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

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

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Washington DC  
404

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

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Seapower Carpenter Capital Inc.  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
5 Park Plaza, Suite 950

OFFICIAL USE ONLY
FIRM I.D. NO.

Irvine (No. and Street) CA 92614  
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
Curt A. Christianssen (949) 579-1442  
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*  
Windes, Inc.

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

111 West Ocean Boulevard, Suite 2200 Long Beach CA 92614  
(Address) (City) (State) (Zip Code)

CHECK ONE:

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

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\*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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3/24/14

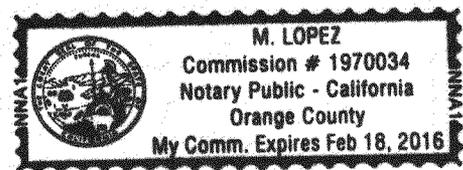
OATH OR AFFIRMATION

I, Curt A. Christianssen, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Seapower Carpenter Capital, Inc. 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:

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

\_\_\_\_\_  
Signature  
Chief Financial Officer  
\_\_\_\_\_  
Title

\_\_\_\_\_  
*M. Lopez*  
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).

# WINDES

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**SEAPOWER CARPENTER CAPITAL, INC.  
(A WHOLLY OWNED SUBSIDIARY OF CCFW, INC.  
DBA CARPENTER & COMPANY)**

## **FINANCIAL STATEMENTS**

December 31, 2013 and 2012

**SEAPOWER CARPENTER CAPITAL, INC.**  
**(A wholly owned subsidiary of CCFW, Inc. dba Carpenter & Company)**

**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013 AND 2012**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Seapower Carpenter Capital, Inc.:

We have audited the accompanying financial statements of Seapower Carpenter Capital, Inc. (a wholly owned subsidiary of CCFW, Inc. dba Carpenter & Company) (the company), which comprise the statements of financial condition as of December 31, 2013 and 2012, and the related statements of operations, changes in stockholder's equity, and cash flows for the years then ended that are filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our 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 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 Seapower Carpenter Capital, Inc. (a wholly owned subsidiary of CCFW, Inc. dba Carpenter & Company) as of December 31, 2013 and 2012, 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.

*Winder, Inc.*

Long Beach, California  
February 20, 2014

**SEAPOWER CARPENTER CAPITAL, INC.**  
(A wholly owned subsidiary of CCFW, Inc. dba Carpenter & Company)

**STATEMENTS OF FINANCIAL CONDITION**

**ASSETS**

	<b>December 31,</b>	
	<b>2013</b>	<b>2012</b>
<b>ASSETS</b>		
Cash	\$ 22,629	\$ 16,978
Prepaid expenses	630	632
Deposit	2,025	1,068
<b>TOTAL ASSETS</b>	<b>\$ 25,284</b>	<b>\$ 18,678</b>

**LIABILITIES AND STOCKHOLDER'S EQUITY**

<b>LIABILITIES</b>		
Accounts payable	\$ —	\$ 1,520
<b>STOCKHOLDER'S EQUITY</b>		
Common stock, no par value, 10,000 shares authorized; 5,000 shares issued and outstanding	35,000	35,000
Additional paid-in capital	300,000	230,000
Accumulated deficit	( 309,716)	( 247,842)
	25,284	17,158
<b>TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY</b>	<b>\$ 25,284</b>	<b>\$ 18,678</b>

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

**SEAPOWER CARPENTER CAPITAL, INC.**  
**(A wholly owned subsidiary of CCFW, Inc. dba Carpenter & Company)**

**STATEMENTS OF OPERATIONS**

	<b>For the Year Ended December 31,</b>	
	<u><b>2013</b></u>	<u><b>2012</b></u>
<b>REVENUE</b>		
Financial advisory services	\$       —	\$       —
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	<u>61,902</u>	<u>77,996</u>
<b>LOSS FROM OPERATIONS</b>	( <u>61,902</u> )	( <u>77,996</u> )
<b>OTHER INCOME</b>		
Interest income	<u>28</u>	<u>51</u>
<b>LOSS BEFORE BENEFIT FOR INCOME TAXES</b>	( 61,874 )	( 77,945 )
<b>BENEFIT FOR INCOME TAXES</b>	<u>—</u>	<u>—</u>
<b>NET LOSS</b>	( <u>\$ 61,874</u> )	( <u>\$ 77,945</u> )

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

**SEAPOWER CARPENTER CAPITAL, INC.**  
(A wholly owned subsidiary of CCFW, Inc. dba Carpenter & Company)

**STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

	<u>Shares Issued and Outstanding</u>	<u>Common Stock</u>	<u>Additional Paid-In Capital</u>	<u>Retained Earnings (Accumulated Deficit)</u>	<u>Total</u>
BALANCE AT JANUARY 1, 2012	5,000	\$ 35,000	\$ 155,000	(\$ 169,897)	\$ 20,103
NET LOSS	—	—	—	( 77,945)	( 77,945)
CAPITAL CONTRIBUTIONS	<u>—</u>	<u>—</u>	<u>75,000</u>	<u>—</u>	<u>75,000</u>
BALANCE AT DECEMBER 31, 2012	5,000	35,000	230,000	( 247,842)	17,158
NET LOSS	—	—	—	( 61,874)	( 61,874)
CAPITAL CONTRIBUTIONS	<u>—</u>	<u>—</u>	<u>70,000</u>	<u>—</u>	<u>70,000</u>
BALANCE AT DECEMBER 31, 2013	<u>5,000</u>	<u>\$ 35,000</u>	<u>\$ 300,000</u>	<u>(\$ 309,716)</u>	<u>\$ 25,284</u>

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

**SEAPOWER CARPENTER CAPITAL, INC.**  
**(A wholly owned subsidiary of CCFW, Inc. dba Carpenter & Company)**

**STATEMENTS OF CASH FLOWS**

	<b>For the Year Ended December 31,</b>	
	<b>2013</b>	<b>2012</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss	(\$ 61,874)	(\$ 77,945)
Adjustments to reconcile net loss to net cash used in operating activities:		
Change in operating assets and liabilities:		
Prepaid expenses	2	( 248)
Deposit	( 957)	—
Accounts payable	( 1,520)	760
Net Cash Used In Operating Activities	( 64,349)	( 77,433)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Capital contributions	70,000	75,000
Net Cash Provided By Financing Activities	70,000	75,000
<b>NET CHANGE IN CASH</b>	5,651	( 2,433)
<b>CASH AT BEGINNING OF YEAR</b>	16,978	19,411
<b>CASH AT END OF YEAR</b>	\$ 22,629	\$ 16,978
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash paid during the year for:		
Income taxes paid to the parent	None	None
Interest	None	None

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

**SEAPOWER CARPENTER CAPITAL, INC.**  
**(A wholly owned subsidiary of CCFW, Inc. dba Carpenter & Company)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013 AND 2012**

**NOTE 1 – Nature of Business and Summary of Significant Accounting Policies**

This summary of significant accounting policies of Seapower Carpenter Capital, Inc. (the company) is presented to assist in understanding the company's financial statements.

*Organization and Operations*

Seapower Carpenter Capital, Inc. is incorporated under the laws of the state of California and is a wholly owned subsidiary of CCFW, Inc. dba Carpenter & Company (the parent).

The company, a registered broker-dealer with the Securities and Exchange Commission, provides professional securities services with a focus on private best efforts placements of securities for financial services clients, mergers, and acquisitions. These services are incidental to the financial consulting activities of the parent. The company is also a member of the Financial Industry Regulatory Authority.

*Use of Estimates and Assumptions*

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.

*Financial Advisory Services*

Financial advisory services revenue includes fees earned from providing merger and acquisition and financial advisory services. Revenue from financial advisory services is recorded on the closing date of the transaction.

**SEAPOWER CARPENTER CAPITAL, INC.**  
**(A wholly owned subsidiary of CCFW, Inc. dba Carpenter & Company)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013 AND 2012**

**NOTE 1 – Nature of Business and Summary of Significant Accounting Policies**  
**(Continued)**

*Provision for Income Taxes and Deferred Income Taxes*

Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due and deferred taxes. The company files its tax return on a consolidated basis with the parent under a tax sharing arrangement, which requires the company to provide for taxes on the “separate return” basis. Deferred taxes are recognized for differences between the basis of assets and liabilities for financial statements and income tax purposes.

The company recognizes the effect of income tax positions taken or expected to be taken in a tax return only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being recognized. Additionally, previously recognized tax positions that no longer meet the more-likely-than-not threshold should be derecognized in the first financial reporting period in which that threshold is no longer met. Changes in recognition or measurement will be reflected in the period in which the change in judgment occurs.

The company’s income tax filings are subject to audit by various taxing authorities. The company’s open audit periods are three and four years for federal and California tax filings, respectively. In evaluating the company’s tax provisions and accruals, future taxable income, and the reversal of temporary differences, interpretations, and tax planning strategies are considered. The company had no material adjustments to its liabilities for unrecognized income taxes under the guidelines for uncertainty in income taxes and believes their estimates are appropriate based on current facts and circumstances.

*Subsequent Events*

The company has evaluated subsequent events from the statement of financial condition date through February 20, 2014, the date at which the financial statements were available to be issued, and determined there are no other items to disclose.

**SEAPOWER CARPENTER CAPITAL, INC.**  
**(A wholly owned subsidiary of CCFW, Inc. dba Carpenter & Company)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013 AND 2012**

**NOTE 2 – Related-Party Activities**

The parent pays the majority of the general and administrative expenses, which are allocated to the company through the due-to-parent account pursuant to a services and expenses sharing agreement between the company and its parent. The agreement provides for allocations that correspond to and are representative of the level of activity of the company throughout the year. This includes expenses related to back-office support and overhead. The company paid approximately \$31,700 and \$35,400 to the parent for general and administrative expenses for the years ended December 31, 2013 and 2012, respectively. The due-to-parent account is also credited or debited for the company's provision for income taxes.

The company provides financial consulting services for the parent's clients, which may range from zero to five engagements per year.

**NOTE 3 – Net Capital Requirements**

The company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC Rule 15c3-1), which requires both the maintenance of minimum net capital and that the ratio of aggregate indebtedness to net capital, each as defined, shall not exceed 15 to 1 (and the rule of the "applicable" exchange also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1). At December 31, 2013, the company had net capital of \$22,629, which was \$17,629 in excess of its required net capital of \$5,000. The company's ratio of aggregate indebtedness to net capital was zero.

**NOTE 4 – Benefit for Income Taxes**

For the year ended December 31, 2013, the company calculated a benefit for income taxes of \$25,464 based on the net loss of \$61,874. Management determined that there would be no realization of the tax benefit and, as such, a valuation allowance of \$25,464 was applied as of December 31, 2013.

**SEAPOWER CARPENTER CAPITAL, INC.**  
**(A wholly owned subsidiary of CCFW, Inc. dba Carpenter & Company)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013 AND 2012**

**NOTE 4 – Benefit for Income Taxes (Continued)**

For the year ended December 31, 2012, the company calculated a benefit for income taxes of \$32,078 based on the net loss of \$77,945. Management determined that there would be no realization of the tax benefit and, as such, a valuation allowance of \$32,078 was applied as of December 31, 2012.

At December 31, 2013 and 2012, the total deferred tax benefit was \$139,052 and \$113,588, respectively, with a valuation allowance applied of \$139,052 and \$113,588, respectively.

**INDEPENDENT AUDITORS' REPORT  
ON SUPPLEMENTARY INFORMATION REQUIRED BY RULE 17a-5  
UNDER THE SECURITIES EXCHANGE ACT OF 1934**

To the Board of Directors of  
Seapower Carpenter Capital, Inc.:

We have audited the financial statements of Seapower Carpenter Capital, Inc. (a wholly owned subsidiary of CCFW, Inc. dba Carpenter & Company) (the company), as of and for the year ended December 31, 2013, and have issued our report thereon dated February 20, 2014, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The supplementary information contained in Schedules I and II, required by Rule 17a-5 under the Securities Exchange Act of 1934, is presented for purposes of additional analysis and is not a required part of the financial statements. 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.

*Windes, Inc.*

Long Beach, California  
February 20, 2014

**SEAPOWER CARPENTER CAPITAL, INC.**  
**(A wholly owned subsidiary of CCFW, Inc. dba Carpenter & Company)**

**SUPPLEMENTARY INFORMATION**

**SCHEDULE I**  
**COMPUTATION OF NET CAPITAL PURSUANT TO UNIFORM NET**  
**CAPITAL RULE 15c3-1 AND RECONCILIATION WITH COMPUTATION**  
**INCLUDED IN THE COMPANY'S CORRESPONDING UNAUDITED**  
**FORM X-17A-5 PART IIA FILING**  
**DECEMBER 31, 2013**

<b>CREDITS</b>	
Stockholder's equity per company's unaudited X-17A-5 Part IIA Filing	\$ 25,284
<b>AUDIT ADJUSTMENTS</b>	( — )
<b>STOCKHOLDER'S EQUITY PER FINANCIAL STATEMENTS</b>	25,284
Nonallowable assets	( 2,655 )
<b>NET CAPITAL</b>	22,629
<b>MINIMUM NET CAPITAL REQUIREMENTS - THE GREATER OF \$5,000 OR 6-2/3% OF AGGREGATE INDEBTEDNESS</b>	<u>5,000</u>
Excess net capital	<u>\$ 17,629</u>
Excess net capital at 1000%	<u>\$ 17,629</u>
<b>AGGREGATE INDEBTEDNESS INCLUDED IN STATEMENT OF FINANCIAL CONDITION</b>	<u>\$ 0</u>
<b>RATIO: AGGREGATE INDEBTEDNESS TO NET CAPITAL</b>	<u>0</u>

Note: A reconciliation of the above computation to the company's corresponding unaudited Form X-17A-5, Part II, is not required, as no material differences exist.

The Independent Auditors' Report on Page 11  
should be read in conjunction with these statements.

**SEAPOWER CARPENTER CAPITAL, INC.**  
**(A wholly owned subsidiary of CCFW, Inc. dba Carpenter & Company)**

**SUPPLEMENTARY INFORMATION**

**SCHEDULE II**  
**DECEMBER 31, 2013**

1. Computation of Reserve Requirements Pursuant to Rule 15c3-3:

Not applicable because the company is exempt under Rule 15c3-3 section (k)(2)(i) – “Special Account for the Exclusive Benefit of Customers” maintained.

2. Information Relating to Possession or Control Requirements under Rule 15c3-3:

Not applicable because the company is exempt under Rule 15c3-3 section (k)(2)(i) – “Special Account for the Exclusive Benefit of Customers” maintained.

**INDEPENDENT AUDITORS' REPORT  
ON INTERNAL CONTROL REQUIRED BY SEC  
RULE 17a-5(g)(1) FOR A BROKER-DEALER CLAIMING AN  
EXEMPTION FROM SEC RULE 15c3-3**

To the Board of Directors of  
Seapower Carpenter Capital, Inc.:

In planning and performing our audit of the financial statements of Seapower Carpenter Capital, Inc. (a wholly owned subsidiary of CCFW, Inc. dba Carpenter & Company) (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 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 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, the Financial Industry Regulatory Authority, 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.

*Winder, Inc.*

Long Beach, California  
February 20, 2014