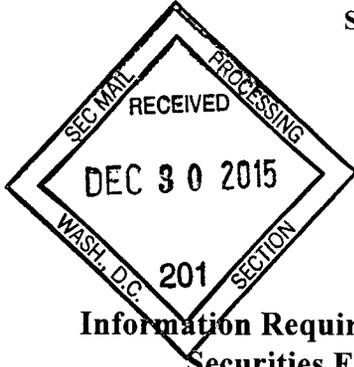




SECURIT 15028135 ION

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



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

SEC FILE NUMBER  
 8- 32099

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 10/01/2014 AND ENDING 09/30/2015 MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: LAWSON FINANCIAL CORPORATION ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.) 3352 E. CAMELBACK RD.

OFFICIAL USE ONLY  
 FIRM I.D. NO.

(No. and Street)

PHOENIX AZ 85018 (City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT LONA NANNA 602-381-8588 (Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

BREARD & ASSOCIATES, INC. (Name - if individual, state last, first, middle name)

9221 CORBIN AVE., STE 170 NORTHRIDGE CA 91324 (Address) (City) (State) (Zip Code)

CHECK ONE:

- [X] 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)

AB 115

00 1/25/2015



**Lawson Financial Corporation**  
**Report Pursuant to Rule 17a-5 (d)**  
**Financial Statements**  
**For the Year Ended September 30, 2015**





Report of Independent Registered Public Accounting Firm

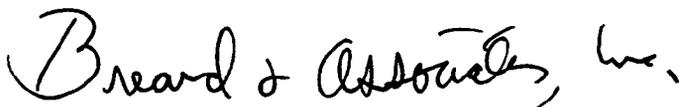
Board of Directors  
Lawson Financial Corporation

We have audited the accompanying statement of financial condition of Lawson Financial Corporation (the Company) as of September 30, 2015, and the related statements of operations, changes in stockholder's equity, and cash flows for the year then ended that you are filing pursuant to rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lawson Financial Corporation as of September 30, 2015, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained on Schedules I, II, and III is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Breard & Associates, Inc.  
Certified Public Accountants

Northridge, California  
December 28, 2015

**LAWSON FINANCIAL CORPORATION**  
**Statement of Financial Condition**  
**September 30, 2015**

**ASSETS**

Cash	\$	907,769
Cash segregated under federal and other regulation		10,635
Due from clearing organization		2,512,108
Securities owned:		
-marketable		3,011,292
Employee receivables		25,200
Furniture, equipment and leasehold improvements net of accumulated depreciation of \$358,075		294,213
Interest receivable		13,667
Good Faith Deposit		5,000
Prepaid expenses		13,314
Investments in affiliate organizations		300,000
Other assets		30,837
Total Assets	\$	7,124,035

**LIABILITIES AND STOCKHOLDER'S EQUITY**

Accounts payable		436,358
Due to clearing organization		0
Securities sold, not yet purchased, at market value		2,597,412
Commissions payable		2,001,001
Payable to related party		14,103
Total Liabilities	\$	5,048,874
Common stock, \$.01 par value, authorized 100,000 shares, issued 86,000 shares, outstanding 51,000 shares		860
Additional paid-in capital		524,140
Retained earnings		1,742,165
Less 35,000 shares of treasury stock at cost		(192,004)
Total Stockholder's Equity	\$	2,075,161
Total Liabilities and Stockholder's Equity	\$	7,124,035

The accompanying notes are an integral part of these financial statements

**LAWSON FINANCIAL CORPORATION**  
**Statement of Income**  
**For the Year Ended September 30, 2015**

REVENUES

Trading profits	\$ 3,446,647
Investment banking	3,398,437
Commissions	107,969
Interest income	307,081
	<hr/>
	\$ 7,260,133
	<hr/>

EXPENSES

Employee compensation and benefits	3,286,465
General and administrative	1,187,315
Interest	250,659
Professional fees	778,015
Occupancy and equipment costs	347,033
Regulatory fees and expenses	364,735
Advertising	225,568
Insurance	153,560
Communications and data processing	144,246
Seminars	45,557
Postage	44,291
Depreciation	12,864
Miscellaneous	254,928
	<hr/>
	\$ 7,095,237
	<hr/>

Net Income	<hr/> <hr/> <b>\$ 164,896</b>
------------	-------------------------------

The accompanying notes are an integral part of these financial statements

**LAWSON FINANCIAL CORPORATION**  
**Statement of Cash Flows**  
**For the Year Ended September 30, 2015**

Cash flows from operating activities:	
Net Income	\$ 164,896
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	12,864
Increase (decrease) in cash resulting from changes in:	
Commissions receivable	0
Securities owned, marketable	1,613,253
Employee receivable	(17,200)
Interest receivable	16,194
Prepaid expenses	(2,909)
Other assets	32,306
Receivable/Payable to clearing organization	(4,924,262)
Accounts payable, accrued expenses, and other liabilities	473,668
Securities sold, not yet purchased	2,597,412
Commissions payable	524,994
Related party payable	(152,293)
Net cash provided by operating activities	338,924
Net cash used in investing activities:	
Purchase of Fixed Assets	0
Net increase in cash and cash equivalents	
Cash and cash equivalents, beginning of year	579,480
Cash and cash equivalents, end of year	\$ 918,404
Supplemental cash flow information:	
Cash paid for interest	\$ 250,659

The accompanying notes are an integral part of these financial statements

**LAWSON FINANCIAL CORPORATION**  
**Statement of Changes in Stockholder's Equity**  
**For the Year Ended September 30, 2015**

	Common Stock	Additional Paid in Capital	Treasury Stock	Retained Earnings	Total
Balance, October 1, 2014	860	524,140	(192,004)	1,577,269	\$ 1,910,265
Net income for the year ended September 30, 2015				164,896	164,896
Balance, September 30, 2015	860	524,140	(192,004)	1,742,165	\$ 2,075,161

The accompanying notes are an integral part of these financial statements

**LAWSON FINANCIAL CORPORATION**  
**Notes to Financial Statements**  
**September 30, 2015**

**1. Summary of Significant Accounting Policies**

**a. Basis of Presentation**

Lawson Financial Corporation (the Company) is a securities broker-dealer and engages in activities as a market maker with offices in Arizona and Florida. The Company conducts security transactions fully disclosed with Pershing, LLC, which acts as its clearing broker. These statements have been prepared in accordance with established standards for securities broker-dealers. The following is a summary of significant accounting policies followed by the Company. The policies conform with accounting principles generally accepted in the United States of America and require management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses as well as disclosures of contingent assets and liabilities in the financial statements. Actual results could differ from those estimates. For the year ended September 30, 2015, there is no difference between the Company's net income and comprehensive income.

**b. Cash Equivalents**

Cash equivalents include highly liquid debt instruments and other short-term investments with an original maturity of three months or less.

Cash equivalents at September 30, 2015 consisted of:

Cash	\$ 907,769
Cash segregated under federal and other regulations	<u>10,635</u>
	<u>\$ 918,404</u>

**c. Financial instruments**

Proprietary securities transactions in regular-way trades are recorded on the trade date, as if they had settled. Profit and loss arising from all securities and commodities transactions entered into for the account and risk of the Company are recorded on a trade date basis. Customers' securities and commodities transactions are reported on a settlement date basis with related commission income and expenses reported on a trade date basis.

Amounts receivable and payable for securities transactions that have reached their contractual settlement date are recorded net on the statement of financial condition.

Financial instruments are recorded at fair value in accordance with FASB ASC 820.

**LAWSON FINANCIAL CORPORATION**  
**Notes to Financial Statements**  
**September 30, 2015**

**1. Summary of Significant Accounting Policies, (continued)**

**d. Investment Banking**

Investment banking revenues include gains, losses, and fees, net of syndicate expenses, arising from securities offerings in which the Company acts as an underwriter or agent. Investment banking management fees are recorded on offering date, sales concessions on settlement date, and underwriting fees at the time the underwriting is completed and the income is reasonably determinable.

**e. Receivables**

The Company accounts for receivables on the cost basis. Trade receivables consist primarily of amounts due from Pershing, LLC and the Company has not encountered collection problems regarding these receivables. Other receivables are written off using the specific identification method at the time the Company determines the receivable to be uncollectible.

**f. Allowance for Doubtful Accounts**

Commissions and other receivables are stated net of an allowance for doubtful accounts. The Company estimates the allowance based on an analysis of the specific receivables, taking into consideration the age of the past due accounts and an assessment of the debtor's ability to pay. There is no allowance for doubtful accounts at September 30, 2015.

**g. Furniture, Equipment and Leasehold Improvements**

Furniture, equipment and leasehold improvements are carried at cost. Depreciation is computed using accelerated methods with estimated lives of five or seven years. Leasehold improvements are amortized over the estimated economic useful life of the improvement.

**h. Commissions**

Commissions and related clearing expenses are recorded on a trade-date basis as securities transactions occur.

**i. Income Taxes**

As of July 1, 1991, the Company elected to be treated as a Subchapter S Corporation under Section 1362 of the Internal Revenue Code. Consequently, the components of the Company's taxable results have been reported on the individual income tax return of the Company's stockholder since that date.

**LAWSON FINANCIAL CORPORATION**  
**Notes to Financial Statements**  
**September 30, 2015**

**1. Summary of Significant Accounting Policies, (continued)**

**j. Advertising**

Advertising and promotion costs are expensed as incurred.

**2. Fair value measurement**

FASB ASC 820 defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy which prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified by FASB ASC 820, are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Company has the ability to access.
- Level 2 inputs are inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly or indirectly.
- Level 3 are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. (The unobservable inputs are developed based on the best information available in the circumstances and may include the Company's own data.)

The following table presents the Company's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of September 30, 2015.

**LAWSON FINANCIAL CORPORATION**  
**Notes to Financial Statements**  
**September 30, 2015**

**2. Fair value measurement (continued)**

**Fair Value Measurements on a Recurring Basis**

**As of September 30, 2015**

<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial Instruments owned:				
Municipal Bonds	\$ -	2,671,008	-	2,671,008
Corporate Obligations	25,924	22,939	-	48,863
Other Securities	-	-	253,528	253,528
Collateralized Mortgage Obligations	-	-	-	-
Equities	<u>37,893</u>	<u>-</u>	<u>-</u>	<u>37,893</u>
Totals	<u>\$ 63,817</u>	<u>2,693,947</u>	<u>253,528</u>	<u>3,011,292</u>
 <u>Liabilities</u>				
Financial instruments sold, Not yet purchased				
Other Securities	\$ -	2,597,412	-	2,597,412
	<u>\$ -</u>	<u>413,880</u>	<u>-</u>	<u>413,880</u>

The following is a reconciliation of the beginning and ending balances for assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (level 3) during the year ended September 30, 2015.

**Level 3 Financial Assets and Liabilities**  
**Year Ended September 30, 2015**  
**Total Gains/Losses Included in Income**  
**Principal Transactions**

	<u>Beginning Balance</u>	<u>Realized Gains and (Losses) Related to Assets Held at Year End</u>	<u>Transfers In/Out</u>	<u>Purchases, Issuances, and Settlements</u>	<u>Ending Balance</u>
<b>Assets</b>					
Financial Instruments Owned	\$ -	(27,178)	-	280,706	<u>253,528</u>

**LAWSON FINANCIAL CORPORATION**  
**Notes to Financial Statements**  
**September 30, 2015**

**3. Cash Segregated Under Federal and Other Regulations**

Cash of \$10,621 has been segregated in a special reserve bank account for the benefit of customers under rule 15c3-3 of the Securities and Exchange Commission.

**4. Deposit with Clearing Organization**

The Company is required to hold a cash deposit with its clearing broker. The deposit requirements are a contractual obligation between the Company and its clearing broker and can be adjusted based on the type and value of securities held in inventory. In lieu of a clearing deposit, the Company obtained a letter of credit with BMO Harris Bank in the amount of \$100,000 which can only be used to satisfy any clearing deficits with Pershing, LLC., the Company's clearing broker. As of September 30, 2015 the Company had not drawn on the letter of credit. The letter of credit specifies an interest rate of 3% in excess of prime. The line is collateralized by substantially all of the Company's assets.

**5. Financial instruments with off-balance sheet risk**

The Company's customer securities activities are transacted on either a cash or margin basis. In margin transactions, the Company extends credit to its customers, subject to various regulatory and internal margin requirements, collateralized by cash and securities in the customers' accounts. In connection with these activities, the Company executes and clears customer transactions involving the sale of securities not yet purchased, substantially all of which are transacted on a margin basis subject to individual exchange regulations. Such transactions may expose the Company to significant off-balance-sheet risk in the event margin requirements are not sufficient to fully cover losses that customers may incur. In the event the customer fails to satisfy its obligations, the Company may be required to purchase or sell financial instruments at prevailing market prices to fulfill the customer's obligations. The Company seeks to control the risks associated with its customer activities by requiring customers to maintain margin collateral in compliance with various regulatory and internal guidelines. The Company monitors required margin levels daily and, pursuant to such guidelines, requires the customer to deposit additional collateral or to reduce positions when necessary.

The Company has sold securities that it does not currently own and will therefore be obligated to purchase such securities at a future date. The Company has recorded these obligations in the financial statements at September 30, 2015, at fair values of the related securities and will incur a loss if the fair value of these securities increases subsequent to September 30, 2015.

**6. Securities Owned**

The amortized cost and estimated market values of investment trading securities at September 30, 2015 are as follows:

**LAWSON FINANCIAL CORPORATION**  
**Notes to Financial Statements**  
**September 30, 2015**

	<u>Amortized cost</u>	<u>Gross unrealized gains</u>	<u>Gross unrealized losses</u>	<u>Estimated market value</u>
Municipal bonds	\$ 2,655,180	19,321	3,493	2,671,008
Other securities	280,706	14,076	41,254	253,528
Corporate obligations	175,994	34	127,165	48,863
Equities	10,538	27,375	20	37,893
Collateralized mortgage Obligations	-	-	-	-
	<u>\$ 3,122,418</u>	<u>60,806</u>	<u>171,932</u>	<u>3,011,292</u>

The net unrealized loss at September 30, 2015 is \$111,126 and is recognized in the current statement of income.

The amortized cost and estimated market value of investment trading securities at September 30, 2015, by contractual maturity, are shown below. Expected maturities will differ from contractual maturities because borrowers may have the right to call or pre-pay obligations with or without call or prepayment penalties.

	<u>Amortized cost</u>	<u>Estimated market value</u>
Due in one to five years	\$ 340,000	340,935
Due in five to fifteen years	613,767	618,718
Due in fifteen years to twenty years	182,547	183,314
Due in twenty years to thirty-nine years	<u>1,518,866</u>	<u>1,528,041</u>
	2,655,180	2,671,008
Other securities	280,705	253,528
Corporate obligations	175,994	48,863
Equities	10,538	37,893
Collateralized mortgage obligations	-	-
	<u>\$ 3,122,417</u>	<u>3,011,292</u>

**7. Receivable from Clearing Organization**

The Company clears certain of its proprietary and customer transactions through another broker-dealer on a fully disclosed basis. The receivable from the clearing organization in the amount of \$2,512,108 is from the purchase and sales of securities on a trade date basis at September 30, 2015.

**LAWSON FINANCIAL CORPORATION**  
**Notes to Financial Statements**  
**September 30, 2015**

**8. Net Capital Requirements**

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1.

Net capital and related net capital ratio may fluctuate on a daily basis. At September 30, 2015, the Company had net capital of \$1,107,792 which was \$857,792 in excess of its required net capital of \$250,000. The Company's aggregate indebtedness to net capital ratio was 2.21 to 1.

**9. Lease Commitments**

The Company has obligations under operating leases with initial noncancelable terms in excess of one year. Future minimum lease obligations for office space and equipment at September 30, 2015, are as listed below:

Years ending September 30:	
2015	\$331,516
2016	304,312
2017	305,697
2018	306,811
2019	280,646
2020	281,663
2021	282,704
2022	283,772
2023	284,866
2024	285,988
2025	247,676
Total	\$2,864,155

Certain leases contain escalation clauses. Rent expense for operating leases for the year ended September 30, 2015 was \$331,516.

**10. Related Party Transactions**

The Company leases a condominium from a stockholder on a month-to-month basis. The rent for the year ended September 30, 2015, was \$24,640, which is included in occupancy and equipment costs.

**LAWSON FINANCIAL CORPORATION**  
**Notes to Financial Statements**  
**September 30, 2015**

The Company leases its corporate offices from a company partially owned by the stockholder on a month-to-month basis. The rent during the year ending September 30, 2015 was \$211,500, which is included in occupancy and equipment costs.

The Company has \$80,249 in liabilities to related parties.

**11. 401(k) Plan**

The Company has a 401(k) plan, which covers substantially all full-time employees over age 21 with at least one year of service. The plan provides for employee deferrals in accordance with the annual deferral limit as set by the Internal Revenue Code. The Company does not make matching contributions.

**12. Concentrations and Credit Risks**

The Company is engaged in various trading and brokerage activities in which counter-parties primarily include broker-dealers, banks, and other financial institutions. In the event the counter-parties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counter-party or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counter-party.

In normal industry practices, brokerage firms sell securities not yet purchased for their own account. The establishment of short positions exposes firms to off-balance sheet market risk in the event prices increase, as the firms may be obligated to acquire the securities at prevailing market prices.

The Company from time to time maintains bank accounts with balances in excess of federally insured limits, which exposes the Company to risk in the event of a bank failure. For the year ended September 30, 2015, the Company had on deposit \$202,561 in excess of federally insured limits.

**13. Contingencies**

The Company is a defendant in arbitration before the Financial Industry Regulatory Authority, filed by a customer. The claims requested for alleged damages between \$1,000,000 and \$3,000,000. The Company denies all liability. The hearing is scheduled for February 2016 and legal counsel is unable to give an assessment of the outcome at this time.

**14. Subsequent Events**

The company has evaluated subsequent events through November 23, 2015, the date which the financial statements were available to be issued.

**LAWSON FINANCIAL CORPORATION**  
**Notes to Financial Statements**  
**September 30, 2015**

On November 3, 2015, the Financial Industry Regulatory Authority provided notice to the Company's legal counsel of a preliminary determination to recommend disciplinary action brought against the Company regarding potential violations of its rules. Management intends to vigorously defend any allegations filed against the firm.

## Schedule I

**LAWSON FINANCIAL CORPORATION**  
**Computation of Net Capital Under Rule 15c3-1 of the**  
**Securities and Exchange Commission**  
**As of September 30, 2015**  
**Per Original Focus Report filed on October 23, 2015**

### Net Capital

Total stockholder's equity \$ 1,885,303

### Nonallowable assets

Employee receivables 25,200  
Prepaid expenses 13,314  
Furniture, equipment and leasehold improvements 294,213  
Other assets 440,837

Total deductions 773,564

Net capital before haircuts on securities positions 1,111,739

### Haircuts

State and municipal government obligations 168,103  
Other securities 24,196  
Corporate bonds and obligations 3,799  
Equities 341  
Short Inventory 88,005  
Undue Concentration -

Total haircuts 284,444

Net capital \$ 827,295

### Aggregate indebtedness

Accounts payable, accrued expenses, and other liabilities, as adjusted \$ 2,751,462

### Computation of basic net capital requirement

Minimum net capital required  
(6 2/3% of aggregate indebtedness) \$ 183,431

Minimum dollar net capital requirement \$ 250,000

Net capital requirement (greater of above) \$ 250,000

Excess net capital \$ 577,295

Excess net capital at 1000% \$ 552,149

Ratio: Aggregate indebtedness to net capital 3.33 TO 1

Schedule I, (continued)

**LAWSON FINANCIAL CORPORATION**  
**Computation of Net Capital Under Rule 15c3-1 of the**  
**Securities and Exchange Commission**  
**As of September 30, 2015**

**Reconciliation of the computation of net capital with the computations included  
in Part IIA of Form X17A-5 as of the same date.**

There is a difference of \$299,858 between net capital computation shown here and the net capital computation shown on the Company's unaudited Form X-17A-5 report dated September 30, 2015.

Net capital per unaudited schedule		\$827,295
Adjustments	55,355	
Retained earnings	335,142	
Non-allowable assets	<u>-110,000</u>	
		<u>280,497</u>
Net capital per audited statements		<u><u>\$1,107,792</u></u>

## Schedule II

### LAWSON FINANCIAL CORPORATION

#### Computation for Determination of Reserve Requirements for Broker Dealers Under Rule 15c3-3 of the Securities and Exchange Commission As of September 30, 2015

##### Credit balances

Free credit balances and other credit balances in customers' security accounts	\$	-
Monies borrowed, collateralized by securities carried for the accounts of customers		-
Monies payable against customers' securities loaned		-
Credit balances in firm accounts which are attributable to principal sales to customers		-
Market value of stock dividends, stock splits and similar distributions receivable outstanding over thirty calendar days		-
Market value of short security count differences over thirty calendar days old		-
Market value of short securities and credits (not to be offset by longs or by debits) in all suspense accounts over thirty calendar days		-
Market value of securities which are in transfer in excess of forty calendar days and have not been confirmed to be in transfer agent or issuer during the forty days		-
Total credit items		<u>-</u>

##### Debit balances

Debit balances in customers' cash and margin accounts excluding unsecured accounts and accounts doubtful of collection and net of deductions pursuant to Rule 15c3-3		-
Securities borrowed to effectuate short sales by customers and securities borrowed to make delivery on customers' securities failed to deliver		-
Failed to deliver customers' securities not older than thirty calendar days		-
Margin required and on deposit with the Options Clearing Corporation for all option contracts written or purchased in customer accounts		-
Total debit items		<u>-</u>
Excess of total credits over total debits	\$	<u><u>-</u></u>

##### Reserve Computation

105% of total credits over total debits	\$	<u><u>-</u></u>
Amount held on deposit in reserve bank accounts	\$	<u><u>10,635</u></u>

**Note:** The Computation of Reserve Requirements under Rule 15c3-3 as of September 30, 2015 computed by Lawson Financial Corporation in its Form X-17A-5, Part II filed with the Financial Industry Regulatory Authority on October 23, 2015, agrees with that shown above.

**Schedule III**

**LAWSON FINANCIAL CORPORATION**  
**Information relating to Possession or Control Requirements**  
**Under Rule 15c3-3 of the Securities and Exchange Commission**  
**As of September 30, 2015**

1. Customers' fully paid and excess margin securities not in the respondent's possession or control as of September 30, 2015 for which instructions to reduce to possession or control had been issued as of the report date but for which the required action was not taken by respondent within the time frames specified under rule 15c3-3.

\$           -

A. Number of items

          -

2. Customers' fully paid securities and excess margin securities for which instructions to reduce to possession or control had not been issued as of September 30, 2015, excluding items arising from "temporary lags which result from normal business operations" as permitted under rule 15c3-3.

\$           -



BREARD & ASSOCIATES, INC.  
CERTIFIED PUBLIC ACCOUNTANTS

Report of Independent Registered Public Accounting Firm

We have examined Lawson Financial Corporation's statements, included in the accompanying Assertions Regarding Compliance, that (1) Lawson Financial Corporation's internal control over compliance was effective during the most recent fiscal year ending September 30, 2015; (2) Lawson Financial Corporation's internal control over compliance was effective as of September 30, 2015; (3) Lawson Financial Corporation's was in compliance with 17 C.F.R. §§ 240.15c3-1 and 240.15c3-3(e) as of September 30, 2015; and (4) the information used to state that Lawson Financial Corporation was in compliance with 17 C.F.R. §§ 240.15c3-1 and 240.15c3-3(e) was derived from Lawson Financial Corporation books and records. Lawson Financial Corporation's management is responsible for establishing and maintaining a system of internal control over compliance that has the objective of providing Lawson Financial Corporation 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, or Rule 2340 of the Financial Industry Regulatory Authority that requires account statements to be sent to the customers of Lawson Financial Corporation will be prevented or detected on a timely basis. Our responsibility is to express an opinion on Lawson Financial Corporation'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 Lawson Financial Corporation's internal control over compliance was effective as of and during the most recent fiscal year ending September 30, 2015; Lawson Financial Corporation complied with 17 C.F.R. §§ 240.15c3-1 and 240.15c3-3(e) as of September 30, 2015; and the information used to assert compliance with 17 C.F.R. §§ 240.15c3-1 and 240.15c3-3(e) as of September 30, 2015 was derived from Lawson Financial Corporation's books and records. Our examination includes testing and evaluating the design and operating effectiveness of internal control over compliance, testing and evaluating Lawson Financial Corporation'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 Lawson Financial Corporation'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, Lawson Financial Corporation's statements referred to above are fairly stated, in all material respects.

*Breard & Associates, Inc.*

Breard & Associates, Inc.  
Certified Public Accountants

Northridge, California  
December 28, 2015

9221 Corbin Avenue, Suite 170, Northridge, California 91324  
phone 818.886.0940 fax 818.886.1924 web www.baicpa.com

LOS ANGELES CHICAGO NEW YORK OAKLAND SEATTLE

WE FOCUS & CARE™



Lawson Financial Corporation  
Annual Compliance Report  
November 4, 2015

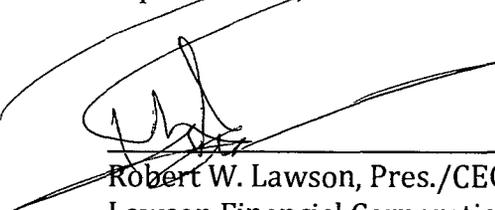
In accordance with SEC Rule 17a-5 we hereby submit the following compliance report:

Lawson Financial Corporation has established and maintained internal control over compliance that has the objective of providing us with reasonable assurance that non-compliance with rules 240.15c3-1, 240.15c3-3, and 240.17a-13, or any rule of our designated examining authority that requires account statements be sent to our customers will be prevented or detected on a timely basis.

Our internal control over compliance was effective during our most recent fiscal year, and was effective as of the end of our most recent fiscal year which ended September 30, 2015.

We were in compliance with 240.15c3-1 and 240.15c3-3 as of the end of the most recent fiscal year. The information used to state that we were in compliance with 240.15c3-1 and 240.15c3-3 was derived from our books and records.

We did not have any material weakness in our internal control over compliance during our most recent fiscal year. We also did not have any instance of non-compliance with rules 240.15c3-1 or 240.15c3-3e as of the end of our most recent fiscal year which was September 30, 2015.



Robert W. Lawson, Pres./CEO  
Lawson Financial Corporation



Board of Directors  
Lawson Financial Corporation

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 [General Assessment Reconciliation (Form SIPC-7)] to the Securities Investor Protection Corporation (SIPC) for the year ended September 30, 2015, which were agreed to by Lawson Financial Corporation and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., and SIPC, solely to assist you and the other specified parties in evaluating Lawson Financial Corporation compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). Lawson Financial Corporation's management is responsible for the Lawson Financial Corporation's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our findings are as follows:

1. Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records entries contained in the client general ledger noting no differences;
2. Compared the amounts reported on the audited Form X-17A-5 for the year ended September 30, 2015, as applicable, with the amounts reported in Form SIPC-7 for the year ended September 30, 2015, noting no differences;
3. Compared any adjustments reported in Form SIPC-7 with client prepared supporting schedules and working papers contained in our "A" work papers noting no differences;
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers prepared by Lawson Financial Corporation supporting the adjustments noting no differences; and
5. Compared the amount of any overpayment applied to the current assessment with the Form SIPC-7 on which it was originally computed noting no differences.

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.

*Breard & Associates, Inc.*

Breard & Associates, Inc.  
Certified Public Accountants

Northridge, California  
December 28, 2015

**Lawson Financial Corporation**  
**Schedule of Securities Investor Protection Corporation**  
**Assessments and Payments**  
**For the Year Ended September 30, 2015**

	<u>Amount</u>
<b>Total assessment</b>	\$ 15,719
SIPC-6 general assessment Payment made on April 27, 2015	(8,668)
Less prior overpayment applied	-
SIPC-7 general assessment Payment made on December 28, 2015	<u>(7,051)</u>
<b>Total assessment balance</b> <b>(overpayment carried forward)</b>	<u>\$ -</u>