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

SEC FILE NUMBER
8-67911

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01/01/2012 AND ENDING 12/31/2012  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: McLaughlin Ryder Investments, Inc

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

1421 Prince St.

(No. and Street)

Alexandria

(City)

VA

(State)

22314

(Zip Code)

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

Scott Grebenstein

(703) 684-9222

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Boyum & Barescheer, PLLP

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

3050 Metro Drive

(Address)

Minneapolis

(City)

MN

(State)

55425

(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)

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## OATH OR AFFIRMATION

I, Shawn McLaughlin, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of McLaughlin Ryder Investments, Inc., as of December 31, 2012, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

Commonwealth of Virginia  
Michelle Glicklin - Notary Public  
Commission No: 338211  
My Commission Expires 3/31/2015

Signature

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).

***MCLAUGHLIN RYDER INVESTMENTS, INC.***  
***(AN S CORPORATION)***

***FINANCIAL REPORT***

***DECEMBER 31, 2012***

## **C O N T E N T S**

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**INDEPENDENT AUDITOR'S REPORT**

To The Board of Directors  
McLaughlin Ryder Investments, Inc.  
Alexandria, VA 22314

**Report on the Financial Statements**

We have audited the accompanying statements of Financial Condition of McLaughlin Ryder Investments, Inc. as of December 31, 2012 and 2011, and the related statements of net income, member's equity and cash flows for the years ended December 31, 2012 and 2011, that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934, and the related notes to the financial statements.

**Management 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 McLaughlin Ryder Investments, Inc. as of December 31, 2012 and 2011, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matter**

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in the schedule of net capital as of December 31, 2012, 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 and Exchange Commission 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 is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Boyan & Barencheer, PLLP*

Minneapolis, Minnesota  
February 27, 2013

**MCLAUGHLIN RYDER INVESTMENTS, INC.**  
**(AN S CORPORATION)**

**STATEMENTS OF FINANCIAL CONDITION**

<b>DECEMBER 31,</b>	<b>2012</b>	<b>2011</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 319,499	\$ 116,183
Accounts receivable	42,399	28,357
Prepaid expenses	1,839	2,330
<i>Total current assets</i>	<b>363,737</b>	<b>146,870</b>
<b>PROPERTY AND EQUIPMENT</b>		
Equipment	1,797	1,797
Accumulated depreciation	(649)	(50)
<i>Net property and equipment</i>	<b>1,148</b>	<b>1,747</b>
<b>RESTRICTED CASH</b>	<b>100,000</b>	<b>100,000</b>
<b>GOODWILL</b>	<b>110,697</b>	<b>110,697</b>
<i>Total assets</i>	<b>\$ 575,582</b>	<b>\$ 359,314</b>
<b>LIABILITIES AND STOCKHOLDER'S EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 190,004	\$ 62,561
Accrued payroll & related benefits	19,539	22,030
<i>Total current liabilities</i>	<b>209,543</b>	<b>84,591</b>
<b>STOCKHOLDER'S EQUITY</b>		
Common stock, no par value, 1,000 shares authorized 600 shares issued and outstanding	14,000	14,000
Additional paid-in capital	326,832	326,832
Retained deficit	25,207	(66,109)
<i>Total stockholder's equity</i>	<b>366,039</b>	<b>274,723</b>
<i>Total liabilities and stockholder's equity</i>	<b>\$ 575,582</b>	<b>\$ 359,314</b>

The Notes to Financial Statements are an integral part of these statements.

**MCLAUGHLIN RYDER INVESTMENTS, INC.**  
**(AN S CORPORATION)**

**STATEMENTS OF OPERATIONS**

<b>YEARS ENDED DECEMBER 31,</b>	<b>2012</b>	<b>2011</b>
<b>REVENUE</b>		
Commission revenue	\$ 2,571,347	\$ 987,228
Other revenues	97,421	43,160
<i>Total revenue</i>	<b>2,668,768</b>	<b>1,030,388</b>
<b>EXPENSES</b>		
Clearing fees	114,436	106,855
Payroll and related costs	1,853,449	657,663
Other administrative expenses	609,567	292,394
<i>Total expenses</i>	<b>2,577,452</b>	<b>1,056,912</b>
<i>Net income (loss)</i>	<b>\$ 91,316</b>	<b>\$ (26,524)</b>

The Notes to Financial Statements are an integral part of these statements.



**MCLAUGHLIN RYDER INVESTMENTS, INC.**  
**(AN S CORPORATION)**

**STATEMENTS OF STOCKHOLDER'S EQUITY**

**YEARS ENDED DECEMBER 31, 2012 AND 2011**

	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Retained Earnings (Deficit)	Stockholder's Equity
<b>Balance at December 31, 2010</b>	<b>600</b>	<b>\$ 14,000</b>	<b>\$ 146,832</b>	<b>\$ (39,585)</b>	<b>\$ 121,247</b>
Net income	-	-	-	(26,524)	(26,524)
Stockholder contributions	-	-	180,000	-	180,000
<b>Balance at December 31, 2011</b>	<b>600</b>	<b>\$ 14,000</b>	<b>\$ 326,832</b>	<b>\$ (66,109)</b>	<b>\$ 274,723</b>
Net income	-	-	-	91,316	91,316
<b>Balance at December 31, 2012</b>	<b>600</b>	<b>\$ 14,000</b>	<b>\$ 326,832</b>	<b>\$ 25,207</b>	<b>\$ 366,039</b>

\* Effective October 27, 2010, the Company issued a 1,000 to 1 reverse stock split. This transaction reduced the shares outstanding to 600 and the shares authorized to 1,000.

The Notes to Financial Statements are an integral part of these statements.

**MCLAUGHLIN RYDER INVESTMENTS, INC.**  
**(AN S CORPORATION)**

**STATEMENT OF CASH FLOWS**

<b>YEAR ENDED DECEMBER 31,</b>	<b>2012</b>	<b>2011</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	\$ 91,316	\$ (26,524)
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation	599	50
Changes in operating assets and liabilities:		
Accounts receivable	(14,042)	(28,357)
Prepaid expenses	491	(1,387)
Accounts payable	127,443	62,561
Accrued expenses	(2,491)	22,030
	<b>203,316</b>	<b>28,373</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	-	(1,797)
Increase in restricted cash	-	(100,000)
	<b>-</b>	<b>(101,797)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Stockholder contributions	-	180,000
	<b>-</b>	<b>180,000</b>
Increase in cash	203,316	106,576
<i>Cash, beginning of year</i>	116,183	9,607
<b><i>Cash, end of year</i></b>	<b>\$ 319,499</b>	<b>\$ 116,183</b>

The Notes to Financial Statements are an integral part of these statements.

**MCLAUGHLIN RYDER INVESTMENTS, INC.**  
**(AN S CORPORATION)**

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Nature of business:***

McLaughlin Ryder Investments, Inc. (the Company) was formerly known as Zander Evans Securities and was incorporated July 2, 2007. The company is registered as a broker dealer under the Securities Exchange Act of 1934 and is a member of the FINRA. The Company became a registered broker dealer on December 1, 2008. The Company is wholly owned by McLaughlin Investments LLC (the Member). The Company is registered in 41 states and is engaged in investment advisory, financial planning, and other financial services.

***Revenue Recognition:***

Revenues from commission earned are recognized in the period the service is provided or the date of the trade transaction.

***Cash:***

For purposes of reporting the statement of cash flows, the Company considers all cash accounts, which are not subject to withdrawal restrictions or penalties, and all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. Cash balances in excess of FDIC and similar insurance coverage are subject to the usual banking risks associated with funds in excess of those limits.

***Depreciation:***

Property and equipment are depreciated over their estimated useful lives by use of the straight-line method.

***Description of Useful Lives:***

The estimated useful lives of the property and equipment are 3-5 years for equipment.

***Goodwill:***

On September 15, 2010 the Member acquired 100% of the Company's outstanding common stock for \$117,500. This purchase price exceeded the Company's net assets by \$110,697 and is recorded on the Company's balance sheet as goodwill by applying push down accounting. Accounting principles general accepted in the United States of American prohibits the amortization of goodwill and requires that it be tested for impairment at least annually at a reporting unit level. The Company has early adopted ASU No. 2011-08 Testing Goodwill for Impairment and determined that there is no impairment of goodwill as of December 31, 2012 and 2011.

**MCLAUGHLIN RYDER INVESTMENTS, INC.**  
**(AN S CORPORATION)**

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1. (CONTINUED)**

***Restricted Cash:***

The Company has \$100,000 deposited with Pershing LLC. The deposit is restricted per an agreement between the Company and Pershing. This balance must remain deposited with Pershing so long as the Company remains using their brokerage platform.

***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.

***Income taxes:***

The Company, with stockholder's consent, has elected to be taxed as an "S Corporation" under the provisions of the Internal Revenue Code and comparable state income tax law. As an S corporation, the Company is generally not subject to corporate income taxes and the Company's net income or loss is reported on the individual tax returns of the stockholders of the Company. Therefore, no provision or liability for income taxes is reflected in the financial statements.

The Company has not been audited by the Internal Revenue Service, and accordingly the business tax returns for the past three years are open to examination. Management has evaluated its tax positions and has concluded that they do not result in anything that would require either recording or disclosure in the financial statements based on the criteria set forth in Accounting Standards Codification (ASC) section 740.

***Reclassifications:***

Certain reclassifications have been made to the 2011 financial statements in order for them to be in conformity with the 2012 presentation.

***Subsequent events:***

In preparing these financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through February 27, 2012, the date of the financial statements were available to be issued.

**MCLAUGHLIN RYDER INVESTMENTS, INC.**  
**(AN S CORPORATION)**

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 2. RETIREMENT PLAN**

The Company sponsors a qualified defined contribution 401(k) profit sharing plan for all full-time employees who meet the plan participation criteria. The Company's plan provides for matching contributions equal to a percent of the eligible employee's compensation. The Company is also permitted to make discretionary contributions on an annual basis. Matching contributions amounted to \$40,456 and \$13,150 for the years ended December 31, 2012 and 2011. There were no discretionary contributions made during the years ended December 31, 2012 and 2011.

**NOTE 3. LEASES**

The Company leases its office facilities under an agreement that expires on May 31, 2013. The Company's portion of the lease requires payments of approximately \$12,600 per month with increases on an annual basis per the lease agreement. The Company's total rental expense during the years ended December 31, 2012 and 2011 amounted to \$197,480 and \$88,514, respectively.

Estimated future minimum lease payments under the lease at December 31, 2012 are as follows:

<b>YEAR ENDING DECEMBER 31,</b>	
2013	\$ 65,393
	<b>\$ 65,393</b>

**NOTE 4. RELATED PARTY DISCLOSURES**

The Company has an agreement with the Member for re-payment and division of applicable expenses. These expenses include rent, payroll and other administrative expenses. During the year ended December 31, 2012 and 2011, the Company expenses incurred with related parties were approximately \$2,344,000 and \$880,000, respectively. The amount owed to the Member at December 31, 2012 and 2011 included in current liabilities amounts to approximately \$198,640 and \$61,748, respectively. The Company had receivables from McLaughlin Ryder Advisory Services, LLC (MRAS, LLC) of \$9,990 and \$8,748 related to clearing fees paid by the Company as of December 31, 2012 and 2011. MRAS, LLC is a wholly owned subsidiary of the Member and a Registered Investment Advisor.

**MCLAUGHLIN RYDER INVESTMENTS, INC.**  
**(AN S CORPORATION)**

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 5. NET CAPITAL REQUIREMENTS**

The Company is subject to Securities and Exchange Commission 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. Net capital and the related net capital ratio fluctuate on a daily basis. At December 31, 2012, the Company had a net capital of \$242,365 which was \$228,395 in excess of its required net capital of \$13,970. The Company's net capital ratio was 0.865 to 1 at December 31, 2012.

Per Rule 15c3-3 of the Securities and Exchange Commission Uniform Net Capital Rule, the Company is exempt under the (k)(2)(ii) exemption. Per Rule 15c3-3, the following schedule illustrates the differences between the Company's net asset calculation per part IIA of the FINRA Focus statement and the accompanying audit report.

**RECONCILIATION WITH COMPANY'S COMPUTATION**

Net Capital per part IIA Focus (unaudited)	\$ 242,347
Reconciling items:	
Miscellaneous adjustment	18
<b>Net Capital per above</b>	<u><u>\$ 242,365</u></u>

**MCLAUGHLIN RYDER INVESTMENTS, INC.**  
**(AN S CORPORATION)**

**SCHEDULE OF NET CAPITAL**

**DECEMBER 31, 2012**

<b>Total stockholders' equity</b>		<b>\$ 366,039</b>
<b>Deduction and/or charges:</b>		
Non-allowable assets:		
Accounts receivable and work in process	\$ 42,399	
Commission receivables aged less than 30 days	(32,409)	
Total disallowable accounts receivable	<u>9,990</u>	
Other assets	112,536	
Property and equipment, net	<u>1,148</u>	<b>123,674</b>
<b>Net capital before haircuts on securities owned</b>		<b>242,365</b>
<b>Haircuts on securities positions</b>		<u>-</u>
<b>Net capital</b>		<b><u>242,365</u></b>
<b>AGGREGATE INDEBTEDNESS</b>		
Total liabilities from balance sheet		<b><u>209,543</u></b>
<b>REQUIRED NET CAPITAL</b>		
FINRA required N.C. (6.67% Aggr. Ind.)	\$ 13,970	
Regulatory minimum net capital requirement	<u>5,000</u>	
<b>Required net capital (greater of two measures)</b>		<b>13,970</b>
<b>EXCESS NET CAPITAL</b>		
Net capital	\$ 242,365	
Required net capital	<u>13,970</u>	
<b>Excess net capital</b>		<b><u>\$ 228,395</u></b>
<b>S.E.C. EARLY WARNING REQUIREMENT</b>		
10% of Aggregate Indebtedness	\$ 20,954	
120% of Required Net Capital	<u>16,763</u>	
<b>Early Warning Threshold (greater of two measures)</b>		<b><u>\$ 20,954</u></b>
<b>Net Capital Above Early Warning Threshold</b>		<b><u>\$ 221,411</u></b>
<b>AGGREGATE INDEBTEDNESS/NET CAPITAL RATIO</b>		
Aggregate indebtedness	\$ 209,543	
Net capital	242,365	
<b>Ratio</b>		<b>0.865 to 1</b>

**INDEPENDENT AUDITOR'S SUPPLEMENTARY REPORT ON INTERNAL  
ACCOUNTING CONTROL**

To The Board of Directors  
McLaughlin Ryder Investments, Inc.  
Alexandria, Virginia

In planning and performing our audit of the financial statements of McLaughlin Ryder Investments, Inc. (the Company) as of and for the years ended December 31, 2012 and 2011, in accordance with auditing standards generally accepted in the United States of America, we considered McLaughlin Ryder Investments, Inc.'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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control over financial reporting.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company including consideration of control activities for safeguarding securities. This study included tests of such practices and procedures that we considered relevant to the objectives stated in Rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under Rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of Rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons and recordation of differences required by rule 17a-13.
2. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls, and of the practices and procedures referred to in the preceding paragraph, and to assess whether those practices and procedures can be expected to achieve the SEC's previously mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.



Because of inherent limitations in internal control and the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect 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 significant deficiency or combination of significant 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 previously 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 SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures, as described in the second paragraph of this report, were adequate at December 31, 2012, to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Governors, management, the SEC, and other regulatory agencies that rely on rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

*Boyan & Barescheer, PLLP*

Minneapolis, Minnesota  
February 27, 2013



**INDEPENDENT ACCOUNTANT'S REPORT ON SIPC ASSESSMENT  
RECONCILIATION**

Board of Directors  
McLaughlin Ryder Investments, Inc.  
Alexandria, Virginia

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 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 McLaughlin Ryder Investments, Inc. and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., SIPC and other designated examining authorities, solely to assist you and the other specified parties in evaluating McLaughlin Ryder Investments, Inc.'s compliance with the applicable instructions of the Transitional Assessment Reconciliation (Form SIPC-7). McLaughlin Ryder Investments, Inc.'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 entries, noting no differences;
2. Compared the Total Revenue amounts of the audited Form X-17A-5 for the year ended December 31, 2012 with the amounts reported in Form SIPC-7 for the year ended December 31, 2012, noting no differences;
3. There were no adjustments that need to be reported in form SIPC-7;
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers, noting no differences.

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

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

*Boyum & Barescheer, PLLP*

Minneapolis, Minnesota  
February 27, 2013