title

[Signature]  
Notary Public



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

- (a) Facing page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Cash Flows.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital.
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or control Requirements Under Rule 15c3-3.
- (j) A reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

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

**DFPG INVESTMENTS, INC.**

**SEC ANNUAL AUDITED REPORT FORM X-17A-5  
PART III, FACING PAGE AND OATH OR AFFIRMATION  
AND  
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM  
AND  
FINANCIAL STATEMENTS**

**December 31, 2012**

# DFPG INVESTMENTS, INC.

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1785 West Printers Row Salt Lake City, Utah 84119 (801) 972-4800 Fax (801) 972-8941

## Report of Independent Certified Public Accountants

To the Board of Directors of DFPG Investments, Inc.  
406 West South Jordan Parkway, Suite 240  
South Jordan, Utah 84095

### Report on the Financial Statements

We have audited the accompanying statement of financial condition of DFPG Investments, Inc.(the Company), as of December 31, 2012 and the related statements of operations, stockholders' equity, 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 from 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 DFIG Investments, Inc. 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 Matters**

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information contained in the attached schedules 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 the attached schedules 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 contained in the attached schedules is fairly stated in all material respects in relation to the financial statements as a whole.

*Haynie & Co.*

Salt Lake City, Utah  
February 28, 2013

**DFPG INVESTMENTS, INC.**  
**STATEMENT OF FINANCIAL CONDITION**  
**DECEMBER 31, 2012**

	<b>2012</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and cash equivalents	\$276,439
Accounts receivable, net	98,642
Other receivables	1,021
Prepaid expense	21,886
Other assets	17,024
<b>Total Current Assets</b>	<b>415,012</b>
Office equipment	5,933
Accumulated depreciation	(757)
<b>Total Office Equipment</b>	<b>5,176</b>
<b>Total Assets</b>	<b>\$420,188</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>	
<b>Current Liabilities</b>	
Accounts payable	\$17,086
Commissions payable	74,637
Accrued payroll and other liabilities	43,500
<b>Total Current Liabilities</b>	<b>135,223</b>
<b>Stockholders' Equity</b>	
Common stock, no par value: Authorized 3,000 shares; outstanding 1,250 shares	284,965
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$420,188</b>

**DFPG INVESTMENTS, INC.  
STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>2012</u>
<b>Revenues</b>	
Commissions	\$2,571,560
Other	397,490
	<hr/>
<b>Total Revenues</b>	<b><u>2,969,050</u></b>
<b>Expenses</b>	
Commissions	2,333,599
Compensation and related benefits	151,681
Office overhead and operating	56,351
Professional fees	131,644
Licensing and registration	24,078
Depreciation	635
Other	72,638
	<hr/>
<b>Total Expenses</b>	<b><u>2,770,626</u></b>
<b>Net Income</b>	<b><u><u>\$198,424</u></u></b>

**DFPG INVESTMENTS, INC.**  
**STATEMENT OF STOCKHOLDERS' EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Common Stock</u>	<u>Paid in Capital</u>	<u>Retained Earnings (Deficit)</u>	<u>Stockholders' Equity</u>
<b>Balance at December 31, 2011</b>	\$ -	\$154,000	(\$67,459)	\$86,541
Net Income			198,424	198,424
<b>Balance at December 31, 2012</b>	<u>\$ -</u>	<u>\$154,000</u>	<u>\$130,965</u>	<u>\$284,965</u>

**DFPG INVESTMENTS, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012**

	<b>2012</b>
<b>Cash Flows From Operating Activities</b>	
Net Income	\$198,424
Adjustments to reconcile net loss to net cash	
Provided by operating activities:	
Depreciation expense	635
Changes in operating assets and liabilities:	
Accounts receivable	(91,392)
Other receivables	33,684
Prepaid expenses and other assets	(19,681)
Accounts payable and accrued liabilities	39,458
	161,128
<b>Net Cash Used by Operating Activities</b>	<b>161,128</b>
 <b>Cash Flows From Investing Activities</b>	
Purchase of office equipment	(3,627)
	(3,627)
<b>Net Cash Used by Investing Activities</b>	<b>(3,627)</b>
	157,501
<b>Net Change in Cash and Cash Equivalents</b>	<b>157,501</b>
 <b>Cash and Cash Equivalents at Beginning of the Year</b>	<b>118,938</b>
<b>Cash and Cash Equivalents at End of the Year</b>	<b>\$276,439</b>
 <b>Supplemental Disclosures of Cash Flow Information:</b>	
Cash paid for interest	\$ -
Cash paid for taxes	\$ -

**DFPG INVESTMENTS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012**

**Note 1 – Organization and Description of Business**

**General**

DFPG INVESTMENTS, INC. (“Company”) was incorporated in the state of Utah on October 13, 2010 for the purpose of providing brokerage services and is registered to engage in the securities business as a broker-dealer in 40 states under the Securities Exchange Act of 1933, as amended. The Company is a member of the Financial Industry Regulatory Authority, Inc. (“FINRA”), the Securities Investor Protection Corporation, and is registered with the United States Securities & Exchange Commission (“SEC”).

The Company is primarily engaged in the business of securities investments with the general public.

**Note 2 – Summary of Significant Accounting Policies**

**Basis of Presentation and Use of Estimates**

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America. In preparing the financial statements, management is required to make estimates and assumptions that affect 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. Management believes that the estimates utilized in preparing its financial statements are reasonable and prudent. Actual results could differ from those estimates.

**Recognition of Revenues and Expenses**

Revenues and expenses from all securities transactions are recorded on the trade date, which is the date the transaction is executed.

**Cash and Cash Equivalents**

For purposes of the statement of changes in financial position, the Company considers all highly liquid financial instruments purchased with a maturity of three months or less to be cash equivalents. Cash consists of bank deposits in two separate FDIC-insured accounts in 2012. At December 31, 2012, the Company had no cash in excess of FDIC limits.

**Accounts Receivable**

Accounts receivable are amounts due for expenses paid by the Company on behalf of other parties. The Company regularly reviews its accounts receivable balances and makes provisions for potentially uncollectible balances. At December 31, 2012, management did not believe any provision against accounts receivable was necessary, due to the recent aging status of all receivables.

**Office Equipment**

Office equipment is carried at cost. Maintenance, repairs, and minor renewals are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the equipment,

which range between three and seven years. Depreciation expense for the year ended December 31, 2012 was \$635.

### **Rent Expense**

The Company's rent expense for its office space was \$21,600 for the year ended December 31, 2012.

### **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 corporate income taxes, the shareholders of an S corporation are taxed on their proportionate share of the Company's taxable income. Therefore, no provision or liability for federal income taxes has been included in the financial statements.

The Company follows the provisions of the Accounting for Uncertainty in Income Taxes section of the Income Taxes Topic of the FASB Accounting Standards Codification. For 2012, management has determined that there are no material uncertain income tax positions. The Company is subject to federal, state and local income tax examinations by tax authorities since their incorporation on October 13, 2010.

### **Financial Instruments**

Financial instruments include accounts receivable, prepaid expenses, other assets, accrued liabilities and accounts payable. Management estimates that the carrying amount of these financial instruments represents their fair values, which was determined by their near term nature or by comparable financial instruments' market value.

### **New and Recent Accounting Pronouncements**

The Company has evaluated new and recent accounting pronouncements that have been issued or proposed by the FASB or other standards-setting bodies. These pronouncements either do not require adoption until a future date or are not expected to have a material impact on the Company's financial statements upon adoption.

### **Note 3 – Related Party Transactions**

During 2012, DFIG Investments, Inc. effected securities transactions at several of its branch office locations. One such branch office was Diversified Financial Planning, Inc. located in South Jordan, Utah. The owners of this branch office location also hold an ownership position in DFIG Investments, Inc.

### **Note 4 – Lease Commitments**

The Company entered into a sublease agreement for office space with Diversified Financial Planning, Inc., a related party (see Note 3), in July 2011. The lease requires monthly payments of \$1,800 through March 31, 2014. At December 31, 2012, the future minimum lease payments under the lease are as follows:

2013	21,600
2014	5,400
Thereafter	-

**Note 5 – Concentrations of Risk**

The Company is engaged in the business of providing broker services. Substantially all income is derived from commissions earned on sales of investment securities. Commission income can vary due to fluctuations in the volume of transactions, the dollar value of transactions, and the frequency of transactions, all of which are generally beyond the control of the Company. The Company's revenues are impacted by global, national, regional and local economic forces and trends. Additionally, the Company is dependent on the sales efforts of a small number of brokers. Changes in sales activities by brokers could impact the Company. Investing activities by a customer or group of customers could also affect the Company as well as changes in the types of investment products purchased by customers and investment companies that pay commission income.

The following represents concentrations in revenue for the year ended December 31, 2012:

	<u>2012</u>
Revenue from the sale of private placements / DPPs	39%
Revenue from the sale of real estate investment trusts	19%
Revenue from the sale of investments company shares	18%
Revenue from the sale of variable annuities	10%
Other	14%

**Note 6 – Net Capital Requirements**

The Company is subject to the SEC 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 (and the rule of the "applicable" exchange also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1).

At December 31, 2012, the Company had net capital of \$218,980, which was \$209,965 in excess of its required net capital of \$9,015. The Company's ratio of aggregate indebtedness to net capital is .62 to 1 or 61.75%.

**SUPPLEMENTAL INFORMATION**

**DFPG INVESTMENTS, INC.**  
**COMPUTATION AND RECONCILIATION OF NET CAPITAL**  
**DECEMBER 31, 2012**

	<b>2012</b>
<b>Net Capital</b>	
Total stockholders' equity	\$284,964
Deduct non-allowable assets:	
Non-allowed receivables	(38,165)
Prepaid expenses	(21,886)
Office equipment net of accumulated depreciation	(5,933)
Total stockholders' equity qualified for Net Capital	\$218,980
 <b>Aggregate Indebtedness</b>	
Payables and accruals	\$135,224
Total Aggregate Indebtedness	\$135,224
 <b>Computation of Basic Net Capital Requirements</b>	
6 2/3% of aggregate indebtedness	\$9,015
Minimum net capital	\$5,000
Greater of the two amounts	\$9,015
Capital in excess of required minimum	\$209,965
 <b>Ratio of aggregate indebtedness to net capital</b>	<b>.62</b>

**Reconciliation with Company's computation included in Part II of Form X-17a-5:**

A reconciliation of the Company's computation of net capital as reported was not prepared as there are no material difference between the Company's computation of net capital included in its unaudited Form X-17A-5 Part II and the computation contained herein.



1785 West Printers Row Salt Lake City, Utah 84119 (801) 972-4800 Fax (801) 972-8941

**Report of Independent Certified Public Accountants' on Internal Control  
Required by SEC Rule 17a-5(g)(1) for a Broker-Dealer  
Claiming an Exemption From SEC Rule 15c3-3**

To the Board of Directors of DFPG Investments, Inc.  
406 West South Jordan Parkway, Suite 240  
South Jordan, Utah 84095

In planning and performing our audit of the financial statements of DFPG Investments, Inc. (the Company) 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 and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company including consideration of control activities for safeguarding securities. This study included tests of such practices and procedures that we considered relevant to the objectives stated in Rule 17a-5(g) in making the periodic computations of aggregate indebtedness (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, 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.

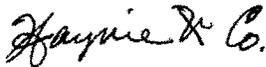
A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A significant deficiency is a deficiency, or a combination 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, 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.



Salt Lake City, Utah  
February 28, 2013



**Certified Public Accountants** (a professional corporation)  
1785 West Printers Row Salt Lake City, Utah 84119 (801) 972-4800 Fax (801) 972-8941

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

To the Board of Directors of DFPG Investments, Inc.  
406 West South Jordan Parkway, Suite 240  
South Jordan, Utah 84095

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying Schedule of Assessment 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 DFPG Investments, Inc. and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., and the SIPC, solely to assist you and the other specified parties in evaluating DFPG Investments, Inc.'s compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). DFPG Investments, Inc.'s management is responsible for the DFPG Investments, 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, we 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 we performed and our 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 the following difference:
  - a) The amounts reported in the audited statement of statement of operations includes a \$32,394 increase in total revenues, to what is reported in the Form SIPC-7 as total revenues and SIPC net operating revenues for the year ended December 31, 2012. This increase pertains to a change in management estimate relating to the Company's E & O reserve.
- 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;

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our 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.

*Haynie & Co.*

Salt Lake City, Utah  
February 28, 2013