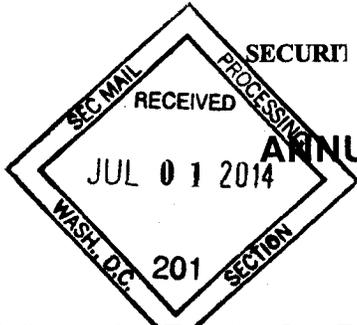


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OMB APPROVAL	
OMB Number:	3235-0123
Expires:	March 31, 2016
Estimated average burden hours per response.....	12.00

SEC FILE NUMBER
8- 53291

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

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 04/01/13 AND ENDING 03/31/14  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: RIDGEWAY & CONGER, INC.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

2123 MAIN STREET

(No. and Street)

NEW WOODSTOCK

NY

13122

(City)

(State)

(Zip Code)

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

LEIGH GARBER

(315) 662-7450

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

BRACE & ASSOCIATES, PLLC

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

PMB 335, 123 NASHUA RD, UNIT 17

LONDONDERRY

NH

03053

(Address)

(City)

(State)

(Zip Code)

**CHECK ONE:**

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

<b>FOR OFFICIAL USE ONLY</b>

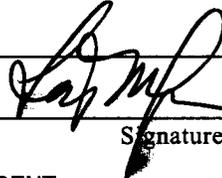
\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

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OATH OR AFFIRMATION

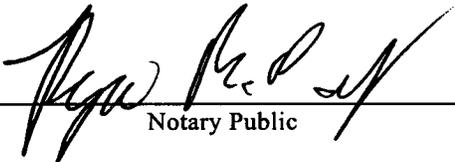
I, LEIGH GARBER, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of RIDGEWAY & CONGER, INC., as of MARCH 31, 20 14, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

  
Signature

PRESIDENT

Title

  
Notary Public

NY  
GRANGE COUNTY  
02 MCG 6260186  
4/23/16

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).

**RIDGEWAY & CONGER, INC.**

**FINANCIAL STATEMENTS**

**MARCH 31, 2014**

# BRACE & ASSOCIATES, PLLC

*Certified Public Accountant*

PMB 335, 123 NASHUA ROAD, UNIT 17

LONDONDERRY, NH 03053

TEL. (603) 889-4243

FAX (603) 882-7371

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Shareholders  
of Ridgeway & Conger, Inc.

### Report on the Financial Statements

We have audited the accompanying financial statements of Ridgeway & Conger, Inc. (a New York corporation), which comprise the statement of financial condition as of March 31, 2014, and the related statements of income, changes in shareholders' 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.

### Auditor's 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 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 Ridgeway & Conger, Inc. as of March 31, 2014, 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.

### Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The information contained in Schedules I, II, III and IV 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 Schedules I, II, III and IV 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 Schedules I, II, III and IV is fairly stated in all material respects in relation to the financial statements as a whole.

*Brace & Associates, PLLC*

Brace & Associates, PLLC

Londonderry, NH

June 30, 2014

**BRACE & ASSOCIATES, PLLC**

*Certified Public Accountant*

**RIDGEWAY CONGER, INC.**

**STATEMENT OF FINANCIAL CONDITION**

**MARCH 31, 2014**

**ASSETS**

Cash and cash equivalents	\$ 91,990
Deposits with clearing organizations	25,075
Receivable from mutual funds and clearing organization	278,922
Receivable from noncustomers	49,171
Due from affiliates	6,419
Investments in affiliates	347,454
Marketable securities, at fair value	1,133
Furniture, equipment, leasehold improvements and land, at cost less, accumulated depreciation of \$141,656	76,459
Prepaid expenses and other assets	<u>83,681</u>
Total Assets	<u>\$ 960,304</u>

**LIABILITIES AND STOCKHOLDER'S EQUITY**

Accounts payable, accrued expenses, and other liabilities	\$ 16,576
Bank loans payable	24,995
Payable to broker dealers	<u>12,345</u>
Total Liabilities	<u>53,916</u>
Stockholder's Equity	
Common stock, no par value, shares authorized 200; 100 issued and outstanding shares	60,000
Additional paid-in-capital	798,200
Retained earnings	<u>48,188</u>
Total Stockholder's Equity	<u>906,388</u>
Total Stockholder's Equity and Liabilities	<u>\$ 960,304</u>

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

**RIDGEWAY CONGER, INC.**

**STATEMENT OF INCOME(LOSS)**

**FOR THE YEAR ENDED MARCH 31, 2014**

**Revenues:**

Commissions	\$ 4,101,614
Fee income	1,869,431
Interest and dividends	29,826
Other income	398,768
Net investment profit	<u>1,970,206</u>
	<u>8,369,845</u>

**Expenses:**

Employee compensation and benefits	6,020,174
Communications and clearing costs	799,706
Occupancy	40,099
Other expenses	<u>1,502,068</u>
	<u>8,362,047</u>

**Net Income (Loss)**

**\$ 7,798**

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

**RIDGEWAY CONGER, INC.**

**STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY**

**FOR THE YEAR ENDED MARCH 31, 2014**

	<u>Common Stock</u>	<u>Additional Paid-In Capital</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance at April 1, 2013	\$ 60,000	\$ 782,200	\$ 40,390	\$ 882,590
Net Income (Loss)			7,798	7,798
Capital contributions		16,000		16,000
Balance at March 31, 2014	<u>\$ 60,000</u>	<u>\$ 798,200</u>	<u>\$ 48,188</u>	<u>\$ 906,388</u>

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

**RIDGEWAY CONGER, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED MARCH 31, 2014**

<b>OPERATING ACTIVITIES</b>		
Net Income		7,797.61
Adjustments to reconcile Net Income		
to net cash provided by operations:		
Employee Loan		-418.85
Rick Loan		-8,000.00
120001 - COR COMMISSION RECEIVABLE		-32,130.65
120002 - COR ACCT 5227		83,996.73
120004 - COR ERROR ACT		-30,296.74
120004 - COR ERROR ACT:120104 - Due from Legent - Error a/c		-4,136.58
120006 - COR GENERAL ACT		210,649.91
120008 - COR INVESTMENT ACT		6,599.02
120008 - COR INVESTMENT ACT:120010 - Due from Legent-Investment cash		-5,763.26
120008 - COR INVESTMENT ACT:130000 - Inventory A/C		3.64
120009 - Due from Legent A/C# 6572- 2454		1,048.93
130100 - Folio Investment Clearing Depos		25,008.33
205000 - Corporation Income Tax Payable:203000 - Accrued Income Tax		-44,530.44
205000 - Corporation Income Tax Payable:206000 - NYS Franchise Tax Payable		14,396.23
230000 - Accounts Payable		-28,000.00
225000 - Due to Customers		-29,179.02
2100 - Payroll Liabilities		-601.49
200000 - FICA & FIT W/H Payable		634.95
233500 - Employee 401 K Contribution		-8,285.68
233800 - DEP Care		-465.48
233700 - Flexible Medical Spending Savin		-174.94
11000 - Bank Transfer		-90,316.50
234000 - Due to Key Bank Commercial Loan		-5.34
Net cash provided by Operating Activities		<u>69,830.38</u>
<b>INVESTING ACTIVITIES</b>		
152000 - Accum Deprec - Furniture & fixtr		2,699.22
1550 - Leasehold Improvements		550.21
1555 - Accumu Depre - Leasehold Improv		4,931.55
182000 - Accumu Deprec - Equipment		5,886.43
Investment in affiliated		20,157.32
Investment in affiliated:130500 - Invest in Eagle & Advisory-Folio		-1,437.62
Investment in affiliated:190008 - Investment - Adirandack Trading		-17,470.60
Other Assets:184000 - Payroll Exchange		18,780.71
Other Assets:192000 - Prepaid Expense - FINRA		7,572.14
Net cash provided by Investing Activities		<u>41,669.36</u>
<b>FINANCING ACTIVITIES</b>		
334000 - Paid in Capital		16,000.00
Net cash provided by Financing Activities		<u>16,000.00</u>
Net cash increase for period		127,499.74
Cash at beginning of period		-35,509.44
Cash at end of period		<u>91,990.30</u>

**RIDGEWAY & CONGER, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2014**

**NOTE 1- SIGNIFICANT ACCOUNTING POLICIES**

**Organization and Nature of Business**

The Company was incorporated in New York on February 1, 2001. It serves as a broker/dealer in securities registered with the Securities and Exchange Commission (SEC) and is a member of the Financial Industry Regulatory Authority (FINRA).

**Fixed Assets**

Furniture, equipment and leasehold improvements are recorded at cost. Repairs and maintenance charges are expensed as incurred. Depreciation is computed using accelerated methods for financial reporting and income tax purposes over their estimated useful lives ranging from 5 to 39 years. Depreciation expense for 2014 is \$ 13,516..

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities as of 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.

**Securities Transactions**

Marketable securities are valued at market value, and securities not readily marketable are valued at fair value as determined by management. These securities include investment securities (a) for which there is not a market on a securities exchange or no independent publicly quoted market, (b) that cannot be publicly offered or sold unless registration has been effected under the Securities Act of 1933, or (c) that cannot be offered or sold because of other arrangements, restrictions, or conditions applicable to the securities or to the Company.

**Allowance for Bad Debts**

The Company considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required.

**Compensated Absences**

Employees of the Company are entitled to paid vacation, sick and personal days depending on job classification, length of service, and other factors. Future compensation is prorated based upon employment for the upcoming year. It is impractical to estimate the amount of compensation for future absences, and accordingly, no liability has been recorded in the accompanying financial statements. The Company's policy is to recognize the costs of compensated absences when actually paid to employees.

## **RIDGEWAY & CONGER, INC.**

### **NOTES TO FINANCIAL STATEMENTS (Continued)**

**MARCH 31, 2014**

#### **Clearing Agreements**

All company customer transactions are cleared on a fully disclosed basis through independent broker/dealers. The clients pay these broker/dealers various charges and fees for the clearing services provided. All customer related balances are carried on the books of the clearing agents.

#### **Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Company considers all money markets and highly liquid debt instruments with a maturity of three months or less to be cash equivalents.

#### **NOTE 2- NET CAPITAL**

As a broker dealer, the Company is subject to the Securities and Exchange Commission's regulations and operating guidelines, which require the Company to maintain a specified amount of net capital as defined, and a ratio of aggregate indebtedness to net capital as derived, not exceeding 15 to 1. The Company's net capital as computed under 15c3-1, was \$343,034 at March 31, 2014, which exceeded required net capital of \$100,000 by \$234,034. The ratio of aggregate indebtedness to net capital at March 31, 2014 was 15.72%.

#### **NOTE 3- TAXES ON INCOME**

Ridgeway & Conger, Inc. is classified as an S Corporation and elects to pass corporate income, losses, deductions, and credits through to their shareholders for federal tax purposes.

#### **NOTE 4- CONCENTRATION OF CREDIT RISK**

The Company is engaged in various trading and brokerage activities with counterparties. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the credit worthiness of the counterparty or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counterparty with which it conducts business.

The Company's customer securities activities are transacted on either a cash or margin basis. In margin transactions, COR Clearing LLC (COR), the clearing broker/dealer, extends credit to the customer subject to various regulatory and internal margin requirements, collateralized by cash and securities in the customer's account. The Company is responsible for the failure of a customer to comply with the terms of its margin agreement with COR. The Company is also responsible for monitoring required margin levels and collecting additional margin deposits when necessary to comply with regulatory and COR's internal margin requirements.

**RIDGEWAY & CONGER, INC.**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**MARCH 31, 2014**

**NOTE 5- RELATED PARTY TRANSACTIONS**

The Company leases office facilities from its owner on a month-to-month basis at \$1,308 per month. Rent expense was \$15,700 for the year ended March 31, 2014.

**NOTE 6- CASH DEPOSITED WITH CLEARING ORGANIZATION**

The Company is required by COR to maintain an escrow account in the amount of \$25,000. If the agreement between the Company and COR is terminated for any reason, COR may deduct from the escrow account any amounts the Company owes COR due to failure to meet any of its obligations under the agreement.

**NOTE 7 - BANK LOANS PAYABLE**

The Company has line of credit open with its bank. The balance as of March 31, 2014 was \$24,995 with an interest rate of 6.75%.

The Company has a cash reserve account to cover any overdrafts in its checking account. There was no balance due as of March 31, 2014.

**NOTE 8- SUBSEQUENT EVENTS**

The Company received notice in May, 2013 that a lawsuit has been filed against the firm for negligent supervision. The management feels the claim has no merit and intends to vigorously defend itself if the case is not dismissed. In a separate matter the Company will defend itself in Arbitration scheduled for September 2014. The allegations are based on improper investment. The management feels the claim has no merit and intends to vigorously defend itself if the case is not dismissed.

Management had evaluated subsequent events through June 30, 2014, the date which the financial statements were available to be issued.

**RIDGEWAY & CONGER, INC.**  
**SUPPLEMENTARY SCHEDULES**  
**FOR THE YEAR ENDED MARCH 31, 2014**

**RIDGEWAY CONGER, INC.**

**SCHEDULE I**

**COMPUTATION OF AGGREGATE INDEBTEDNESS AND NET CAPITAL  
PURSUANT TO RULE 15c3-1**

**MARCH 31, 2014**

Total ownership equity from statement of financial condition	\$906,388
Total nonallowable assets from statement of financial condition	<u>(563,184)</u>
Net capital before haircuts on securities positions	343,204
Haircuts on securities	<u>(170)</u>
Net capital	<u><u>\$ 343,034</u></u>
Aggregate indebtedness:	
Total A.I. liabilities from statement of financial condition	<u><u>\$ 53,916</u></u>
Total aggregate indebtedness	<u><u>\$ 53,916</u></u>
Percentage of aggregate indebtedness to net capital	<u><u>15.7%</u></u>
Computation of basic net capital requirement:	
Minimum net capital required (6-2/3% of A.I.)	<u><u>\$ 3,594</u></u>
Minimum dollar net capital requirement of reporting broker or dealer	<u><u>\$ 100,000</u></u>
Net capital requirement	<u><u>\$ 100,000</u></u>
Excess net capital	<u><u>\$ 243,034</u></u>

There were no material differences between the audited and unaudited computation of net capital.

**SCHEDULE II**

**RIDGEWAY & CONGER, INC.**

**INFORMATION RELATING TO POSSESSION OR CONTROL  
REQUIREMENTS UNDER RULE 15c3-3**

**MARCH 31, 2014**

The Company had no items reportable as customers' fully paid securities: (1) not in the Company's possession or control as of the audit date (for which instructions to reduce to possession or control had been issued as of the audit date) but for which the required action was not taken by the Company within the time frames specified under Rule 15c3-3 or (2) for which instructions to reduce to possession or control had not been issued as of the audit date, excluding items arising from "temporary lags which result from normal business operations" as permitted under Rule 15c3-3.

**SCHEDULE III**

**RIDGEWAY & CONGER, INC.**

**SCHEDULE OF SEGREGATION REQUIREMENTS AND FUNDS  
IN SEGREGATION FOR CUSTOMERS' REGULATED  
COMMODITY FUTURES AND OPTION ACCOUNTS**

**MARCH 31, 2014**

The Company claims exemption from the segregation requirements of the Commodities Futures Act since it has no commodity customers as the term is defined in Regulation 1.3(k).

**SCHEDULE IV**

**RIDGEWAY & CONGER, INC.**

**COMPUTATION FOR DETERMINATION OF  
RESERVE REQUIREMENTS FOR BROKER/DEALER UNDER  
RULE 15c3-3 OF THE SECURITIES EXCHANGE ACT OF 1934**

**MARCH 31, 2014**

Ridgeway & Conger, Inc., is exempt from the reserve requirements of Rule 15c3-3 (k) (2) (ii) as it is an introducing broker or dealer, clears all transactions with and for customers on a fully disclosed basis with a clearing broker or dealer, and it promptly transmits all customer funds and securities to the clearing broker or dealer which carries all of the accounts of such customers and maintains and preserves such books and records pertaining thereto pursuant to the requirements of SEC Sec. 240.17a-3 and 240.17a-4 of this chapter, as are customarily made and kept by a clearing broker or dealer, accordingly, the computation for determination of reserve requirements pursuant to Rule 15c3-3 and information relating to the possession or control requirement pursuant to Rule 15c3-3 are not applicable.

# BRACE & ASSOCIATES, PLLC

*Certified Public Accountant*

PMB 335, 123 NASHUA ROAD, UNIT 17

LONDONDERRY, NH 03053

TEL. (603) 889-4243

FAX (603) 882-7371

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL UNDER SEC RULE 17A-5(g)(1)

To the Board of Directors of Ridgeway & Conger, Inc.

In planning and performing our audit of the financial statements of Ridgeway & Conger, Inc. as of and for the year ended March 31, 2014, in accordance with auditing standards generally accepted in the United States of America, we considered Ridgeway & Conger, Inc.'s internal control over financial reporting (internal control) as a basis for designing our audit 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 Ridgeway & Conger, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Ridgeway & Conger, Inc.'s internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by Ridgeway & Conger, Inc. 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 Ridgeway & Conger, Inc. 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 Ridgeway & Conger, Inc. is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's previously mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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 Ridgeway & Conger, Inc.'s practices and procedures, as described in the second paragraph of this report, were adequate at March 31, 2014, 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 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.

*Brace & Associates, PLLC*

Brace & Associates, PLLC

Londonderry, NH

June 30, 2014

**BRACE & ASSOCIATES, PLLC**

*Certified Public Accountant*

**RIDGEWAY & CONGER, INC.**  
**SUPPLEMENTAL SIPC REPORT**  
**MARCH 31, 2014**

# BRACE & ASSOCIATES, PLLC

*Certified Public Accountant*

PMB 335, 123 NASHUA ROAD, UNIT 17

LONDONDERRY, NH 03053

TEL. (603) 889-4243

FAX (603) 882-7371

## INDEPENDENT ACCOUNTANT'S AGREED-UPON PROCEDURES REPORT ON SCHEDULE OF ASSESSMENT AND PAYMENTS (FORM SIPC-7)

Board of Directors of Ridgeway & Conger, Inc.

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 March 31, 2014, which were agreed to by Ridgeway & Conger, Inc., and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., and SIPC, solely to assist you and the other specified parties in evaluating Ridgeway & Conger, Inc.'s compliance with the applicable instructions of Form SIPC-7. Ridgeway & Conger, Inc.'s management is responsible for Ridgeway & Conger, Inc.'s compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our findings are as follows:

- 1) Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records entries noting no differences;
- 2) Compared the amounts reported on the audited Form X-17A-5 for the year ended March 31, 2014, as applicable, with the amounts reported in Form SIPC-7 for the year ended March 31, 2014, noting no differences;
- 3) Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers, noting no differences;
- 4) Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting the adjustments noting no differences; and
- 5) Compared the amount of any overpayment applied to the current assessment with the Form SIPC-7 on which it was originally computed noting no differences (if applicable).

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

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

*Brace & Associates, PLLC*

Brace & Associates, PLLC

Londonderry, NH

June 30, 2014

**RIDGEWAY & CONGER, INC.**  
**DETERMINATION OF "SIPC NET OPERATING REVENUES"**  
**AND GENERAL ASSESSMENT**  
**FOR THE PERIOD ENDED MARCH 31, 2014**

**SCHEDULE OF ASSESSMENT PAYMENTS**

<b>General Assessment</b>		<b>\$15,707</b>
<b>Less Payments Made:</b>		
<u>Date Paid</u>	<u>Amount</u>	
<u>11-08-13</u>	<u>\$ 8,298</u>	
		<u>(8,298)</u>
<b>Interest on late payment(s)</b>		<u>          </u>
<b>Total Assessment Balance and Interest Due</b>		<b><u>\$7,409</u></b>
<b>Payment made with Form SIPC 7</b>		<b><u>\$7,409</u></b>

**See Accountant's Report**

RIDGEWAY & CONGER, INC.  
DETERMINATION OF "SIPC NET OPERATING REVENUES"  
AND GENERAL ASSESSMENT  
FOR THE PERIOD ENDED MARCH 31, 2014

<b>Total revenue</b>	<b><u>\$ 8,369,845</u></b>
<b>Additions:</b>	
<b>Various (list)</b>	
<b>Total additions</b>	<b><u>\$ 0</u></b>
<b>Deductions:</b>	
<b>Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, 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</b>	<b>1,454,500</b>
<b>Revenues from commodity transactions</b>	<b>0</b>
<b>Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions</b>	<b>612,060</b>
<b>Net gain from securities in investment accounts</b>	<b>0</b>
<b>100% of commissions and markups earned from transactions in certificates of deposit, treasury bills, bankers acceptances or commercial paper that mature nine months or less from issuance date</b>	<b>0</b>
<b>Direct expenses of printing advertising and legal fees incurred in Connection with other revenue related to the securities business</b>	<b>0</b>
<b>Other</b>	<b><u>20,463</u></b>
<b>Total deductions</b>	<b><u>\$2,087,023</u></b>
<b>SIPC NET OPERATING REVENUES</b>	<b><u>\$6,281,822</u></b>
<b>GENERAL ASSESSMENT @ .0025</b>	<b><u>\$ 15,707</u></b>

See Accountant's Report