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

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

| | |
|-------------------------|-----------------|
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FEB 27 2014

Washington DC

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

REPORT FOR THE PERIOD BEGINNING 1/1/2013 AND ENDING 12/31/2013
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

SCS (USA) Inc.

| |
|-------------------|
| OFFICIAL USE ONLY |
| FIRM ID. NO. |

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

Suite 1500, 70 York Street

(No. and Street)

Toronto

(City)

Ontario, Canada

(State)

M5J 1S9

(Zip Code)

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

Conrad Beyleveldt

(Area Code -- Telephone No.)
416.687.6624

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

KPMG, LLP

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

333 Bay Street - Suite 4800

(Address)

Toronto

(City)

Ontario, Canada

(State)

M5H 2S5

(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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3/11/14

OATH OR AFFIRMATION

I, Conrad Beyleveldt, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of SCS (USA) Inc., as of

December 31, 20 13, 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:

Conrad Beyleveldt
Signature
Chief Financial Officer
Title

[Signature]
Notary Public

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

- (a) Facing page.
- (b) Statement of Financial Condition.
- (c) Statement of Operations.
- (d) Statement of Cash Flows
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's 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.
- (o) Independent auditor's report on internal accounting control.

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

Financial Statements and Supplementary Information
(Expressed in U.S. Dollars)

SCS (USA) INC.

(A Wholly Owned Subsidiary of Stonecap Securities Inc.)

For the year ended December 31, 2013



KPMG LLP
Bay Adelaide Centre
333 Bay Street Suite 4600
Toronto ON M5H 2S5
Canada

Telephone (416) 777-8500
Fax (416) 777-8818
Internet www.kpmg.ca

Report of Independent Registered Public Accounting Firm

The Board of Directors
SCS (USA), Inc.:

We have audited the accompanying financial statements of SCS (USA) Inc., which comprise the statement of financial condition as of December 31, 2013, and the related statements of operations, changes in stockholders' equity, and cash flows for the year then ended, that are filed pursuant to Rule 17a-5 under the Securities 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 U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our 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, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



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Opinion

In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of SCS (USA) Inc. as of December 31, 2013, and the results of its operations and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Other Matter

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

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

February 26, 2014
Toronto, Canada

SCS (USA) INC.

(A Wholly Owned Subsidiary of Stonecap Securities Inc.)

Statement of Financial Condition

(Expressed in U.S. Dollars)

As at December 31, 2013

Assets

| | | |
|--|-----------|----------------|
| Cash and cash equivalents | \$ | 106,649 |
| Receivable from clearing broker (note 3) | | 240,388 |
| Prepaid expenses | | 4,370 |
| Total assets | \$ | 351,407 |

Liabilities and Stockholder's Equity

Liabilities:

| | | |
|--|----|---------------|
| Due to Parent (note 5) | \$ | 316 |
| Accounts payable and accrued liabilities | | 34,364 |
| Total liabilities | | 34,680 |

Stockholder's equity:

| | | |
|-----------------------------------|--|----------------|
| Common stock (note 4) | | 10 |
| Contributed surplus | | 757,848 |
| Deficit | | (441,131) |
| Total stockholder's equity | | 316,727 |

| | | |
|---|-----------|----------------|
| Total liabilities and stockholder's equity | \$ | 351,407 |
|---|-----------|----------------|

See accompanying notes to the financial statements.

SCS (USA) INC.

(A Wholly Owned Subsidiary of Stonecap Securities Inc.)

Statement of Operations

(Expressed in U.S. Dollars)

For the year ended December 31, 2013

| | | |
|--|----|-----------|
| Revenue: | | |
| Commission revenue | \$ | 179,616 |
| <hr/> | | |
| Expenses: | | |
| Clearing and execution charges | | 62,143 |
| Registration expenses | | 7,497 |
| Indirect execution and other services (note 5) | | 146,118 |
| General and administrative | | 71,345 |
| Foreign exchange loss | | 941 |
| Total expenses | | 288,044 |
| <hr/> | | |
| Net loss before income taxes | | (108,428) |
| Income tax expense/(benefit) (note 8) | | - |
| <hr/> | | |
| Net loss | \$ | (108,428) |

See accompanying notes to the financial statements.

SCS (USA) INC.

(A Wholly Owned Subsidiary of Stonecap Securities Inc.)

Statement of Changes in Stockholder's Equity

(Expressed in U.S. Dollars)

For the year ended December 31, 2013

| | Common stock | Contributed surplus | Retained earnings | Total |
|---|-----------------|------------------------|----------------------|------------|
| Stockholder's equity January 1, 2013 | \$ 10 | \$ 757,848 | \$ (332,703) | \$ 425,155 |
| Net loss | - | - | (108,428) | (108,428) |
| Stockholder's equity December 31, 2013 | \$ 10 | \$ 757,848 | \$ (441,131) | \$ 316,727 |

See accompanying notes to financial statements.

SCS (USA) INC.

(A Wholly Owned Subsidiary of Stonecap Securities Inc.)

Statement of Cash Flows

(Expressed in U.S. Dollars)

Year ended December 31, 2013

| | |
|--|-------------------|
| Cash flows from (used in) operating activities: | |
| Net loss | \$ (108,428) |
| Changes in operating items: | |
| Decrease in receivable from clearing broker | 34,246 |
| Decrease in prepaid expenses | 1,400 |
| Decrease in due to Parent | (1,754) |
| Increase in accounts payable and accrued liabilities | 6,924 |
| <u>Cash flows used in operating activities</u> | <u>(67,612)</u> |
| Decrease in cash and cash equivalents | (67,612) |
| Cash and cash equivalents, beginning of year | 174,261 |
| <u>Cash and cash equivalents, end of year</u> | <u>\$ 106,649</u> |

See accompanying notes to financial statements.

SCS (USA) INC.

(A Wholly Owned Subsidiary of Stonecap Securities Inc.)

Notes to Financial Statements

(Expressed in US Dollars)

For the year ended December 31, 2013

SCS (USA) Inc. ("SCS") was incorporated on April 28, 2010 under the General Corporation Law of the State of Delaware. SCS was registered in Ontario under the Extra-Provincial Corporations Act on October 13, 2010. SCS is a wholly owned subsidiary of Stonecap Securities Inc. (the "Parent"), a Canadian owned investment dealer and member of the Investment Industry Regulatory Organization of Canada. Subsequent to December 31, 2013, the Parent was amalgamated with Edgecrest Capital Corporation (see note 9).

SCS is subject to regulation by the Financial Industry Regulatory Authority ("FINRA"). Subsequent to December 31, 2013, SCS submitted a continuing membership application to FINRA in connection with the change of control of the Parent (see note 9). These financial statements have been prepared on a going concern basis, which assumes that SCS will continue in operation for the foreseeable future and, accordingly, will be able to realize on its assets and discharge its liabilities in the normal course of operation. While there is no certainty that the continuing membership application will be granted by FINRA, management believes there is no reason why SCS will not be able to continue as a going concern. Taking into consideration the cash and cash equivalents on hand, management has determined that the Company has sufficient cash resources to fund its operations beyond the next twelve months.

Pursuant to United States Securities and Exchange Commission ("SEC") Rule 15c3-3, SCS is exempt under subparagraph (k)(2)(ii) as SCS clears transactions on a fully disclosed basis through Apex Clearing Corporation ("Apex"), a FINRA member. On January 15, 2014, Apex submitted a notification to FINRA deleting SCS as an introducing firm of Apex. Upon approval of the continuing membership application by FINRA, SCS will engage a replacement FINRA registered clearing firm to clear client transactions on a fully disclosed basis (see note 9). SCS utilizes the services of its Parent to perform certain administrative, securities trading and record-keeping activities (see note 5). SCS does not hold customer funds or safe-keep customer securities.

1. Significant accounting policies:

(a) Basis of presentation:

These financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S.GAAP").

(b) Cash and cash equivalents:

SCS considers deposits in banks and term deposits with original maturities of three months or less as cash and cash equivalents.

(c) Commission and clearing charges:

All commission and clearing charges are recorded on a trade-date basis.

SCS (USA) INC.
(A Wholly Owned Subsidiary of Stonecap Securities Inc.)
Notes to Financial Statements (continued)
(Expressed in U.S. Dollars)

For the year ended December 31, 2013

1. Significant accounting policies (continued):

(d) Foreign currency translation:

Monetary assets and liabilities denominated in foreign currency are translated into U.S. dollars at year-end exchange rates and non-monetary items are translated at rates of exchange in effect when the assets were acquired or obligations incurred. Revenue earned and expenses incurred in foreign currencies are translated at average rates of exchange in effect during the year. Realized and unrealized foreign exchange gains and losses are recorded in income in the year in which they occur.

(e) Income taxes:

SCS follows the asset and liability method of accounting for corporate income taxes. Under this method, deferred income tax assets and liabilities represent the differences between the carrying amounts of assets or liabilities and their value for tax purposes. These deferred tax assets and liabilities are measured using enacted tax rates that apply to taxable income in the years in which differences are expected to be recovered or settled. Deferred tax assets related to tax loss carry forwards are recorded when it is more likely than not that future taxable income will be available to absorb these losses. Changes in deferred income taxes related to changes in tax rates are recognized in income in the year in which the changes are enacted.

(f) 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 year. Actual results could differ from those estimates.

2. Financial instruments:

(a) Credit risk:

Credit risk is the risk that counterparties to transactions do not fulfill their obligations. SCS manages its counterparty credit risk by dealing with counterparties of high credit quality and by managing individual counterparty exposure. During the year, SCS's most significant counterparty concentrations were with financial institutions, Apex, and its Parent.

(b) Fair values of financial instruments:

The fair values of financial instruments approximate their carrying amounts due to the imminent or short-term maturity of these financial instruments.

SCS (USA) INC.

(A Wholly Owned Subsidiary of Stonecap Securities Inc.)

Notes to Financial Statements (continued)

(Expressed in U.S. Dollars)

For the year ended December 31, 2013

3. Receivable from clearing broker:

In accordance with a fully disclosed clearing agreement between SCS and Apex, SCS is responsible for any losses or bad debts incurred by Apex related to clients of SCS. Under the terms of the agreement with Apex, SCS has lodged a cash deposit of \$250,000 with Apex. This deposit is recorded as receivable from clearing broker, net of obligations to Apex, on the Statement of Financial Condition.

4. Common stock and contributed surplus:

| | 2013 |
|---|-------|
| Authorized: | |
| 100 shares with a par value of \$0.01 per share | |
| Issued and outstanding: | |
| 100 common shares | \$ 10 |

5. Related party transactions and balances:

In accordance with an Administrative Services Agreement dated December 3, 2010 between SCS and the Parent, the Parent performs certain administrative, securities trading and record-keeping activities for SCS. The Administrative Services Agreement provides that expenses incurred by the Parent in providing the services to SCS are to be charged by the Parent to SCS at a fixed rate or reimbursed as a percentage of commission income earned by SCS. The Parent may also pay expenses on behalf of SCS, and these direct expenses are reimbursed at cost by SCS. During the year, expenses charged to SCS by the Parent at a fixed rate were \$12,000; expenses charged to SCS by the Parent as a percentage of commission income earned by SCS were \$134,118; and direct expenses paid for by the Parent and recovered from SCS at cost were \$7,427. SCS has \$316 payable to its Parent at December 31, 2013. This amount is non-interest bearing.

6. Net capital requirements:

SCS is subject to the SEC's Uniform Net Capital Rule ("Rule 15c3-1"). SCS is required to maintain minimum net capital of \$250,000, and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. At December 31, 2013, SCS had net capital of \$312,287 which was \$62,287 in excess of the required net capital. The ratio of aggregate indebtedness to net capital did not exceed 15 to 1 during the year and at December 31, 2013.

SCS (USA) INC.

(A Wholly Owned Subsidiary of Stonecap Securities Inc.)

Notes to Financial Statements (continued)

(Expressed in U.S. Dollars)

For the year ended December 31, 2013

7. Commitments and guarantees:

In the normal course of operations, SCS provides indemnifications, which are often standard contractual terms, to counterparties in transactions such as service agreements and purchases of goods. Under these agreements, SCS agrees to indemnify the counterparty against loss or liability arising from the acts or omissions of SCS in relation to the agreement. The nature of the indemnifications in these agreements prevents SCS from making a reasonable estimate of the maximum potential amount that SCS could be required to pay such counterparties. In the normal course of business, SCS indemnifies its clearing broker against specified potential losses in connection with their acting as an agent of, and providing services to, SCS. The maximum potential amount of payments that SCS could be required to make under this indemnification cannot be estimated. However, SCS believes that it is unlikely it will have to make payments under these arrangements and as such has not recorded any contingent liability in the financial statements for this indemnification.

8. Income taxes:

For Canadian tax purposes, SCS files a Canadian dollar tax return in Canada. The current portion of the income tax expense (benefit) included in the statement of operations is as follows:

| | 2013 |
|--|-------------|
| Income tax expense/(benefit) using the statutory rate | \$ (37,135) |
| Adjustment related to permanent non-deductible items | 25 |
| Valuation allowance related to non-capital tax loss and deductible differences | 37,110 |
| Income tax expense/(benefit) | \$ - |

Deferred tax assets are attributable to the following:

| | 2013 |
|--|-----------|
| Deferred tax assets: | |
| Start-up expenses | \$ 35,674 |
| Tax loss carryforward (expiry December 31, 2030) | 8,565 |
| Tax loss carryforward (expiry December 31, 2031) | 54,098 |
| Tax loss carryforward (expiry December 31, 2032) | 11,348 |
| Tax loss carryforward (expiry December 31, 2033) | 39,815 |
| | 109,684 |
| Valuation allowance for deferred tax assets | (109,684) |
| Deferred tax asset | \$ - |

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which SCS can utilize these benefits.

SCS (USA) INC.

(A Wholly Owned Subsidiary of Stonecap Securities Inc.)

Notes to Financial Statements (continued)

(Expressed in U.S. Dollars)

For the year ended December 31, 2013

9. Subsequent events:

SCS has evaluated the effects of subsequent events that have occurred subsequent to the year ended, December 31, 2013 and through to February 26, 2014, which is the date the financial statements were approved for issuance by the Board of Directors.

On January 29, 2014 the Parent announced it was being acquired by Edgecrest Capital Holdings Inc. The acquisition closed on February 12, 2014, at which time the Parent was amalgamated with Edgecrest Capital Corporation, a Canadian owned investment dealer and member of the Investment Industry Regulatory Organization of Canada, and a wholly owned subsidiary of Edgecrest Capital Holdings Inc.

SCS submitted a continuing membership application to FINRA in connection with this change of control. As at the date the financial statements were approved for issuance by the Board of Directors, FINRA's minimum 30 day period for review had not been completed and thus the activities of SCS have been temporarily placed on hold until such time the continuation of membership has been approved by FINRA.

On January 15, 2014, Apex submitted a notification to FINRA deleting SCS as an introducing firm of Apex. Upon approval of the continuing membership application by FINRA, SCS will engage a replacement FINRA registered clearing firm to clear client transactions on a fully disclosed basis.

SCS (USA) INC.

(A Wholly Owned Subsidiary of Stonecap Securities Inc.)

Supplementary information required by Rule 17A-5
(Expressed in U.S. Dollars)

For the year ended December 31, 2013

Schedule 1 - Computation of Net Capital Pursuant to Rule 15c3-1 of the Securities Exchange Commission

| | | |
|--|----|-----------|
| Total ownership equity from statement of financial condition | \$ | 316,727 |
| Less non-allowable assets | | (4,370) |
| Less other | | (70) |
| Net capital | \$ | 312,287 |
| Minimum capital requirement | \$ | (250,000) |
| Excess net capital | \$ | 62,287 |

There is no material difference between excess net capital above and excess net capital of \$62,295 as reported by SCS on the December 31, 2013 FOCUS Report Part IIA.

Schedule 2 - Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3 of the Securities Exchange Commission

Pursuant to SEC Rule 15c3-3 (k)(2)(ii), SCS is exempt from the rule as it clears transactions on a fully disclosed basis through a U.S. registered clearing broker.



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Report of Independent Registered Public Accounting Firm on Internal Control Pursuant to Securities and Exchange Commission Rule 17a-5

The Board of Directors
SCS (USA) Inc.:

In planning and performing our audit of the financial statements of SCS (USA) Inc. (the Company), as of and for the year ended December 31, 2013, in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

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

1. Making the quarterly securities examinations, counts, verifications, and comparisons, and the recordation of differences required by Rule 17a-13, and
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 U.S. generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

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

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

A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Company's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities for safeguarding securities that we consider to be material weaknesses, as defined previously.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures, as described in the second paragraph of this report, were adequate at December 31, 2013, to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, and other regulatory agencies that rely on Rule 17a-5(g) under the Securities 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.



Chartered Professional Accountants, Licensed Public Accountants

February 26, 2014
Toronto, Canada