



13014760

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

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

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

SEC  
Mail Processing  
Section

APR - 4 2013

SEC FILE NUMBER
8-33866

Washington DC  
400

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 1/1/12 AND ENDING 12/31/12  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: SNC CAPITAL MANAGEMENT CORP.

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

OFFICIAL USE ONLY
FIRM I.D. NO.

2908 PARKSIDE DRIVE

(No. and Street)

HIGHLAND PARK

Illinois

60035

(City)

(State)

(Zip Code)

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

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

RAVID & BERNSTEIN LLP

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

230 WEST MONROE STREET , SUITE 330

CHICAGO

ILLINOIS

60606

(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.

LCW  
4/5/13

OATH OR AFFIRMATION

I, CHANDER WADHWA, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of SNC CAPITAL MANAGEMENT CORP., 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:



Chander Wadhwa
Signature
President
Title

Erin Murphy 3/20/2013
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).

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

Board of Directors  
SNC Capital Management Corp.  
Chicago, Illinois

We have audited the accompanying statement of financial condition of SNC Capital Management Corp. (Company) as of December 31, 2012, and the related statements of operations and comprehensive income (loss), changes in 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.

***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SNC Capital Management Corp. as of December 31, 2012, and the results of its operations, changes in stockholders' equity 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 conducted for the purpose of forming an opinion on the financial statements as a whole. The information on page 11 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 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 on page 11 is fairly stated in all material respects in relation to the financial statements as a whole.

*Ravid & Bernstein LLP*  
Chicago, Illinois

March 20, 2013

SNC CAPITAL MANAGEMENT CORP.  
STATEMENT OF FINANCIAL CONDITION  
DECEMBER 31, 2012

ASSETS

Cash	\$ 49,599	
Commissions receivable	529	
Other receivable	3,882	
Deposit with clearing organization	41,379	
Due from clearing organization	14,782	
Investment in marketable securities	<u>26,602</u>	
		<u>\$ 136,773</u>

STOCKHOLDER'S EQUITY

Common stock, \$.10 par value; 1,000 shares authorized and issued	100	
Retained earnings	153,484	
Accumulated other comprehensive loss	<u>(16,811)</u>	
		<u>\$ 136,773</u>

See Notes to Financial Statements.

SNC CAPITAL MANAGEMENT CORP.

STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

YEAR ENDED DECEMBER 31, 2012

OPERATIONS

COMMISSION REVENUE		\$ 67,623
OPERATING EXPENSES:		
Commissions	\$ 37,500	
Regulatory fees	5,680	
Clearing / brokerage fees	18,627	
Communications	3,125	
Professional fees	3,800	
Occupancy	2,314	
Promotion and entertainment	1,044	
Bank fees	1,210	
Office expense	110	
Insurance	935	
Illinois replacement tax	<u>350</u>	
		<u>74,695</u>
LOSS FROM OPERATIONS		(7,072)
OTHER INCOME:		
Net realized gain on investment transactions	4,844	
Dividend and interest income, net	<u>556</u>	
		<u>5,400</u>
NET LOSS		<u>\$ (1,672)</u>
		<u>COMPREHENSIVE INCOME (LOSS)</u>
NET LOSS, PER ABOVE		\$ (1,672)
OTHER COMPREHENSIVE INCOME:		
Unrealized gain on marketable securities		<u>249</u>
COMPREHENSIVE LOSS		<u>\$ (1,423)</u>

See Notes to Financial Statements.

SNC CAPITAL MANAGEMENT CORP.

STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY

YEAR ENDED DECEMBER 31, 2012

	<u>Common Stock</u>		<u>Retained Earnings</u>	<u>Accumulated Other Comprehensive Loss</u>	<u>Total</u>
	<u>No. of Shares</u>	<u>Amount</u>			
BALANCES, BEGINNING OF YEAR	1,000	\$ 100	\$ 155,156	\$ (17,060)	\$ 138,196
COMPREHENSIVE INCOME (LOSS)			(1,672)	249	(1,423)
BALANCES, END OF YEAR	<u>1,000</u>	<u>\$ 100</u>	<u>\$ 153,484</u>	<u>\$ (16,811)</u>	<u>\$ 136,773</u>

See Notes to Financial Statements.

SNC CAPITAL MGMT CORP  
STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2012

OPERATIONS:

Net loss	\$	(1,672)
Adjustments to reconcile net loss to net cash used in operations:		
Net realized gain on investment transactions		(4,844)
Deposit applied to clearing / brokerage fees		8,621
Changes in operating assets and liabilities:		
Decrease in commissions receivable		4,814
Increase in balance due from clearing organization		(5,309)
Increase in other receivable		<u>(3,882)</u>
Net cash used in operations		\$ (2,272)

INVESTING ACTIVITIES:

Proceeds from sale of equity securities		18,475
Cost of equity securities acquired		(30,050)
Net proceeds from options transactions		<u>5,027</u>
Net cash used in investing activities		<u>(6,548)</u>

NET DECREASE IN CASH		(8,820)
CASH, BEGINNING OF YEAR		<u>58,419</u>
CASH, END OF YEAR		<u>\$ 49,599</u>

SUPPLEMENTAL CASH FLOW DISCLOSURE:

Cash paid during the year for Illinois replacement tax		<u>\$ 600</u>
Cash paid during the year for interest		<u>\$ 103</u>

See Notes to Financial Statements.

## SNC CAPITAL MANAGEMENT CORP.

### NOTES TO FINANCIAL STATEMENTS

#### 1. Organization and Nature of Operations:

SNC Capital MGMT Corp (Company) is an Illinois Corporation registered as a broker-dealer with the Securities and Exchange Commission (SEC). The Company's revenue consists primarily of fees and commissions from investments in securities. The Company is a member of the Financial Industry Regulatory Authority (FINRA).

#### 2. Summary of Significant Accounting Policies:

##### a. Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management 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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

##### b. Financial Instruments:

Marketable securities comprise substantially equity securities, stated at fair value, in accordance with FASB ASC 820, based on Level 1 inputs – quoted prices in active markets for identical assets or liabilities the Company has the ability to access. Since the securities are held as investments available for sale, all unrealized gains and/or losses are recorded as adjustments in arriving at comprehensive net income, and entered directly to stockholder's equity as accumulated other comprehensive income (loss). The Company's other financial instruments comprise cash and receivables, for which recorded values approximate fair values based on their short-term nature.

##### c. Cash and Cash Equivalents:

The Company maintains its cash in a bank account fully insured by the Federal Deposit Insurance Corporation (FDIC) up to specified limits. The insurance is currently limited to \$250,000. The account, at times, may have exceeded their insured limit; however, no losses have been incurred on the account.

For purposes of the statement of cash flows, the Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

##### d. Accounts Receivable, Trade:

Management believes that, based on collection history and a regular review of outstanding amounts, the balance of commissions receivable at December 31, 2012 is collectible in full, and accordingly, no allowance for doubtful accounts has been recorded.

SNC CAPITAL MANAGEMENT CORP.

NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies - continued:

e. Income Taxes:

Since the Company has elected to be taxed as an "S Corporation", there is no federal income tax at the corporate level. Income flows through, and is taxed to the sole stockholder. The Company is subject to Illinois replacement tax and a provision for income taxes has been made in these financial statements. For the year ended December 31, 2012, management has determined that there are no material uncertain income tax positions. The Company is not subject to examination by United States federal and state tax authorities for tax years before 2009.

The Company adopted FASB ASC 749, which provides guidance regarding the recognition, measurement, disclosure and financial statement presentation of uncertain tax positions. This requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Company's tax returns to determine whether the tax positions will "more-likely-than-not" be sustained "when challenged" or "when examined" by the applicable tax authority. Tax positions not deemed to meet the "more-likely-than-not" threshold would be recorded as a tax expense or benefit and liability or asset in the current year. The adoption of this standard had no effect on the Company's financial statements.

f. Management's Review of Subsequent Period:

Management has evaluated subsequent events through March 14, 2013, the date on which the financial statements were available to be issued.

3. Net Capital Requirements:

The Company is subject to the SEC Uniform Net Capital 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 \$132,032, which was \$127,032 in excess of its required net capital of \$5,000. The Company's ratio of aggregate indebtedness to net capital was 0 to 1 at December 31, 2012.

SNC CAPITAL MANAGEMENT CORP.

COMPUTATION OF NET CAPITAL UNDER RULE 15C 3-1  
OF THE SECURITIES AND EXCHANGE COMMISSION

DECEMBER 31, 2012

COMPUTATION OF NET CAPITAL

Total stockholder's equity	\$ 136,773
Less:	
Haircuts on securities	<u>(4,741)</u>
NET CAPITAL	132,032
Minimum capital requirement	<u>5,000</u>
EXCESS NET CAPITAL	<u>\$ 127,032</u>
EXCESS NET CAPITAL AT 120%	<u>\$ 126,032</u>

COMPUTATION OF AGGREGATE INDEBTEDNESS

Aggregate indebtedness	<u>\$ -</u>
Ratio: Aggregate indebtedness to Net Capital	0 to 1

Note: The above information on this schedule is in agreement, in all material respects, with the unaudited FOCUS report, Part II, filed by the Company as of December 31, 2012, as amended.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL REQUIRED BY SEC RULE 17A-5**

Board of Directors.  
SNC Capital Management Corp.  
Chicago, Illinois

In planning and performing our audit of the financial statements of SNC Capital Management Corp. (Company), as of and for the year ended December 31, 2012, in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities 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 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, or
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 member, management, the SEC, various exchanges, 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.

*Ravid & Bernstein LLP*  
Chicago, Illinois

March <sup>20</sup>14, 2013

SEC  
Mail Processing  
Section  
APR - 4 2013  
Washington DC  
400

SNC CAPITAL MANAGEMENT CORP.

FORM SIPC-7: GENERAL ASSESSMENT RECONCILIATION  
(With Independent Accountants' Report Thereon)

YEAR ENDED DECEMBER 31, 2012

*REVISED*

**RAVID &  
BERNSTEIN LLP**

**Certified Public Accountants**

- ◆ John V. Basco, CPA
- ◆ William H. Brock, CPA
- ◆ Mark T. Jason, CPA
- ◆ Phillip C. Ravid, CPA

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

Board of Directors  
SNC Capital Management Corp.  
Chicago, Illinois

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 SNC Capital Management Corp. (Company) and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., SIPC, and other examining authorities, solely to assist you and the other specified parties in evaluating the Company's compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). The Company's management is responsible for the Company'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 (copies of check written, bank statement in which check cleared, and cash disbursements journal in which check was recorded), 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 supporting the adjustments, 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 (if applicable).

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.

*Ravid & Bernstein LLP*

Chicago, Illinois

March 14, 2013

*3/20 R*

**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**

**SIPC-7**

(33-REV 7/10)

For the fiscal year ended **DECEMBER 31, 2012**  
(Read carefully the instructions in your Working Copy before completing this Form)

**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:

033866 FINRA DEC  
SNC CAPITAL MANAGEMENT CORP.  
2908 PARKSIDE DR. SUITE 100  
HIGHLAND PARK IL 60035-1037

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.

CHANDER WADHWA 847-681-8670

2. A. General Assessment (item 2e from page 2) \$ 147

B. Less payment made with SIPC-6 filed (exclude interest) ( 19.00 )

7/12  
Date Paid

C. Less prior overpayment applied ( 0 )

D. Assessment balance due or (overpayment) 128

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) \$ 128

G. PAID WITH THIS FORM:

Check enclosed, payable to SIPC  
Total (must be same as F above) \$ 128.00

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.

SNC CAPITAL MANAGEMENT CORP.

(Name of Corporation, Partnership or other organization)

*Chander Wadhwa*

(Authorized Signature)

PRESIDENT

(Title)

Dated the MARCH day of 14, 20 13.

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) \$ 67,623

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. 8936

(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): \_\_\_\_\_

(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 3980). \$ \_\_\_\_\_

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

Total deductions 8936

2d. SIPC Net Operating Revenues \$ 58,687

2e. General Assessment @ .0025 \$ 147

(to page 1, line 2.A.)