

AB  
12/2

11/2/13

SECUR



ION

13026214

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	March 31, 2016
Estimated average burden hours per response.....	12.00

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

**SEC**  
 Mail Processing  
 Section  
 NOV 27 2013

SEC FILE NUMBER
8-14550

FACING PAGE

Washington DC  
404

**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 10/1/2012 AND ENDING 9/30/2013  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Brittingham, Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

5809 Kennett Pike

(No. and Street)

Wilmington

Delaware

19807

(City)

(State)

(Zip Code)

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

Stephen P. Sweeny

302-656-8173

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Wheeler, Wolfenden & Dwares PA

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

4550 New Linden Hill Road, Suite 201

Wilmington

DE

19808

(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.

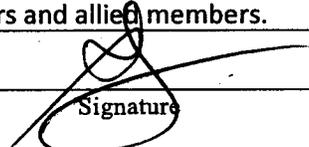
12/5/13

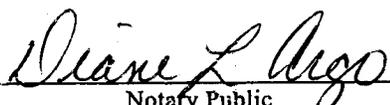
OATH OR AFFIRMATION

I, Stephen P. Sweeny, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Brittingham, Inc., as of September 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:

NONE

The accompanying report will be made available to all members and allied members.

  
Signature  
President  
Title

  
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).

BRITTINGHAM, INC.

FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT

September 30, 2013



WHEELER • WOLFENDEN • DWARES

Certified Public Accountants

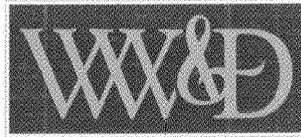
**SEC**  
**Mail Processing**  
**Section**  
NOV 27 2013  
**Washington DC**  
**404**

BRITTINGHAM, INC.  
FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT

September 30, 2013

## CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	3
FINANCIAL STATEMENTS	
STATEMENT OF FINANCIAL CONDITION	5
STATEMENT OF OPERATIONS	6
STATEMENT OF OTHER COMPREHENSIVE INCOME AND CHANGE IN STOCKHOLDER'S EQUITY	7
STATEMENT OF CASH FLOWS	8
NOTES TO FINANCIAL STATEMENTS	9
SUPPLEMENTARY INFORMATION	
COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1	15
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE REQUIRED BY SEC RULE 17a-5	16



WHEELER • WOLFENDEN • DWARES  
Certified Public Accountants

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Brittingham, Inc.

We have audited the accompanying financial statements of Brittingham, Inc. (the Company), which comprise the statement of financial condition as of September 30, 2013, and the related statements of operations, other comprehensive income and change in stockholder's 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 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 auditors consider 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.

To the Board of Directors  
Brittingham, Inc.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Brittingham, Inc. as of September 30, 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 basic financial statements taken as a whole. The supplementary information contained in the Computation of Net Capital under Rule 15c3-1 (the Schedule), 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 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 Schedule 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 in the Schedule is fairly stated in all material respects in relation to the financial statements as a whole.



---

November 18, 2013  
Wilmington, Delaware

BRITTINGHAM, INC.  
STATEMENT OF FINANCIAL CONDITION

September 30, 2013

ASSETS

ASSETS	
Cash and cash equivalents	\$ 1,082,429
Prepaid assets	2,435
Other assets	<u>9,311</u>
 TOTAL ASSETS	 \$ <u><u>1,094,175</u></u>

LIABILITIES AND STOCKHOLDER'S EQUITY

LIABILITIES	
Accounts payable and accrued expenses	\$ <u>24,730</u>
 Total liabilities	 24,730
STOCKHOLDER'S EQUITY	
Common stock – \$1 par value, 1,500 shares authorized, 556 shares issued and outstanding	556
Additional paid-in capital	382,509
Retained earnings	686,380
Accumulated other comprehensive income	<u>-</u>
 Total stockholder's equity	 <u><u>1,069,445</u></u>
 TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	 \$ <u><u>1,094,175</u></u>

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

BRITTINGHAM, INC.

STATEMENT OF OPERATIONS

For the Year Ended September 30, 2013

INCOME	
Security commissions	\$ 186,754
Interest and dividends	17,409
Realized gain on sale of securities	<u>6,468</u>
Total income	210,631
EXPENSES	
Employee compensation and benefits	79,753
Communication costs	31,933
Occupancy and other equipment costs	48,249
Other expenses	<u>35,026</u>
Total expenses	<u>194,961</u>
NET INCOME	<u><u>\$ 15,670</u></u>

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

BRITTINGHAM, INC.

STATEMENT OF OTHER COMPREHENSIVE INCOME AND CHANGE  
IN STOCKHOLDER'S EQUITY

For the Year Ended September 30, 2013

	<u>Common Stock</u>	<u>Additional Paid-in Capital</u>	<u>Retained Earnings</u>	<u>Accumulated Other Comprehensive Income</u>	<u>Total Stockholder's Equity</u>
Balance, September 30, 2012	\$ 556	\$ 382,509	\$ 672,508	\$ 16,735	\$ 1,072,308
Net income	-	-	15,670	-	15,670
Distributions	-	-	(1,798)	-	(1,798)
Other comprehensive loss	-	-	-	(16,735)	(16,735)
Balance, September 30, 2013	<u>\$ 556</u>	<u>\$ 382,509</u>	<u>\$ 686,380</u>	<u>\$ -</u>	<u>\$ 1,069,445</u>

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

BRITTINGHAM, INC.

STATEMENT OF CASH FLOWS

For the Year Ended September 30, 2013

CASH FLOWS FROM OPERATING ACTIVITIES	
Net income	\$ 15,670
Adjustments to reconcile net income to net cash provided by operating activities	
Increase in prepaid assets	3,460
Increase in other assets	9,410
Decrease in accounts payable and accrued expenses	(1,674)
Net gain on investments	<u>(6,468)</u>
Net cash provided by operating activities	20,398
CASH FLOWS FROM INVESTING ACTIVITIES	
Sales of investments	<u>487,073</u>
Net cash provided by investing activities	487,073
CASH FLOWS FROM FINANCING ACTIVITIES	
Distributions	<u>(1,798)</u>
Net cash utilized by investing activities	(1,798)
Net increase in cash and cash equivalents	505,673
Cash and cash equivalents – beginning of year	<u>576,756</u>
Cash and cash equivalents – end of year	<u>\$ 1,082,429</u>

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

BRITTINGHAM, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Nature of Activities

Brittingham, Inc. (the Company) is a broker of securities and a member of the New York Stock Exchange. Rule 17a-5, under the *Securities Exchange Act of 1934*, requires broker-dealers to file a complete set of financial statements with the Securities and Exchange Commission (the Commission). The statements are required to cover the period since the immediately preceding filing with the Commission, and, accordingly, these financial statements are for the year ended September 30, 2013.

Transactions in securities, including the related security commissions, are recorded on a trade-date basis.

Marketable securities traded on a national exchange are valued at the last reported sale price on the last business day of the year; marketable securities traded on the over-the-counter market are valued at the mean between the last reported bid and asked price.

For the purposes of the statement of cash flows, the Company considers all highly liquid investment instruments with original maturities of three months or less to be cash equivalents. In the accompanying statement of cash flows, all short-term investments are considered cash equivalents.

2. Income Taxes

The Company, with the consent of its stockholder, has elected to be an S corporation under the *Internal Revenue Code* and similar state law. Under income tax rules related to S corporation status, items of income, deductions and credits generally pass through on a pro-rata basis to the stockholder. Therefore, no provision or liability for federal, state or local income taxes has been made.

Effective October 1, 2009, the Company adopted ASC 740-10, *Income Taxes*, as it relates to uncertain tax positions. Management has reviewed its current and past federal, state and local income tax positions and has determined, based on clear and unambiguous tax law and regulations, that the tax positions taken are certain and that there is no likelihood that a material tax assessment would be made if a respective government agency examined tax returns subject to audit. Accordingly, no provision for the effects of uncertain tax positions has been recorded.

## NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2. Income Taxes (Continued)

Currently, the 2010, 2011 and 2012 tax years are open and subject to examination by the Internal Revenue Service and the Delaware Division of Revenue. However, the Company is not currently under audit nor has the Company been contacted by these jurisdictions. Interest and penalties related to income taxes are included in income tax expense when incurred.

Income taxes are calculated in accordance with ASC-740, *Income Taxes*. Under the liability method, deferred tax assets and liabilities are provided for temporary differences between the financial reporting basis and tax reporting basis of the Company's assets and liabilities. A valuation allowance is established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

### 3. Use of Estimates

The preparation of financial statements 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

### 4. Investment Securities

The Company accounts for securities under ASC-320, *Investments in Debt and Equity Securities*, which requires, among other things, that securities be classified into two categories and accounted for as follows:

- Securities held to maturity: Securities the Company has the positive intent and ability to hold until maturity are reported at cost and adjusted for amortization of premiums and accretion of discounts.
- Securities available for sale: Securities available for sale are reported at fair market value. Unrealized holding gains and losses are reported, net of taxes, in accumulated other comprehensive income until realized.

Realized gains and losses from the sale of securities are determined using the specific identification method.

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. Comprehensive Income

Accounting principles generally require that recognized revenue, expenses, and gains and losses be included in net income. Certain changes in assets and liabilities, such as unrealized gains and losses on securities available for sale, are reported as a separate component of the equity section of the statement of financial condition. Such items, along with net income, are the components of comprehensive income. For the year ended September 30, 2012, the only component of accumulated other comprehensive income was unrealized loss on securities available for sale, which amounted to \$16,735. During the year ended September 30, 2013, the Company liquidated its investments and, accordingly, reclassified its accumulated other comprehensive income.

6. Subsequent Events

The Company has evaluated subsequent events through November 18, 2013, which is the date the financial statements were available to be issued.

NOTE B – CUSTOMERS' ACCOUNTS

All customers' accounts are carried by a correspondent broker on a fully disclosed basis, and, accordingly, the Company is not required to maintain or compute a reserve pursuant to Rule 15c3-3 of the *Securities Exchange Act of 1934*.

NOTE C – NET CAPITAL

The Company, as a registered broker and dealer in securities, is subject to the Commission's Uniform Net Capital Rule 15c3-1.

Under the computation provided by Rule 15c3-1, the Company is required to maintain "net capital" equal to the greater of \$250,000 or 6 $\frac{2}{3}$ % of "aggregate indebtedness." Rule 15c3-1 also requires that the ratio of aggregate indebtedness to net capital, as those terms are defined in the Rule, shall not exceed 15 to 1. At September 30, 2013, the Company had a ratio of aggregate indebtedness to net capital of approximately .0273 to 1 and a net capital requirement of \$250,000. Aggregate indebtedness and net capital, as defined, were \$24,730 and \$1,041,743, respectively, at September 30, 2013. The Company's current clearing agreement with National Financial Services (NFS) requires it to maintain minimum net capital of \$100,000.

#### NOTE D – INVESTMENTS

In the normal course of its business activities, the Company is subject to the rules and regulations of the New York Stock Exchange (NYSE) and the Commission. During fiscal 1998, Company management was informed that the Commission began an investigation of the activities of certain NYSE floor brokers, including the floor broker who formerly leased the Company's exchange seat. During fiscal 1999, the Commission subpoenaed certain documents from the Company.

The Company believes it has provided the Commission with all documents responsive to the subpoena that were in the possession, custody or control of the Company. The Company believes that the records given to the Commission were destroyed on September 11, 2001. The Commission has not informed the Company that it is a target of the investigation. Accordingly, the Company has no reason to believe any action will be taken against it or its floor broker; however, it is possible that should such actions, if any, prove to be successful, the cost to the Company could be material.

#### NOTE E – COMMITMENTS AND CONTINGENT LIABILITIES

The Company's operations are conducted in premises that are rented under a lease agreement with L. I. Holdings, Inc. (a related party). The agreement has been renewed each year since 1991 at the current prevailing market rate. Total rental payment made to L. I. Holdings, Inc. during 2013 was \$39,364.

#### NOTE F – RELATED PARTIES

The Company receives a substantial portion of its security commissions from related parties, primarily Lumber Industries, Inc. and related affiliates, whose executive officers are also executive officers of the Company. Total security commissions earned from related parties for the fiscal year ended September 30, 2013 was \$182,216.

#### NOTE G – PROFIT-SHARING PLAN

The Company has a profit-sharing plan for all eligible employees that provides for Company contributions at its discretion. However, contributions are limited to the amount allowable as a deduction for federal income tax purposes. A Company contribution of \$5,837 was expensed in 2013.

#### NOTE H – CAPITAL STOCK

The Company has the right to purchase outstanding capital stock from the stockholder under certain conditions at an amount set forth in the Company's *Articles of Incorporation*. In addition, the stockholder is required to first offer the Company the option to purchase shares of capital stock before entering into an agreement to sell such shares.

## NOTE I – CONCENTRATIONS OF CREDIT RISK

The Company maintains cash and investment balances in several financial institutions. Under the general deposit insurance rules, the FDIC insured limit is \$250,000 per depositor. The Securities Investor Protection Corporation (SIPC) insured limit is also \$250,000 per depositor. At times, account balances may exceed insured limits. Amounts uninsured at September 30, 2013 totaled \$810,851.

SUPPLEMENTARY INFORMATION

BRITTINGHAM, INC.

COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1

September 30, 2013

Aggregate indebtedness	
Accounts payable and accrued expenses	\$ 24,730
Total aggregate indebtedness	<u>\$ 24,730</u>
Net capital	
Net worth	
Common stock	\$ 556
Paid-in capital	382,509
Retained earnings	686,380
Total net worth and allowable liabilities	<u>1,069,445</u>
Deductions	
Nonallowable assets	
Prepaid assets	2,435
Other assets	4,050
Total deductions	<u>6,485</u>
Net capital before haircuts on securities positions	1,062,960
Haircuts and undue concentration on securities computed pursuant to Rule 15c3-1	
Trading and investment securities	<u>21,217</u>
Net capital	1,041,743
Minimum capital required to be maintained (\$250,000 or 6 $\frac{2}{3}$ % of aggregate indebtedness of \$24,730)	<u>250,000</u>
Net capital in excess of requirements	<u>\$ 791,743</u>
Ratio of aggregate indebtedness to net capital	<u>2.37%</u>

The above computation does not differ materially from the computation of net capital under Rule 15c3-1 as of September 30, 2013, as filed by Brittingham, Inc. with the New York Stock Exchange on October 17, 2013.



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

To the Board of Directors  
Brittingham, Inc.  
Wilmington, Delaware

In planning and performing our audit of the financial statements of Brittingham, Inc. (the Company) for the year ended September 30, 2013, we considered its internal control, including control activities 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 internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission (the Commission), 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 (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.
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 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 cost of controls, and the practices and procedures referred to in the preceding paragraph, and to assess whether those practices and procedures can be expected to achieve the Commission's above-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 conformity with management's authorization and recorded properly to permit the preparation of financial statements in conformity 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.

To the Board of Directors  
Brittingham, Inc.

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.

Our consideration of internal control 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. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving internal control, including control activities for safeguarding securities, which we consider to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the Commission 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 September 30, 2013 to meet the Commission's objectives.

This report is intended solely for the use of management, the Securities and Exchange Commission, the New York Stock Exchange, 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.



Edward J. Gant, CPA

November 18, 2013  
Wilmington, Delaware

BRITTINGHAM, INC.

INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING  
AGREED-UPON PROCEDURES

September 30, 2013



WHEELER · WOLFENDEN · DWARES

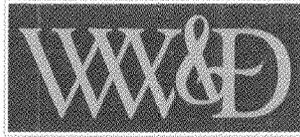
Certified Public Accountants

**SEC**  
**Mail Processing**  
**Section**  
NOV 27 2013  
**Washington DC**  
**404**

**BRITTINGHAM, INC.**

**INDEPENDENT ACCOUNTANTS' REPORT**  
**ON APPLYING**  
**AGREED-UPON PROCEDURES**

**September 30, 2013**



WHEELER • WOLFENDEN • DWARES

Certified Public Accountants

INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors  
Brittingham, Inc.  
Wilmington, Delaware

We have performed the procedures enumerated below, which were agreed to by the management of Brittingham, Inc. (the Company), solely to assist you in evaluating the Company's compliance with the Anti-Money Laundering Regulations for the period of October 1, 2012 through September 30, 2013. The Company's management is responsible for the establishment of the policies and procedures. 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.

Our procedures and findings are as follows:

1. Review the policies and procedures for compliance with the Anti-Money Laundering Regulations.

Finding: We reviewed the policies and procedures of the Company and determined that they were consistent with the requirements established by the Anti-Money Laundering Regulations.

2. Scan the customer statements to review if any new accounts have been created by Brittingham, Inc. during the period from October 1, 2012 through September 30, 2013.

Finding: We reviewed the statements received by National Financial Services (NFS) and the Company's accounting records and determined that no new accounts were created during the period from October 1, 2012 through September 30, 2013.

To the Board of Directors  
Brittingham, Inc.

3. Confirm with NFS if any new accounts were opened during the period from October 1, 2012 through September 30, 2013.

Finding: We received a confirmation from NFS that one new account was opened during the period from October 1, 2012 through September 30, 2013.

4. For new accounts opened, review the Office of Foreign Assets Control (OFAC) inquiries required to be performed by the Company during the period from October 1, 2012 through September 30, 2013.

Finding: We noted that the only new account opened by the Company was for its own affiliated entity, and therefore no OFAC inquiries were performed during the period from October 1, 2012 through September 30, 2013.

5. Review the Company's process for responding to the Financial Crimes Enforcement Network (FinCEN) Rule 314(a) requests and review the Company's response to those requests during the period from October 1, 2012 through September 30, 2013.

Finding: We noted that the Company has a process in place for reviewing FinCEN Rule 314(a) requests and was responding to these requests during the period from October 1, 2012 through September 30, 2013.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the accompanying policies and procedures of the Company. 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 management of Brittingham, Inc. and federal and state regulators, and is not intended to be, and should not be, used by anyone other than these specified parties.



*Robert W. Gault, CPA*

November 18, 2013  
Wilmington, Delaware