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

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hours per response..... 12.00



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

RECEIVED  
JUL 05 2013  
SEC. Mkt. REG. DIV.  
WASH. D.C. 20549

SEC FILE NUMBER  
8-36138

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 May 1, 2012 AND ENDING April 30, 2013  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

OFFICIAL USE ONLY  
18126  
FIRM I.D. NO.

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

1840 Holmes Street, Bldg E

(No. and Street)

Livermore

CA

94550

(City)

(State)

(Zip Code)

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

David Godinez, Chief Executive Officer

(415) 245-0570

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

Cropper Accountancy Corporation

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

2977 Ygnacio Valley Rd., #460 Walnut Creek,

CA

94598

(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.

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7/23/13

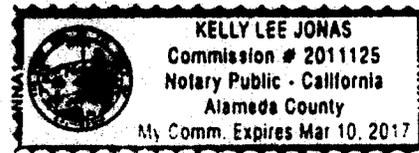
OATH OR AFFIRMATION

I, David Gomez swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Oak Tree Securities, Inc. of April 30, 2013, 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 Executive Officer  
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 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))

TO THE COMMISSIONER OF CORPORATIONS OF  
THE STATE OF CALIFORNIA

VERIFICATION FORM PURSUANT TO  
RULES 260.241.2(b) AND 350.535.1(b)

(Executed within the State of California)

I, *David Godinez*, certify under penalty of perjury, that I have read the foregoing and annexed financial report and supporting schedule and know the contents thereof; that the same are true and correct to my best knowledge and belief; and that neither the licensee nor any partner, officer, or director thereof have any proprietary interest in any account classified solely as that of a customer.

Executed this 27<sup>th</sup> day of June, 2013  
at Livermore, California

  
\_\_\_\_\_  
*David Godinez, Chief Compliance Officer*  
*Oak Tree Securities, Inc.*

**CROPPER**

CHARTERED FINANCIAL INSTITUTION

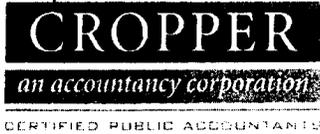
100 WATER STREET, SUITE 1000, NEW YORK, NY 10038

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**OAK TREE SECURITIES, INC.**  
**FINANCIAL STATEMENTS AND SCHEDULE**  
**APRIL 30, 2013**

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[WWW.CROPPERACCOUNTANCY.COM](http://WWW.CROPPERACCOUNTANCY.COM)

## INDEPENDENT AUDITORS' REPORT

To the Shareholders  
Oak Tree Securities, Inc.  
Livermore, California

We have audited the accompanying statement of financial condition of Oak Tree Securities, Inc. (the "Company") as of April 30, 2013 and the related statements of operations, changes in shareholders' equity, 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. 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 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. We believe that our audit provided a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Oak Tree Securities, Inc. as of April 30, 2013, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedule I 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 our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Cropper Accountancy Corporation*  
CROPPER ACCOUNTANCY CORPORATION

June 24, 2013  
Walnut Creek, CA

OAK TREE SECURITIES, INC.  
Statement of Financial Condition  
April 30, 2013

---

ASSETS

Cash in bank	\$ 162,773
Deposits with clearing broker	<u>17,314</u>
Total cash	180,087
Investments	20,760
Commissions receivable	40,050
Rep receivables	15,760
Prepaid expenses	<u>2,985</u>
Total assets	<u>\$ 259,642</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Liabilities:	
Accounts payable	\$ 605
Commissions payable	21,003
Deferred revenue- sponsor fees	34,790
Deferred income tax liabilities	654
Current income tax liabilities	<u>9,242</u>
Total liabilities	<u>66,294</u>

SHAREHOLDERS' EQUITY

Shareholders' equity:	
Common stock:	
Class A 100,000 shares authorized, 1,000 shares issued	100
Class B, 100,000 shares authorized, 240 shares issued	6,000
Paid-in capital	26,862
Retained earnings	<u>160,386</u>
Total shareholders' equity	<u>193,348</u>
Total liabilities and shareholders' equity	<u>\$ 259,642</u>

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

OAK TREE SECURITIES, INC.  
Statement of Operations  
For the Year Ended April 30, 2013

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Revenue	
Fees and commissions earned	\$ 1,177,632
Investment income	786
Other income	<u>1,093</u>
Total revenues	1,179,511
Commission and brokerage expense	<u>934,589</u>
Gross profit	<u>244,922</u>
Expenses	
Clearing charges	36,289
Telephone and communication, net of reimbursements	1,479
Regulatory fees, net of reimbursements	1,960
Professional fees	74,791
Marketing	7,764
Outside services	9,000
Printing and delivery	746
Due diligence	4,422
Meals and seminars	36,079
Other	<u>2,890</u>
Total expenses	<u>175,420</u>
Income before income tax expense	<u>69,502</u>
Provision for income taxes	<u>17,508</u>
Net income	<u>\$ 51,994</u>

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

OAK TREE SECURITIES, INC.  
Statement of Changes in Shareholders' Equity  
For the Year Ended April 30, 2013

	Common Stock Class A	Common Stock Class B	Paid-in Capital	Retained Earnings	Total
Balance - April 30, 2012, as previously reported	\$ 100	\$ 6,000	\$ 26,862	\$ 140,182	\$ 173,144
Prior period adjustment to record deferred sponsor fees as of April 30, 2012 (see Note 7)	-	-	-	(31,790)	(31,790)
Balance - April 30, 2012, as restated	100	6,000	26,862	108,392	141,354
Net income	-	-	-	51,994	51,994
Balance - April 30, 2013	<u>\$ 100</u>	<u>\$ 6,000</u>	<u>\$ 26,862</u>	<u>\$ 160,386</u>	<u>\$ 193,348</u>

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

OAK TREE SECURITIES, INC.  
Statement of Cash Flows  
For the Year Ended  
For the Year Ended April 30, 2013

Cash flows from operating activities:	
Net income	\$ 51,994
<i>Adjustments to reconcile net income to net cash provided by (used in) operating activities:</i>	
Gain in fair market value of investments	(506)
<i>Changes in operating assets and liabilities:</i>	
Increase in commissions receivable	22,123
Increase in representative receivables	3,412
Decrease in other receivables	2,903
Increase in prepaid expenses	17,204
Increase in commissions and accounts payable	(41,867)
Decrease in deferred revenue- sponsor fees	(6,234)
Decrease in income taxes payable	2,444
Decrease in deferred taxes payable	666
Net cash provided by operating activities	<u>52,139</u>
Cash flows from investing activities:	
Purchase of investments	<u>(20,254)</u>
Net cash used in investing activities	<u>(20,254)</u>
Net increase in cash	31,885
Cash at beginning of year	<u>130,888</u>
Cash at end of year	<u>\$ 162,773</u>
Supplemental disclosure:	
Income taxes paid, including estimate payments	<u>\$ 14,528</u>

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

OAK TREE SECURITIES, INC.  
Notes to Financial Statements  
April 30, 2013

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I. General Information and Summary of Significant Accounting Policies

Description of Business

Oak Tree Securities, Inc. (the "Company"), is registered as a broker and dealer in securities with the Securities and Exchange Commission ("SEC") and the Financial Industry Regulatory Authority (FINRA). It transacts trades in equity securities through other brokers on a "fully disclosed" basis and receives commissions therefrom. In addition, commissions are earned on sales of limited partnership interests, mutual funds and other interests. Certain operating expenses are partially reimbursed by commissioned representatives, such as regulatory fees, insurance and telephone and communication expense.

Basis of Accounting

The financial statements are prepared on the accrual basis of accounting wherein income is recognized as earned and expenses are recognized when incurred. Commission revenue and the related commission expense is recorded on the trade date of transactions.

Estimates

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

Cash and cash equivalents

The Company considers all highly liquid financial instruments purchased with an original maturity of three months or less to be cash equivalents.

The Company maintains cash in one bank and one savings institution with FDIC insurance of up to \$250,000 each. An additional deposit was maintained with a clearing broker, which is insured by SIPC.

Investments

When the company has firm investments in various equity securities, they are carried at fair value.

Income taxes

When appropriate, deferred income tax assets and liabilities are provided for differences between the tax basis of an asset or liability and the reported amounts in the financial statements brought about because the Company files income tax returns on the cash basis.

Depreciation of fixed assets

Furniture and equipment costing \$13,683 was depreciated on a straight-line basis over five years and was fully depreciated at April 30, 2013. There was no depreciation recorded for the year ended April 30, 2013.

OAK TREE SECURITIES, INC.  
Notes to Financial Statements  
April 30, 2013

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2. Net Capital Requirement

As a registered broker and dealer in securities, the Company is subject to the Securities Exchange Commission Uniform Net Capital Rule (Rule 15c3-1).

The Company's ratio of aggregate indebtedness to net capital as defined in the Uniform Net Capital Rule was approximately 0.38 to 1 at April 30, 2013. Aggregate indebtedness and net capital change from day to day. The Company is required to maintain a ratio of less than 15 to 1.

At April 30, 2013, the Company had net capital as defined of \$173,150, which exceeded the minimum requirement of \$5,000. The Company must maintain a minimum net capital of 120% of the minimum required capital to avoid interim reporting requirements.

3. Exemption from Rule 15c3-3

The Company is exempt from certain provisions of Rule 15c3-3 since it does not clear transactions in securities or hold customer funds or securities. The Company carries no margin accounts and promptly transmits all customer funds, delivers all customer securities and will not otherwise hold funds or securities of customers.

4. Cash Deposit

Consistent with industry practice, the Company's clearing broker, Wedbush Morgan, is holding \$17,314 as a deposit for unpaid security transactions.

5. Commitment

The Company has a one-year commitment of \$5,500 per month, which was renewed on January 1, 2013, for management services.

6. Income Taxes

The Company reports its income on the cash method of accounting for income tax purposes and uses the accrual method of accounting for financial statements. The statements include income and expenses generated by commissions receivable from investment companies and commissions payable to Company representatives, which are not reported for tax purposes until the cash is received or paid. These differences create "timing" differences between taxable income and financial statement income.

The Company files income tax returns in the U.S. and California. The Company is no longer subject to U.S. federal or state income tax examinations by tax authorities for years before 2009.

OAK TREE SECURITIES, INC.  
Notes to Financial Statements  
April 30, 2013

6. Income Taxes (continued)

The following is the computation of income tax expense:

<u>Income Tax Expense</u>	<u>California</u>	<u>Federal</u>	<u>Total</u>
Net income before income taxes	\$ 69,502	\$ 69,502	
Less prior year California Franchise Tax	-	(3,064)	
<i>Deductions not allowable:</i>			
Penalties	130	130	
Non-deductible portion- meals & entertainment	143	143	
<i>Deferred tax items:</i>			
Decrease in accounts receivable	28,437	28,437	
Decrease in prepaid expenses	17,204	17,204	
Decrease in accounts payable	(12,213)	(12,213)	
Decrease in commissions payable	(29,654)	(29,654)	
Decrease in deferred sponsor fees	(6,234)	(6,234)	
Unrealized gain on investments	(506)	(506)	
Taxable income	<u>\$ 66,809</u>	<u>\$ 63,745</u>	
Income tax thereon – current	\$ 5,906	\$ 10,936	\$ 16,842
Deferred income tax provision	404	262	666
Total income tax expense, including deferred	<u>\$ 6,310</u>	<u>\$ 11,198</u>	<u>\$ 17,508</u>

7. Prior Period Adjustment

Retained earnings at the beginning of the fiscal year ended April 30, 2013 have been adjusted to recognize deferred revenue on sponsor fees as of April 30, 2012. The effect on beginning retained earnings was a decrease of \$31,790. The correction increased current year net income by \$31,790, net of deferred taxes of \$9,234. Had the error not occurred, net income for the fiscal year ended April 30, 2012 would have been decreased by \$31,790, net of a deferred tax benefit of \$9,234.

8. Common Stock

The Company has two classes of common stock. Class A shareholders (one) are entitled to vote for two directors and Class B shareholders (currently, 6) are entitled to vote for two directors.

9. Subsequent Events

Management has evaluated subsequent events through June 24, 2013, the date on which the financial statements were available to be issued.

**SUPPLEMENTARY INFORMATION**

OAK TREE SECURITIES, INC.  
Schedule I  
Computation of Net Capital Under Rule 15c3-1  
of the Securities and Exchange Commission  
April 30, 2013

Shareholders' equity	<u>\$ 193,348</u>
<i>Assets not allowed for net capital purposes:</i>	
Receivables from reps	15,760
Prepaid expenses	<u>2,985</u>
Total unallowed assets	18,745
<i>Less haircut on marketable securities:</i>	
7.0% of \$20,760 Mutual funds, haircut	<u>1,453</u>
Total reductions in net allowable assets	<u>20,198</u>
 Net Capital	 <u><u>\$ 173,150</u></u>
 Minimum net capital required (6 2/3% of \$80,650 aggregate indebtedness or the minimum of \$5,000)	 <u><u>\$ 5,000</u></u>
 Net capital in excess of requirement	 <u><u>\$ 168,150</u></u>
 Ratio of aggregate indebtedness (\$65,639 to net capital of \$173,150) (required to be less than 15 to 1)	 <u><u>0.38 to 1</u></u>

	<u>Aggregate</u> <u>Indebtedness</u>	<u>Net</u> <u>Capital</u>	<u>Ratio</u>
Focus Report as filed	\$ 56,397	\$ 173,824	0.32 to 1
Increase in income taxes payable (audit adjustment)	9,242	(9,242)	
Decrease in deferred tax liability	-	<u>8,568</u>	
Adjusted amounts above	<u>65,639</u>	<u>173,150</u>	0.38 to 1
Deferred taxes payable (excludable)	654		
Rounding	1		
Total liabilities per Statement of Financial Condition	<u><u>\$ 66,294</u></u>		



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INDEPENDENT AUDITORS' REPORT ON INTERNAL  
ACCOUNTING CONTROL REQUIRED BY SEC RULE 17a-5

To the Shareholders  
Oak Tree Securities, Inc.  
Livermore, California

In planning and performing our audits of the financial statements and supplemental schedule of Oak Tree Securities, Inc. (the "Company"), for the year ended April 30, 2013, we considered its internal control structure, including procedures for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

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 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.
2. Recordation of differences required by rule 17a-13.
3. 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 an internal control structure 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 internal control structure policies and procedures 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 an internal control structure 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 structure or the practices and procedures referred to above, errors or irregularities 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.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. However, we noted no matters involving the internal control structure, including procedures for safeguarding securities that we consider to be material weaknesses as defined above, except for the following item:

As part of the year-end close and financial reporting process, implementation of effective cut-off procedures is essential to ensuring the proper matching of revenues and expenses. During the performance of our audit procedures for the year ended April 30, 2013, we discovered that at April 30, 2012, \$41,024 of revenues were recognized for Sponsor Fees that had been received for the Spring Conference, held in May of 2012. Since this conference had not been held as of fiscal year-end, the related revenues should have been deferred to allow them to be matched with their related expenses.

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 were adequate at April 30, 2013 to meet the SEC's objectives.

This report is intended solely for the information and use of the shareholders and management of the Company, 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.

  
CROPPER ACCOUNTANCY CORPORATION

June 24, 2013  
Walnut Creek, CA



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Walnut Creek, CA 94598

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

To the Board of Directors  
Oak Tree Securities, Inc.  
Livermore, California

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 Transitional Assessment Reconciliation (Form SIPC-7) to the Securities Investor Protection Corporation (SIPC) for the year ended April 30, 2013, which were agreed to by Oak Tree Securities, Inc. and the Securities and Exchange Commission, Financial Industry Regulatory Authority, and SIPC solely to assist you with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). The Company's management is responsible for Oak Tree Securities, Inc.'s compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, 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 fiscal year May 1, 2012 through April 30, 2013, as applicable, with the amounts reported in Form SIPC-7 for that year, noting one immaterial difference of \$3,650 which resulted in an overstatement of \$9.13 for the general assessment as calculated by Form SIPC-7.
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.
5. Compared the amount of the current assessment with the Form SIPC-7 on which it was originally computed, noting no differences;

We are not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion of 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.

*Cropper Accountancy Corporation*  
CROPPER ACCOUNTANCY CORPORATION

June 24, 2013

**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 4-30, 2013

(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:

8-036138 FINRA APR 6/26/1986  
OAK TREE SECURITIES INC  
1840 HOLMES ST  
LIVERMORE, CA 94550

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.

John Durden (925) 245-0170

- 2. A. General Assessment (Item 2e from page 2) \$ 1160.52
- B. Less payment made with SIPC-6 filed (exclude interest) ( 656.69 )
- 11-30-12  
Date Paid
- C. Less prior overpayment applied ( \_\_\_\_\_ )
- D. Assessment balance due or (overpayment) 503.89
- 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) \$ 503.89
- G. PAID WITH THIS FORM:  
Check enclosed, payable to SIPC  
Total (must be same as F above) \$ \_\_\_\_\_
- 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.

Oak Tree Securities Inc.  
(Name of Corporation, Partnership or other organization)

[Signature]  
(Authorized Signature)

Dated the 21<sup>st</sup> day of May, 2013

FINANCIAL PRINCIPAL  
(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.

<b>SIPC REVIEWER</b>	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 5-1, 2012  
and ending 4-30, 2013

Eliminate cents

\$ 6,142,137

Item No.

2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)

2b. Additions:

- (1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above.
- (2) Net loss from principal transactions in securities in trading accounts.
- (3) Net loss from principal transactions in commodities in trading accounts.
- (4) Interest and dividend expense deducted in determining item 2a.
- (5) Net loss from management of or participation in the underwriting or distribution of securities.
- (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.
- (7) Net loss from securities in investment accounts.

Total additions

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ 0

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.
- (2) Revenues from commodity transactions.
- (3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.
- (4) Reimbursements for postage in connection with proxy solicitation.
- (5) Net gain from securities in investment accounts.
- (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.
- (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).
- (8) Other revenue not related either directly or indirectly to the securities business.  
(See Instruction C).

int/Div 280 Reimbursed Exp 1097 Min 8737  
(Deductions in excess of \$100,000 require documentation)

\_\_\_\_\_  
631,026  
\_\_\_\_\_  
76,289  
\_\_\_\_\_  
506  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
10,110

(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.

\$ \_\_\_\_\_

(ii) 40% of margin interest earned on customers securities accounts (40% of FOCUS line 5, Code 3966).

\$ \_\_\_\_\_

Enter the greater of line (i) or (ii)

Total deductions

\_\_\_\_\_  
677,931  
\_\_\_\_\_  
464,286  
\_\_\_\_\_  
1160,552

2d. SIPC Net Operating Revenues

\$ \_\_\_\_\_

2e. General Assessment @ .0025

\$ \_\_\_\_\_

(to page 1, line 2.A.)