



SECURIT

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

SEC FILE NUMBER
8-41760

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 09/01/12 AND ENDING 08/31/13
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: **WESTHOFF, CONE & HOLMSTEDT,**
A California Corporation

OFFICIAL USE ONLY
<u>25502</u>
FIRM I.D. NO.

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

500 Ygnacio Valley Road, Suite 380

(No. and Street)

Walnut Creek

CA

94596

(City)

(State)

(Zip Code)

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

Mark Holmstedt

(925) 472-8740

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Croner Accountancy Corporation

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

2977 Ygnacio Valley Road #460

Walnut Creek

CA

94598

(Address)

(City)

(State)

CHECK ONE:

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

SECURITIES AND EXCHANGE COMMISSION RECEIVED NOV 05 2013 REGISTRATION BRANCH
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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)

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information contained in this form are not required to respond
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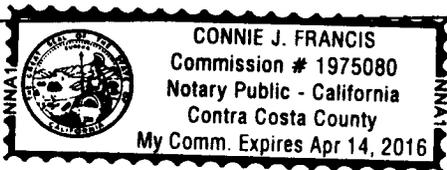
SEC 1410 (06-02)

DD
11/15/13

OATH OR AFFIRMATION

I, Mark A. Holmstedt, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Westhoff, Cone & Holmstedt, as of August 31, 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:

NO EXCEPTIONS.



[Handwritten Signature]

Signature

Treasurer

Title

[Handwritten Signature]

Notary Public

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

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Operations
- (d) Statement of Changes in Cash Flows
- (e) Statement of Changes in Stockholders' Equity
- (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 (see separate 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).

CROPPER

an accountancy corporation

CERTIFIED PUBLIC ACCOUNTANTS

WESTHOFF, CONE & HOLMSTEDT
FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
YEAR ENDED AUGUST 31, 2013
WITH INDEPENDENT AUDITORS' REPORT THEREON

professional. personalized. service.



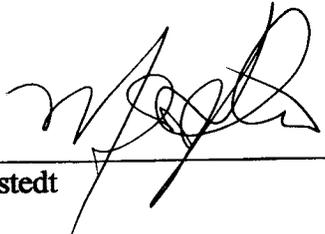
TO THE COMMISSIONER OF THE DEPARTMENT OF BUSINESS OVERSIGHT
OF
THE STATE OF CALIFORNIA
AND
FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA)

VERIFICATION FORM PURSUANT TO
RULES 260.241.2(b) and 350.535(b) – CALIFORNIA
AND
SEA RULE 17A-5 - FINRA

(Executed Within the State of California)

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

Executed this 28th day of OCTOBER, 2013
at Walnut Creek, California.



Mark A. Holmstedt
Treasurer
Westhoff, Cone & Holmstedt

WESTHOFF, CONE & HOLMSTEDT
(A California Corporation)

Financial Statements and Supplementary Information
Year Ended August 31, 2013

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Westhoff, Cone & Holmstedt
Walnut Creek, California

We have audited the accompanying financial statements of Westhoff, Cone & Holmstedt, which comprise the statement of financial condition as of August 31, 2013, and the related statements of operations, changes in stockholders' equity, and cash flows for the year then ended that are filed pursuant to Rule 17a-5 under the Securities and 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 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, 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 opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Westhoff, Cone & Holmstedt as of August 31, 2013, 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 Matter

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

Cropper Accountancy Corporation

CROPPER ACCOUNTANCY CORPORATION

Walnut Creek, CA
October 28, 2013

WESTHOFF, CONE HOLMSTEDT
(A California Corporation)
Statement of Financial Condition
August 31, 2013

ASSETS

ASSETS:

Cash and cash equivalents	\$ 370,745
Deposit with clearing broker-dealer	156,042
Remarketing fees receivable	177,416
Prepaid income taxes	121
Prepaid expenses and deposits	5,154
Furniture and equipment, net of accumulated depreciation of \$9,968	<u>8,298</u>
TOTAL ASSETS	<u>\$ 717,776</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

LIABILITIES:

Accounts payable and accrued liabilities	\$ 493,301
Federal income tax liability	1,162
Deferred income tax liability	<u>1,979</u>
Total liabilities	<u>496,442</u>

SHAREHOLDERS' EQUITY:

Common stock - no par value; authorized 100,000 shares; issued and outstanding, 27,735 shares	27,735
Retained earnings	<u>193,599</u>
Total shareholders' equity	<u>221,334</u>

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$ 717,776</u>
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The accompanying notes are an integral part of these financial statements.

WESTHOFF, CONE HOLMSTEDT
(A California Corporation)
Statement of Operations
Year Ended August 31, 2013

REVENUES:	
Underwriting	\$ 1,735,891
Remarketing fees	1,180,561
Interest	44
Other	<u>341,515</u>
Total revenues	<u>3,258,011</u>
OPERATING EXPENSES:	
Compensation and benefits	2,323,354
Commissions paid to other broker-dealers	533,446
Communications	28,269
Occupancy	95,287
Promotional	168,976
Regulatory fees	12,531
Professional services and other	55,432
Deal expenses	<u>29,329</u>
Total operating expenses	<u>3,246,624</u>
INCOME BEFORE INCOME TAXES	<u>11,387</u>
INCOME TAX EXPENSE:	
State, including deferred tax of \$200	3,200
Federal, including deferred tax of \$100	<u>4,700</u>
Total income tax expense	<u>7,900</u>
NET INCOME	<u>\$ 3,487</u>

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

WESTHOFF, CONE HOLMSTEDT
(A California Corporation)
Statement of Changes in Stockholders' Equity
Year Ended August 31, 2013

	Common Stock		Retained	Total
	# Shares	Amount	Earnings	
BALANCES, BEGINNING OF YEAR	27,735	\$ 27,735	\$ 190,112	\$ 217,847
NET INCOME	-	-	3,487	\$ 3,487
BALANCES, END OF YEAR	<u>27,735</u>	<u>\$ 27,735</u>	<u>\$ 193,599</u>	<u>\$ 221,334</u>

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

WESTHOFF, CONE HOLMSTEDT
(A California Corporation)
Statement of Cash Flows
Year Ended August 31, 2013

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net income	\$ 3,487
Adjustments to reconcile net income to cash provided by operating activities:	
Depreciation	2,628
Changes in operating accounts:	
Receivable from broker-dealer	(27,321)
Remarketing fees receivable	(2,622)
Accounts payable and accrued liabilities	102,008
Income taxes payable (prepaid)	4,841
Deferred income tax liability	(1,300)
Net cash used in operating activities	<u>81,721</u>
 CASH FLOWS FROM INVESTING ACTIVITIES -	
Purchases of furniture and equipment	<u>(1,440)</u>
 NET INCREASE IN CASH AND CASH EQUIVALENTS	 80,281
 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	 <u>290,464</u>
 CASH AND CASH EQUIVALENTS, END OF YEAR	 <u><u>\$ 370,745</u></u>
 SUPPLEMENTARY CASH FLOW INFORMATION:	
Income taxes paid	<u><u>\$ 4,400</u></u>

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

WESTHOFF, CONE & HOLMSTEDT
(A California Corporation)
Notes to Financial Statements
Year Ended August 31, 2013

1. General Information and Summary of Significant Accounting Policies

The Company

Westhoff, Cone & Holmstedt (the "Company") was incorporated October 2, 1989 and began business as a broker-dealer in November 1989. The Company is registered as a broker and dealer in securities under the Securities Exchange Act of 1934. It transacts trades in stocks and bonds through brokers on a "fully-disclosed" basis and is a member of Financial Industry Regulatory Authority (FINRA).

The Company's primary business is to underwrite municipal securities.

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.

Furniture and Equipment

Furniture and equipment are recorded at cost. Depreciation is provided over the estimated useful lives of the assets.

Securities Transactions

Transactions are recorded on the accrual basis of accounting (i.e. trade date basis).

Marketable securities are valued at market value, and securities not readily marketable are valued at fair value as determined by management.

Income Taxes

The Company provides taxes on those due currently and those deferred to future periods as of the date of the financial statements, utilizing currently enacted tax laws and rates. Deferred tax expenses or benefits are recognized in the financial statements for the changes in deferred tax liabilities or assets between years. The deferred income tax liability of \$1,979 is due to differences in the timing of deducting depreciation expense and other prepaid expenses.

Use of 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 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. Actual results could differ from those estimates.

WESTHOFF, CONE & HOLMSTEDT
(A California Corporation)
Notes to Financial Statements
Year Ended August 31, 2013

2. Income Taxes

The following is a summary of the income taxes for the year ended August 31, 2013:

	<u>Year Ended</u> <u>August 31, 2013</u>		Current Tax Provision
	State	Federal	
Net income before taxes	\$ 11,387	\$ 11,387	
Adjustments:			
Non-deductible expenses	22,324	22,324	
California tax accrued	<u>-</u>	<u>(2,980)</u>	
Taxable income	<u>33,711</u>	<u>30,731</u>	
Tax thereon (rounded)	2,980	4,610	
To round provision	<u>20</u>	<u>(10)</u>	
Income tax provision	3,000	4,600	
Add: Deferred tax provision	<u>200</u>	<u>100</u>	
Prepaid income taxes at year end	<u>\$ 3,200</u>	<u>\$ 4,700</u>	<u>\$ 7,900</u>

In addition, a deferred tax liability of \$1,979 has been accrued on differences in the timing of deductions (primarily depreciation). At August 31, 2013, a prepaid California income tax of \$121 and a Federal liability of \$1,162 have been recorded.

3. Net Capital Requirements

As a registered broker and dealer in securities, the Company is subject to the Securities and 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 2.39 to 1 at August 31, 2013. Aggregate indebtedness and net capital change from day to day. However, the ratio is not to exceed 15 to 1.

As of August 31, 2013, the Company had net capital as defined of \$207,761, which is compared to the minimum requirement of \$100,000.

4. Exemption from Rule 15c3-3

The Company is exempt from certain provisions of Rule 15c3-3 since it places securities transactions on a "fully-disclosed" basis with clearing broker-dealers and carries no margin accounts, promptly transmits all customer funds, delivers all customer securities and will not otherwise hold funds or securities of customers.

WESTHOFF, CONE & HOLMSTEDT
(A California Corporation)
Notes to Financial Statements
Year Ended August 31, 2013

5. Lease Commitments

The Company entered in a lease agreement to rent its office space for a term of five years commencing November 2008. The following is the remaining commitment of minimum rents by fiscal year ending in August 2014:

<u>Fiscal Year</u> <u>August 31</u>	<u>Minimum</u> <u>Obligation</u>	<u>No. of</u> <u>Months</u>
2014	11,110	2

6. Concentration of Credit Risk

The Company maintains its cash and cash equivalents in various bank deposit accounts and brokerage accounts, which, at times, may exceed federally insured limits. The organization has not experienced any losses in such accounts.

In accordance with generally accepted accounting principles, fair values of cash investments and deposits are entirely categorized as level 1 (quoted prices in active markets).

7. Pension Plan

In 2002, the Company established a defined contribution pension and profit sharing and salary deferral plan. The Company may make a discretionary contribution to the plan. Eligible employees of the Company may also elect to participate in a salary tax deferral plan. For the year ended August 31, 2013, the Company has provided for \$60,004 for the profit-sharing plan.

8. Subsequent Events

Management has evaluated subsequent events through October 28, 2013, the date on which the financial statements were available to be issued.

WESTHOFF, CONE HOLMSTEDT
(A California Corporation)
Schedule 1 - Computation of Net Capital Under Rule 15c3-1
of the Securities and Exchange Commission
August 31, 2013

Shareholders' equity	\$ 221,334
Non-allowable assets and charges against net capital:	
Prepaid income taxes	121
Deposits	5,154
Furniture and equipment	8,298
	13,573
Net capital, as defined	207,761 (A)
Minimum requirement of net capital	100,000
Excess of net capital over requirement	\$ 107,761
Aggregate indebtedness:	
Total liabilities	\$ 496,442 (B)
Ratio of aggregate indebtedness to net capital (B/A)	2.39 to 1

Reconciliation of computation of net capital from FOCUS Part II (A) as submitted by Company to audited amounts.

	Net Capital	Aggregate Indebtedness	Ratio
Amounts originally submitted by Company	\$ 207,761	\$ 496,442	2.39 to 1
No adjustments	-	-	
Net capital, as adjusted	\$ 207,761	\$ 496,442	2.39 to 1

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL REQUIRED BY
SEC RULE 17(A)-5(G)(1) FOR A BROKER-DEALER CLAIMING AN
EXEMPTION FROM SEC RULE 15C3-3**

To the Board of Directors of
Westhoff, Cone & Holmstedt
Walnut Creek, CA

In planning and performing our audit of the financial statements of Westhoff, Cone & Holmstedt (the Company) as of and for the year ended August 31, 2013, 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 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, errors or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

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 were adequate at August 31, 2013 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 and 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

CROPPER ACCOUNTANCY CORPORATION
Walnut Creek, California
October 28, 2013

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

To the Board of Directors
Westhoff, Cone & Holmstedt
Walnut Creek, California

SEC
Mail Processing
Section

NOV 5 2013

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 (Form SIPC-7) to the Securities Investor Protection Corporation (SIPC) for the year ended August 31, 2013, which were agreed to by Westhoff, Cone & Holmstedt (the Company) and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., (FINRA) and SIPC, 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). Management of Westhoff, Cone & Holmstedt is responsible for its 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 entries, noting no differences.
2. Compared the amounts reported on the audited Form X-17A-5 for the year ended August 31, 2013, as applicable, with the amounts reported in Form SIPC-7 for the year ended August 31, 2013, 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.

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

Cropper Accountancy Corporation

CROPPER ACCOUNTANCY CORPORATION

Walnut Creek, CA
October 28, 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 August 31, 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:

8-041760 FINRA AUG 11/9/1989
WESTHOFF CONE & HOLMSTEDT
500 YGNACIO VALLEY RD STE 380
WALNUT CREEK, CA 94596-5041

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.

Stephen Kinkade (415) 225-0488

2. A. General Assessment (Item 2e from page 2)	\$ <u>6,738</u>
B. Less payment made with SIPC-6 filed (exclude interest)	(<u>3,365</u>)
<u>3/24/13</u> Date Paid	
C. Less prior overpayment applied	(_____)
D. Assessment balance due or (overpayment)	<u>3,373</u>
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)	\$ <u>3,373</u>
G. PAID WITH THIS FORM: Check enclosed, payable to SIPC Total (must be same as F above)	\$ <u>3,373</u>
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.

Westhoff Cone & Holmstedt

(Name of Corporation, Partnership or other organization)

Stephen R. Kinkade

(Authorized Signature)

Financial Principal

(Title)

Dated the 15th day of October, 2013.

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 09/01, 2012 and ending 08/31, 2013

Eliminate cents

Item No.

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

\$ 3,258,011

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

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(b)(L) of the Act).
- (8) Other revenue not related either directly or indirectly to the securities business. (See instruction C):

Expense reimbursement
(Deductions in excess of \$100,000 require documentation)

533,446

4,415

25,000

(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 3960).

\$ _____

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

Total deductions

562,861

2,695,150

2d. SIPC Net Operating Revenues

\$ _____

2e. General Assessment @ .0025

6,738

\$ _____

(to page 1, line 2.A.)