



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

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3/18

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

SEC FILE NUMBER  
8-52074

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 01/01/2014 AND ENDING 12/31/2014  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: MIDWESTERN SECURITIES TRADING COMPANY, LLC

OFFICIAL USE ONLY  
101080  
FIRM I.D. NO.

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

235 EVERETT STREET, P.O. BOX 2528

(No. and Street)

EAST PEORIA

IL

61611

(City)

(State)

(Zip Code)

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

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

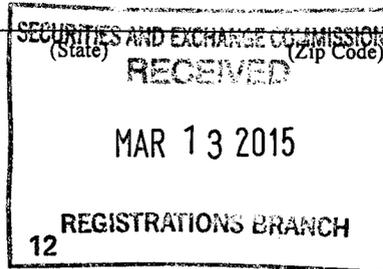
SHEDJAMA, INC - dba EDWARD OPPERMAN, CPA

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

1901 KOSSUTH STREET - LAFAYETTE, IN 47905

(Address)

(City)



**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)

KH 19  
3/18

## OATH OR AFFIRMATION

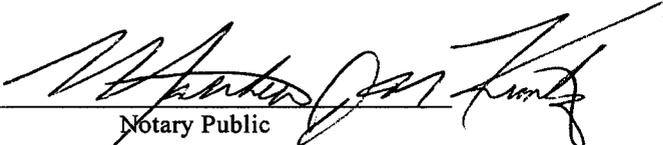
I, NATHAN WHITE, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of MIDWESTERN SECURITIES TRADING COMPANY, LLC, as of DECEMBER 31, 2014, are true and correct. I further swear (or affirm) that neither the 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

CFO

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).

**MIDWESTERN SECURITIES TRADING COMPANY, LLC**

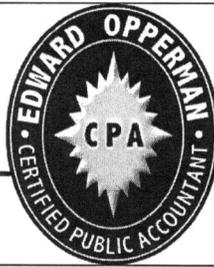
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## INDEPENDENT AUDITORS' REPORT

The Members of  
MIDWESTERN SECURITIES TRADING COMPANY, LLC  
East Peoria, Illinois

### Report on the Financial Statements

We have audited the accompanying financial statements of MIDWESTERN SECURITIES TRADING COMPANY, LLC (an Illinois limited liability company), which comprise the statement of financial condition as of DECEMBER 31, 2014, and the related statements of operations, changes in shareholders' equity, changes in liabilities subordinated to claims of general creditors, 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 and supplemental information. MIDWESTERN SECURITIES TRADING COMPANY, LLC's management is responsible for these financial statements. Our responsibility is to express an opinion on these financial statements based on our audit.

### Auditor's Responsibility

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial condition of MIDWESTERN SECURITIES TRADING COMPANY, LLC as of December 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.

The supplemental information has been subjected to audit procedures performed in conjunction with the audit of MIDWESTERN SECURITIES TRADING COMPANY, LLC's financial statements. The supplemental information is the responsibility of MIDWESTERN SECURITIES TRADING COMPANY, LLC's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with Rule 17a-5 of the Securities Exchange Act of 1934. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole

SHEDJAMA, INC.  
dba EDWARD OPPERMAN, CPA  
LAFAYETTE, INDIANA  
FEBRUARY 25, 2015

**MIDWESTERN SECURITIES TRADING COMPANY, LLC**  
**STATEMENT OF FINANCIAL CONDITION**  
**AS OF DECEMBER 31, 2014 and 2013**

	2014	2013
<b>ASSETS</b>		
Cash and cash equivalents	\$ 269,296	\$ 302,713
Marketable investments	79,328	72,982
Receivables from clearing organizations	142,901	179,455
Prepaid expenses	20,456	29,455
Property and equipment	39,392	16,283
<b>TOTAL ASSETS</b>	<b>\$ 551,373</b>	<b>\$ 600,888</b>
 <b>LIABILITIES AND MEMBERS' EQUITY</b>		
<b>LIABILITIES</b>		
Commissions payable	\$ 200,261	\$ 217,512
Accounts payable	1,075	1,713
Accrued expenses	326	270
<b>TOTAL LIABILITIES</b>	<b>201,662</b>	<b>219,495</b>
 <b>MEMEBERS' EQUITY</b>	 <b>349,711</b>	 <b>381,393</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 551,373</b>	<b>\$ 600,888</b>

**MIDWESTERN SECURITIES TRADING COMPANY, LLC**  
**STATEMENT OF INCOME AND MEMBERS' EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
<b>REVENUES</b>		
Securities commissions	\$ 74,528	\$ 63,631
Listed stocks	187,181	222,692
Other commissions and fee income	4,186,542	3,764,440
Net unrealized gain on marketable investments	3,004	4,400
Interest	<u>2,363</u>	<u>3,343</u>
<b>TOTAL REVENUE</b>	<u>4,453,618</u>	<u>4,058,506</u>
<b>EXPENSES</b>		
Personnel expense	418,820	224,511
Comissions	3,162,495	2,823,309
Clearing charges	264,175	229,449
Other expenses	<u>639,810</u>	<u>624,016</u>
<b>TOTAL EXPENSES</b>	<u>4,485,300</u>	<u>3,901,285</u>
<b>NET INCOME</b>	(31,682)	157,221
<b>BEGINNING MEMBERS' EQUITY</b>	381,393	264,172
<b>DISTRIBUTIONS</b>	<u>-</u>	<u>(40,000)</u>
<b>ENDING MEMBERS' EQUITY</b>	<u>\$ 349,711</u>	<u>\$ 381,393</u>

**MIDWESTERN SECURITIES TRADING COMPANY, LLC**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014 AND 2013**

	2014	2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Income	\$ (31,682)	\$ 157,221
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	2,790	13,906
Net unrealized gain on marketable investments	(3,004)	(4,400)
(Increase) decrease in operating assets		
Receivables from clearing organizations	36,554	(104,158)
Prepaid expenses	8,999	(5,348)
Increase (decrease) in operating liabilities		
Commissions payable	(17,251)	98,712
Accounts payable	(638)	1,713
Accrued expenses	56	(115)
Net cash provided by operating activities	(4,176)	157,531
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisitions of property and equipment	(25,899)	(20,625)
Purchase of marketable investments	8,140	(16,000)
Proceeds from sale of marketable investments	(11,482)	-
Net cash used in investing activities	(29,241)	(36,625)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Sale of members' equity	-	70,000
Redemption of members' equity	-	(70,000)
Member distributions	-	(40,000)
Net cash used in financing activities	-	(40,000)
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	(33,417)	80,906
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	302,713	221,807
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 269,296</u>	<u>\$ 302,713</u>

**NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A summary of the Company's significant accounting policies consistently applied in the preparation of the accompanying financial statements are as follows:

- a. Nature of Operations— The Company is a referring broker-dealer in securities registered with the Securities and Exchange Commission and is a member of the Financial Industry Regulatory Authority. As a referring broker-dealer, the Company executes securities transactions but does not carry securities accounts for customers or perform custodial functions related to customer accounts. The Company therefore claims an exemption from SEC Rule 15c3-3 under Section (k)(2)(i).
- b. Cash and Cash Equivalents— The Company considers money market funds and deposits with clearing organization to be cash equivalents. Cash equivalent funds not covered by depository insurance amounted to \$125,695 at December 31, 2013.
- c. Commissions— Commission revenues and expenses and related clearing charges are recorded on a trade-date basis.
- d. Marketable Investments— Marketable investments consist of mutual funds which include marketable equity securities, bonds and cash. The Company accounts for its marketable investments as "trading securities" which are measured at fair value in the statement of financial condition. When quoted market prices are not available other methods are utilized to estimate fair value as described in Note 6. Investment income (including realized and unrealized gains and losses on investments, interest and dividends) are reported as increases and decreased in the statement of income and members' equity.
- e. Receivables from Clearing Organizations— The allowance for doubtful accounts is established as losses are estimated to have occurred through a provision for bad debts charged to earnings. Losses are charged against the allowance when management believes the uncollectibility of a receivable is confirmed. Subsequent recoveries, if any, are credited to the allowance. The allowance for doubtful accounts is evaluated on a regular basis by management and is based on historical experience and specifically identified questionable receivables. The evaluation is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available. At December 31, 2014 and 2013, no allowance for future bad debts has been established as it is management's opinion that losses, if incurred, would not materially affect the financial statements.
- f. Use of Estimates—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Company's management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.
- g. Property and Equipment— Property and equipment, consisting of furniture, equipment, and leasehold improvements, are carried at cost, less accumulated depreciation of \$43,994 and \$41,204 at December 31, 2014 and 2013, respectively. Depreciation is computed by the straight-line and accelerated methods over useful lives of five to fifteen years. Depreciation expense amounted to \$2,790 and \$13,906 for the years ended December 31, 2014 and 2013, respectively.

**MIDWESTERN SECURITIES TRADING COMPANY, LLC  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR DECEMBER 31, 2014 AND 2013**

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**NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

- h. Income Taxes— The Company became an LLC on January 1, 2000, and is taxed as a partnership. The partners or "members" of the LLC will be taxed on the earnings at the individual level and as a result there is no provision for income taxes presented in the financial statements.

The Company files income tax returns in the U.S. federal and State of Illinois jurisdictions. With few exceptions, the Company is no longer subject to U.S. federal, state or local income tax examinations by tax authorities for years before 2011.

- i. Subsequent Events— The Company has evaluated subsequent events through February 25, 2014, the date the financial statements were available to be issued.

**NOTE 2: DEPOSITS WITH CLEARING ORGANIZATION**

Included in cash and cash equivalents, the Company has a deposit with a clearing organization of \$50,000 at December 31, 2014 and 2013.

**NOTE 3: RELATED PARTY TRANSACTIONS**

The Company is related to John Graham and Associates by common ownership. The Company rents office space from this related party. The lease is on a month-to-month basis. Rents in 2014 amounted to approximately \$2,800 per month. Rents in 2013 amounted to \$2,800 per month. Pursuant to the lease, the Company also pays 50 percent of all utilities, garbage, custodial, lawn care, real estate taxes, repair and maintenance costs, phone bills, and office supplies. Rent expense amounted to \$34,332 and \$33,828 for the years ended December 31, 2014 and 2013, respectively.

**NOTE 4: NET CAPITAL REQUIREMENTS**

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC 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. At December 31, 2014, the Company had adjusted net capital of \$277,964, which was \$227,964 in excess of its required net capital of \$50,000. The adjusted net capital of \$277,964 is equal to the net capital the Company reported in its Focus Report.

**NOTE 5: RETIREMENT PLAN**

The Company has a SIMPLE IRA retirement plan which covers employees that meet specific earnings requirements. The Company matches the employee's contribution up to 3% of his or her compensation for the year. The Company's contribution expense for the years ended December 31, 2014 and 2013, was \$7,876 and \$5,307, respectively.

**NOTE 6: FAIR VALUE MEASUREMENTS**

FASB ASC 820-10, Fair Value Measurements and Disclosures, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (level 3 measurements).

**MIDWESTERN SECURITIES TRADING COMPANY, LLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR DECEMBER 31, 2014 AND 2013**

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**NOTE 6: FAIR VALUE MEASUREMENTS (continued)**

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2014, from prior year.

Mutual funds: composed of bonds, debt/equity securities, and other similar instruments and valued daily based on a publicly-quoted price in an active market.

The following table sets forth by level, within the fair value hierarchy, the Company's assets at fair value as of December 31, 2014:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Marketable Investments				
Mutual Funds	<u>\$ 79,328</u>	<u>\$ 79,328</u>	<u>\$ -</u>	<u>\$ -</u>

The following table sets forth by level, within the fair value hierarchy, the Company's assets at fair value as of December 31, 2013:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Marketable Investments				
Mutual Funds	<u>\$ 72,982</u>	<u>\$ 72,982</u>	<u>\$ -</u>	<u>\$ -</u>

**NOTE 7: PRIOR YEAR FINANCIAL STATEMENTS**

The financial statements for the year ended December 31, 2013 were audited by another independent auditing firm. Their report dated February 4, 2014 stated an unqualified opinion. They are presented for here illustrative and comparative purposes.

	
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**INDEPENDENT AUDITORS' REPORT ON THE SUPPLEMENTARY INFORMATION**

The Board of Directors  
MIDWESTERN SECURITIES TRADING COMPANY, LLC  
East Peoria, Illinois

We have audited the financial statements of MIDWESTERN SECURITIES TRADING COMPANY, LLC as of and for the year ended December 31, 2014, and our report thereon dated February 25, 2015, which expressed an unmodified opinion on those financial statements, appears on page 1. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information contained as, 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 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 financial statements as a whole



SHEDJAMA, INC,  
dba EDWARD OPPERMAN, CPA  
LAFAYETTE, INDIANA  
FEBRUARY 25, 2015

**MIDWESTERN SECURITIES TRADING COMPANY, LLC**  
**COMPUTATION OF NET CAPITAL REQUIREMENTS**  
**AS OF DECEMBER 31, 2014**  
**SCHEDULE I, II, III, IV**

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**SCHEDULE I: COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1**

Total ownership equity from Statement of Financial Condition	\$ 349,711
less nonallowable assets from Statement of Financial Condition	(59,848)
Total ownership equity qualified for Net Capital	\$ 289,863
Haircuts on securities	(11,899)
Net Capital before haircuts on securities positions	<u>\$ 277,964</u>

**SCHEDULE II: COMPUTATION OF AGGREGATE INDEBTEDNESS AND EXCESS CAPITAL UNDER RULE 15c3-1**

Aggregate indebtedness	201,662
Net Capital required based on aggregate indebtedness (6-2/3%)	13,451

**COMPUTATION OF BASIC NET CAPITAL REQUIREMENT**

Minimum dollar net capital requirement of reporting broker or dealer	50,000
Excess net capital	227,964

**COMPUTATION OF AGGREGATE INDEBTEDNESS**

(a) - 10% of total aggregate indebtedness	20,166
(b) - 120% of minimum net capital requirements	60,000
Net Capital less the greater of (a) or (b)	217,964.00
Percentage of Aggregate Indebtedness to Net Capital	72.55%

**SCHEDULE III: COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENT UNDER RULE 15c3-3 AND INFORMATION RELATING TO THE POSSESSION OR CONTROL REQUIREMENTS UNDER RULE 15c3-1**

Midwestern Securities Trading Company, LLC is exempt from the computation of determination of the reserve requirements under provisions of Rule 15C3-3 sub paragraph (k) (2) (ii)

**SCHEDULE IV: MATERIAL INADEQUACIES UNDER RULE 17a-5(j)**

Material Inadequacy	None
Corrective Action Taken or Proposed	Not Applicable

**FOCUS PART IIA FILING RECONCILIATION BETWEEN AUDITED AND UNAUDITED NET CAPITAL**

At December 31, 2014, there were no material differences between audited net capital, above, and net capital as reported in the Firm's Part II (unaudited) FOCUS report. As a result, no reconciliation has been presented.

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

The Board of Directors  
MIDWESTERN SECURITIES TRADING COMPANY, LLC  
East Peoria, Illinois

In planning and performing our audit of the financial statements of MIDWESTERN SECURITIES TRADING COMPANY, LLC as of and for the year ended December 31, 2014, in accordance with auditing standards generally accepted in the United States of America, we considered MIDWESTERN SECURITIES TRADING COMPANY, LLC'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 MIDWESTERN SECURITIES TRADING COMPANY, LLC's internal control. Accordingly, we do not express an opinion on the effectiveness of MIDWESTERN SECURITIES TRADING COMPANY, LLC'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 MIDWESTERN SECURITIES TRADING COMPANY, LLC 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 provisions of Rule 15c3-3. Because MIDWESTERN SECURITIES TRADING COMPANY, LLC 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 MIDWESTERN SECURITIES TRADING COMPANY, LLC 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.

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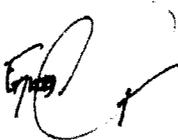
A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *significant deficiency* is a deficiency, or a 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 MIDWESTERN SECURITIES TRADING COMPANY, LLC's practices and procedures, as described in the second paragraph of this report, were adequate as of the date of this report, to meet the SEC's objectives.

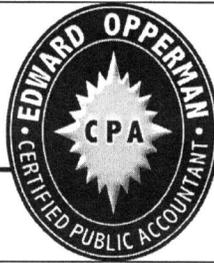
This report is intended solely for the information and use of the Board of Directors, management, the SEC, and other regulatory agencies that rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not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



SHEDJAMA, INC.  
dba EDWARD OPPERMAN, CPA  
LAFAYETTE, INDIANA  
FEBRUARY 25, 2015

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### Independent Accountants' Report on Applying Agreed-Upon Procedures Related to an Entity's SIPC Assessment Reconciliation

The Board of Directors  
MIDWESTERN SECURITIES TRADING COMPANY, LLC  
East Peoria, Illinois

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 [Transitional Assessment Reconciliation (Form SIPC-7)] to the Securities Investor Protection Corporation (SIPC) for the period from January 1, 2014 to December 31, 2014, which were agreed to by MIDWESTERN SECURITIES TRADING COMPANY, LLC and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., and SIPC, solely to assist you and the other specified parties in evaluating MIDWESTERN SECURITIES TRADING COMPANY, LLC's compliance with the applicable instructions of the Transitional Assessment Reconciliation (Form SIPC-7). MIDWESTERN SECURITIES TRADING COMPANY, LLC's management is responsible for MIDWESTERN SECURITIES TRADING COMPANY, LLC'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:

- Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records entries, noting no differences;
- Compared the Total Revenue amounts of the audited Form X-17A-5 for the year ended December 31, 2014, as applicable, with the amounts reported in Form SIPC-7 noting no material differences;
- Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers, noting the only difference was the accrual adjustment of receivables;
- Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting the adjustments noting the difference was the accrual adjustment of receivables; and
- 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.

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.

SHEDJAMA, INC  
dba EDWARD OPPERMAN, CPA  
LAFAYETTE, INDIANA  
FEBRUARY 25, 2014



Midwestern Securities Trading Company, LLC

235 Everett St. • P.O. Box 2528 • The Graham Building • East Peoria, IL 61611  
Phone 309-699-6786 • 1-800-732-8601 • Fax 309-699-7498  
E-Mail: info@midwesternsecurities.com

## EXEMPTION STATEMENT

Date: February 17, 2015

RE: SEC Rule 15c3-3

To: SEC, FINRA, and other SROs

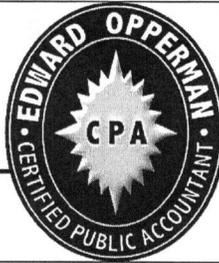
Midwestern Securities Trading Company, LLC (MSTC) [CRD# 101080 & SEC file 8-52074] is a \$50,000.00 minimum net capital firm. MSTC is a noncarrying, nonclearing firm and claims its exemption pursuant to 15c3-3(k)(2)(ii). MSTC introduces accounts on a fully disclosed basis to National Financial Services, LLC (NFS) [CRD# 13041 & SEC file 8-26740]. MSTC has met the exemption provisions throughout the fiscal year ending December 31, 2014 and will continue to do so unless it amends its membership application with FINRA.

Matthew J. Kuntz, CAMS, MBA

Chief Compliance Officer, 2<sup>nd</sup> Vice President, Financial and Operations Principal

CERTIFIED PUBLIC ACCOUNTANT & BUSINESS CONSULTANT

1901 Kossuth Street | Lafayette, IN 47905 | 765-588-4335



"NOT JUST YOUR ACCOUNTANT, YOUR PARTNERS IN SUCCESS"

e@edwardoppermancpa.com | www.edwardoppermancpa.com

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

THE BOARD OF DIRECTORS  
MIDWESTERN SECURITIES TRADING COMPANY, LLC  
EAST PEORIA, IL

We have examined MIDWESTERN SECURITIES TRADING COMPANY, LLC's statements, included in the accompanying Exemption Report, that (1) MIDWESTERN SECURITIES TRADING COMPANY, LLC's internal control over compliance was effective during the most recent fiscal year ended DECEMBER 31, 2014; (2) MIDWESTERN SECURITIES TRADING COMPANY, LLC's internal control over compliance was effective as of DECEMBER 31, 2014; (3) MIDWESTERN SECURITIES TRADING COMPANY, LLC was in compliance with 17 C.F.R. §§ 240.15c3-1 and 240.15c3-3(e) as of the date of this report; and (4) the information used to state that MIDWESTERN SECURITIES TRADING COMPANY, LLC was in compliance with 17 C.F.R. §§ 240.15c3-1 and 240.15c3-3(e) was derived from MIDWESTERN SECURITIES TRADING COMPANY, LLC's books and records. MIDWESTERN SECURITIES TRADING COMPANY, LLC's management is responsible for establishing and maintaining a system of internal control over compliance that has the objective of providing MIDWESTERN SECURITIES TRADING COMPANY, LLC with reasonable assurance that non-compliance with 17 C.F.R. § 240.15c3-1, 17 C.F.R. § 240.15c3-3, 17 C.F.R. § 240.17a-13, that requires account statements to be sent to the customers of MIDWESTERN SECURITIES TRADING COMPANY, LLC will be prevented or detected on a timely basis. Our responsibility is to express an opinion on MIDWESTERN SECURITIES TRADING COMPANY, LLC's statements based on our examination.

We conducted our examination in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the examination to obtain reasonable assurance about whether MIDWESTERN SECURITIES TRADING COMPANY, LLC's internal control over compliance was effective as of and during the most recent fiscal year ended DECEMBER 31, 2014; MIDWESTERN SECURITIES TRADING COMPANY, LLC complied with 17 C.F.R. §§ 240.15c3-1 and 240.15c3-3(e) as of DECEMBER 31, 2014; and the information used to assert compliance with 17 C.F.R. §§ 240.15c3-1 and 240.15c3-3(e) as of DECEMBER 31, 2014 was as derived from MIDWESTERN SECURITIES TRADING COMPANY, LLC's books and records. Our examination includes testing and evaluating the design and operating effectiveness of internal control over compliance, testing and evaluating MIDWESTERN SECURITIES TRADING COMPANY, LLC's compliance with 17 C.F.R. §§ 240.15c3-1 and 240.15c3-3(e), determining whether the information used to assert compliance with 240.15c3-1 and 240.15c3-3(e) was derived from MIDWESTERN SECURITIES TRADING COMPANY, LLC's books and records, and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, MIDWESTERN SECURITIES TRADING COMPANY, LLC's statements referred to above are fairly stated, in all material respects.

Sincerely,

**SHEDJAMA, INC.**  
**dba EDWARD OPPERMAN, CPA**  
**1901 KOSSUTH STREET**  
**LAFAYETTE, IN**  
**FEBRUARY 25, 2015**

**SIPC-7**

(33-REV 7/10)

SECURITIES INVESTOR PROTECTION CORPORATION  
P.O. Box 92185 Washington, D.C. 20090-2185  
202-371-8300

**General Assessment Reconciliation**

MAR 13 2015

**SIPC-7**

(33-REV 7/10)

For the fiscal year ended 12/31/2014

(Read carefully the instructions in your Working Copy before completing this Form)

**TO BE FILED BY ALL SIPC MEMBERS WITH FISCAL YEAR ENDINGS**

1. Name of Member, address, Designated Examining Authority, 1934 Act registration no. and month in which fiscal year ends for purposes of the audit requirement of SEC Rule 17a-5:

Midwestern Securities Trading Company, LLC  
235 Everett Street  
PO Box 2528  
East Peoria, IL 61611

Note: If any of the information shown on the mailing label requires correction, please e-mail any corrections to form@sipc.org and so indicate on the form filed.

Name and telephone number of person to contact respecting this form.

Nathan White (309) 699-6786

WORKING COPY

2. A. General Assessment (item 2e from page 2)		\$ <u>60.56</u>
B. Less payment made with SIPC-6 filed (exclude interest)		( <u>181.00</u> )
	<u>07/31/2014</u>	
	Date Paid	
C. Less prior overpayment applied		( _____ )
D. Assessment balance due or (overpayment)		<u>60.56</u>
E. Interest computed on late payment (see instruction E) for _____ days at 20% per annum		_____
F. Total assessment balance and interest due (or overpayment carried forward)		\$ <u>120.44</u>
G. PAID WITH THIS FORM:		
Check enclosed, payable to SIPC		
Total (must be same as F above)	\$ <u>0</u>	
H. Overpayment carried forward	\$ ( <u>120.44</u> )	

3. Subsidiaries (S) and predecessors (P) included in this form (give name and 1934 Act registration number):

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

The SIPC member submitting this form and the person by whom it is executed represent thereby that all information contained herein is true, correct and complete.

Midwestern Securities Trading Company, LLC

(Name of Corporation, Partnership or other organization)

*Nathan White*  
(Authorized Signature)

Dated the 26 day of February, 20 15.

Chief Financial Officer

(Title)

Nathan White

This form and the assessment payment is due 60 days after the end of the fiscal year. Retain the Working Copy of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.

**SIPC REVIEWER**

Dates: Postmarked Received Reviewed

Calculations \_\_\_\_\_ Documentation \_\_\_\_\_ Forward Copy \_\_\_\_\_

Exceptions:

Disposition of exceptions:

**DETERMINATION OF "SIPC NET OPERATING REVENUES"  
AND GENERAL ASSESSMENT**

Amounts for the fiscal period  
beginning 01/01/2014  
and ending 12/31/2014

Item No.	Eliminate cents
2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)	<u>\$ 4,453,618</u>
2b. Additions:	
(1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above.	_____
(2) Net loss from principal transactions in securities in trading accounts.	_____
(3) Net loss from principal transactions in commodities in trading accounts.	_____
(4) Interest and dividend expense deducted in determining item 2a.	_____
(5) Net loss from management of or participation in the underwriting or distribution of securities.	_____
(6) Expenses other than advertising, printing, registration fees and legal fees deducted in determining net profit from management of or participation in underwriting or distribution of securities.	_____
(7) Net loss from securities in investment accounts.	_____
Total additions	<u>4,453,618</u>
2c. Deductions:	
(1) Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, from 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.	<u>4,213,968</u>
(2) Revenues from commodity transactions.	_____
(3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.	<u>264,174</u>
(4) Reimbursements for postage in connection with proxy solicitation.	_____
(5) Net gain from securities in investment accounts.	_____
(6) 100% of commissions and markups earned from transactions in (i) certificates of deposit and (ii) Treasury bills, bankers acceptances or commercial paper that mature nine months or less from issuance date.	_____
(7) Direct expenses of printing advertising and legal fees incurred in connection with other revenue related to the securities business (revenue defined by Section 16(9)(L) of the Act).	_____
(8) Other revenue not related either directly or indirectly to the securities business. (See Instruction C):	_____
<hr/>	
(Deductions in excess of \$100,000 require documentation)	
(9) (i) Total interest and dividend expense (FOCUS Line 22/PART IIA Line 13, Code 4075 plus line 2b(4) above) but not in excess of total interest and dividend income.	\$ _____
(ii) 40% of margin interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960).	\$ _____
Enter the greater of line (i) or (ii)	
Total deductions	<u>4,477,842</u>
2d. SIPC Net Operating Revenues	<u>\$ 24,224</u>
2e. General Assessment @ .0025	<u>\$ 60.56</u>

(to page 1, line 2.A.)

## SIPC-7 Instructions

This form is to be filed by all members of the Securities Investor Protection Corporation whose fiscal years end in 2011 and annually thereafter. The form together with the payment is due no later than 60 days after the end of the fiscal year, or after membership termination. Amounts reported herein must be readily reconcilable with the member's records and the Securities and Exchange Commission Rule 17a-5 report filed. Questions pertaining to this form should be directed to SIPC via e-mail at form@sipc.org or by telephoning 202-371-8300.

A. For the purposes of this form, the term "SIPC Net Operating Revenues" shall mean gross revenues from the securities business as defined in or pursuant to the applicable sections of the Securities Investor Protection Act of 1970 ("Act") and Article 6 of SIPC's bylaws (see page 4), less item 2c(9) on page 2.

B. Gross revenues of subsidiaries, except foreign subsidiaries, are required to be included in SIPC Net Operating Revenues on a consolidated basis except for a subsidiary filing separately as explained hereinafter.

If a subsidiary was required to file a Rule 17a-5 annual audited statement of income separately and is also a SIPC member, then such subsidiary must itself file SIPC-7, pay the assessment, and should not be consolidated in your SIPC-7.

SIPC Net Operating Revenues of a predecessor member which are not included in item 2a, were not reported separately and the SIPC assessments were not paid thereon by such predecessor, shall be included in item 2b(1).

C. Your General Assessment should be computed as follows:

(1) Line 2a For the applicable period enter total revenue based upon amounts reported in your Rule 17a-5 Annual Audited Statement of Income prepared in conformity with generally accepted accounting principles applicable to securities brokers and dealers, or if exempted from that rule, use X-17A-5 (FOCUS Report) Line 12, Code 4030.

(2) Adjustments The purpose of the adjustments on page 2 is to determine SIPC Net Operating Revenues.

(a) Additions Lines 2b(1) through 2b(7) assure that assessable income and gain items of SIPC Net Operating Revenues are totaled, unreduced by any losses (e.g., if a net loss was incurred for the period from all transactions in trading account securities, that net loss does not reduce other assessable revenues). Thus, line 2b(4) would include all short dividend and interest payments including those incurred in reverse conversion accounts, rebates on stock loan positions and repo interest which have been netted in determining line 2(a).

(b) Deductions Line 2c(1) through line 2c(9) are either provided for in the statute, as in deduction 2c(1), or are allowed to arrive at an assessment base consisting of net operating revenues from the securities business. For example, line 2c(9) allows for a deduction of either the total of interest and dividend expense (not to exceed interest and dividend income), as reported on FOCUS line 22/PART IIA line 13 (Code 4075), plus line 2b(4) or 40% of interest earned on customers' securities accounts (40% of FOCUS Line 5 Code 3960). Be certain to complete both line (i) and (ii), entering the greater of the two in the far right column. Dividends paid to shareholders are not considered "Expense" and thus are not to be included in the deduction. Likewise, interest and dividends paid to partners pursuant to the partnership agreements would also not be deducted.

*If the amount reported on line 2c (8) aggregates to \$100,000 or greater, supporting documentation must accompany the form that identifies these deductions. Examples of support information include; contractual agreements, prospectuses,*

*and limited partnership documentation.*

- (i) Determine your SIPC Net Operating Revenues, item 2d, by adding to item 2a, the total of item 2b, and deducting the total of item 2c.
- (ii) Multiply SIPC Net Operating Revenues by the applicable rate. Enter the resulting amount in item 2e and on line 2A of page 1.
- (iii) Enter on line 2B the assessment due as reflected on the SIPC-6 previously filed.
- (iv) Subtract line 2B and 2C from line 2A and enter the difference on line 2D. This is the balance due for the period.
- (v) Enter interest computed on late payment (if applicable) on line 2E.
- (vi) Enter the total due on line 2F and the payment of the amount due on line 2G.
- (vii) Enter overpayment carried forward (if any) on line 2H.

D. Any SIPC member which is also a bank (as defined in the Securities Exchange Act of 1934) may exclude from SIPC Net Operating Revenues dividends and interest received on securities in its investment accounts to the extent that it can demonstrate to SIPC's satisfaction that such securities are held, and such dividends and interest are received, solely in connection with its operations as a bank and not in connection with its operations as a broker, dealer or member of a national securities exchange. Any member who excludes from SIPC Net Operating Revenues any dividends or interest pursuant to the preceding sentence shall file with this form a supplementary statement setting forth the amount so excluded and proof of its entitlement to such exclusion.

E. Interest on Assessments. If all or any part of assessment payable under Section 4 of the Act has not been postmarked within 15 days after the due date thereof, the member shall pay, in addition to the amount of the assessment, interest at the rate of 20% per annum on the unpaid portion of the assessment for each day it has been overdue.

F. Securities and Exchange Commission Rule 17a-5(e) (4) requires those who are not exempted from the audit requirement of the rule and whose gross revenues are in excess of \$500,000 to file a supplemental independent public accountants report covering this SIPC-7 no later than 60 days after their fiscal year ends.

**Mail this completed form to SIPC together with a check for the amount due, made payable to SIPC, using the enclosed return PO BOX envelope or wire the payment to:**

**Bank Name: Citibank, New York**

**Swift: CITIUS33**

**ABA#: 021000089**

**Account Number: 30801482**

**Address: 111 Wall Street, New York, New York 10043 USA**

**On the wire identify the name of the firm and its SEC Registration 8-# and label it as "for assessment."**

**Please fax a copy of the assessment form to (202)-371-6728 or e-mail a copy to form@sipc.org on the same day as the wire.**

### **From Section 16(9) of the Act:**

The term "gross revenues from the securities business" means the sum of (but without duplication)—

- (A) commissions earned in connection with transactions in securities effected for customers as agent (net of commissions paid to other brokers and dealers in connection with such transactions) and markups with respect to purchases or sales of securities as principal;
- (B) charges for executing or clearing transactions in securities for other brokers and dealers;
- (C) the net realized gain, if any, from principal transactions in securities in trading accounts;
- (D) the net profit, if any, from the management of or participation in the underwriting or distribution of securities;
- (E) interest earned on customers' securities accounts;
- (F) fees for investment advisory services (except when rendered to one or more registered investment companies or insurance company separate accounts) or account supervision with respect to securities;
- (G) fees for the solicitation of proxies with respect to, or tenders or exchanges of, securities;
- (H) income from service charges or other surcharges with respect to securities;
- (I) except as otherwise provided by rule of the Commission, dividends and interest received on securities in investment accounts of the broker or dealer;
- (J) fees in connection with put, call, and other options transactions in securities;
- (K) commissions earned for transactions in (i) certificates of deposit, and (ii) Treasury bills, bankers acceptances, or commercial paper which have a maturity at the time of issuance of not exceeding nine months, exclusive of days of grace, or any renewal thereof, the maturity of which is likewise limited, except that SIPC shall by bylaw include in the aggregate of gross revenues only an appropriate percentage of such commissions based on SIPC's loss experience with respect to such instruments over at least the preceding five years; and
- (L) fees and other income from such other categories of the securities business as SIPC shall provide by bylaw.

Such term includes revenues earned by a broker or dealer in connection with a transaction in the portfolio margining account of a customer carried as securities accounts pursuant to a portfolio margining program approved by the Commission. Such term does not include revenues received by a broker or dealer in connection with the distribution of shares of a registered open end investment company or unit investment trust or revenues derived by a broker or dealer from the sales of variable annuities, the business of insurance, or transactions in security futures products.

### **From Section 16(14) of the Act:**

The term "Security" means any note, stock, treasury stock, bond, debenture, evidence of indebtedness, any collateral trust certificate, preorganization certificate or subscription, transferable share, voting trust certificate, certificate of deposit, certificate of deposit for a security, or any security future as that term is defined in section 78c(a)(55)(A) of this title, any investment contract or certificate of interest or participation in any profit-sharing agreement or in any oil, gas or mineral royalty or lease (if such investment contract or interest is the subject of a registration statement with the Commission pursuant to the provisions of the Securities Act of 1933 [15 U.S.C. 77a et seq.]), any put, call, straddle, option, or privilege on any security, or group or index of securities (including any interest therein or based on the value thereof), or any put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency, any certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase or sell any of the foregoing, and any other instrument commonly known as a security. Except as specifically provided above, the term "security" does not include any currency, or any commodity or related contract or futures contract, or any warrant or right to subscribe to or purchase or sell any of the foregoing.

### **From SIPC Bylaw Article 6 (Assessments):**

#### **Section 1(f):**

The term "gross revenues from the securities business" includes the revenues in the definition of gross revenues from the securities business set forth in the applicable sections of the Act.

#### **Section 3:**

For purpose of this article:

- (a) The term "securities in trading accounts" shall mean securities held for sale in the ordinary course of business and not identified as having been held for investment.
- (b) The term "securities in investment accounts" shall mean securities that are clearly identified as having been acquired for investment in accordance with provisions of the Internal Revenue Code applicable to dealers in securities.
- (c) The term "fees and other income from such other categories of the securities business" shall mean all revenue related either directly or indirectly to the securities business except revenue included in Section 16(9)(A)-(L) and revenue specifically excepted in Section 4(c)(3)(C)[Item 2c(1), page 2].

Note: If the amount of assessment entered on line 2e of SIPC-7 is greater than 1/2 of 1% of "gross revenues from the securities business" as defined above, you may submit that calculation along with the SIPC-7 form to SIPC and pay the smaller amount, subject to review by your Examining Authority and by SIPC.

#### SIPC Examining Authorities:

ASE American Stock Exchange, LLC  
CBOE Chicago Board Options Exchange, Incorporated  
CHX Chicago Stock Exchange, Incorporated

FINRA Financial Industry Regulatory Authority  
NYSE, Arca, Inc.  
NASDAQ OMX PHLX  
SIPC Securities Investor Protection Corporation