



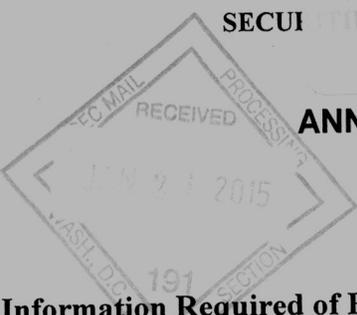
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MISSION

15045266

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

1/27/15



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

SEC FILE NUMBER
8 - 49913

**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 12/01/13 AND ENDING 11/30/14
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:
Netherland Securities, Inc.

OFFICIAL USE ONLY
FIRM ID. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
12720 Hillcrest Rd., Suite 980

(No. and Street)

Dallas Texas 75230
(City) (State) (Zip Code)

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

James Dale Netherland 972-503-0577

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Phillip V. George, PLLC

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

1842 FM 1566 W. Celeste Texas 75423
(Address) (City) (State) (Zip Code)

CHECK ONE:

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

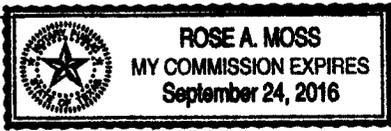
FOR OFFICIAL USE ONLY

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

OATH OR AFFIRMATION

I, J. Dale Netherland, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Netherland Securities, Inc., as of November 30, 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:

NONE



Rose A. Moss
Notary Public

J. Dale Netherland
Signature
CHAIRMAN
Title

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

- (a) Facing page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Cash Flows.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital.
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

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

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FINANCIAL STATEMENTS

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INDEPENDENT ACCOUNTANT'S AGREED-UPON PROCEDURES REPORT ON SCHEDULE OF ASSESSMENT AND PAYMENTS (FORM SIPC-7)	12 - 13
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PHILLIP V. GEORGE, PLLC
CERTIFIED PUBLIC ACCOUNTANT

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

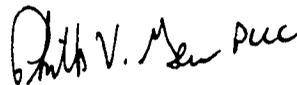
Board of Directors
Netherland Securities, Inc.

We have audited the accompanying statement of financial condition of Netherland Securities, Inc. (a Texas corporation) as of November 30, 2014, and the related statements of income, changes in stockholders' equity, and cash flows for the year then ended. These financial statements are the responsibility of Netherland Securities, Inc.'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 Netherland Securities, Inc. as of November 30, 2014, 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.

The supplemental information contained in Schedule I has been subjected to audit procedures performed in conjunction with the audit of Netherland Securities, Inc.'s financial statements. The supplemental information is the responsibility of Netherland Securities, Inc.'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 17 C.F.R. § 240.17a-5. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.



PHILLIP V. GEORGE, PLLC

Celeste, Texas
January 15, 2015

NETHERLAND SECURITIES, INC.
Statement of Financial Condition
November 30, 2014

ASSETS

Cash	\$ 41,058
Prepaid federal income taxes	4,916
Clearing deposit	<u>10,021</u>
TOTAL ASSETS	<u><u>\$ 55,995</u></u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Liabilities

Accounts payable	\$ 1,640
Accrued expenses	<u>8,989</u>
TOTAL LIABILITIES	<u>10,629</u>

Stockholders' Equity

Common stock, \$0.01 par value, 100,000 shares authorized, 34,000 shares issued and outstanding	340
Additional paid-in capital	13,623
Retained earnings	<u>31,403</u>
TOTAL STOCKHOLDERS' EQUITY	<u>45,366</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u><u>\$ 55,995</u></u>

NETHERLAND SECURITIES, INC.
Statement of Income
Year Ended November 30, 2014

Revenue

Securities commissions	\$ 589,371
Advisory fees	56,578
Other revenue	<u>10,097</u>
TOTAL REVENUE	<u>656,046</u>

Expenses

Clearing charges	15,003
Communications	14,539
Compensation and related costs	536,122
Errors	305
Occupancy and equipment costs	23,847
Other expenses	37,203
Professional fees	20,700
Regulatory fees and expenses	<u>9,091</u>
TOTAL EXPENSES	<u>656,810</u>

NET LOSS \$ (764)

NETHERLAND SECURITIES, INC.
Statement of Changes in Stockholders' Equity
Year Ended November 30, 2014

	<u>Common Shares</u>	<u>Common Stock</u>	<u>Additional Paid-in Capital</u>	<u>Retained Earnings</u>	<u>Total</u>
Balances at November 30, 2013	34,000	\$ 340	\$ 13,623	\$ 32,167	\$ 46,130
Net loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>(764)</u>	<u>(764)</u>
Balances at November 30, 2014	<u>34,000</u>	<u>\$ 340</u>	<u>\$ 13,623</u>	<u>\$ 31,403</u>	<u>\$ 45,366</u>

NETHERLAND SECURITIES, INC.
Statement of Cash Flows
Year Ended November 30, 2014

Cash flows from operating activities:	
Net loss	\$ (764)
Adjustments to reconcile net loss to net cash used in operating activities	
Changes in assets and liabilities	
Increase in prepaid federal income taxes	(1,316)
Increase in accounts payable	304
Decrease in accrued expenses	<u>(243)</u>
Net cash used in operating activities	(2,019)
Net decrease in cash	(2,019)
Cash at the beginning of the year	<u>43,077</u>
Cash at end of year	<u><u>\$ 41,058</u></u>

Supplemental Disclosures of Cash Flow Information:

Cash paid during the year for	
Income taxes - federal	<u>\$ 1,316</u>
Income taxes - state	<u>\$ -</u>
Interest	<u><u>\$ -</u></u>

NETHERLAND SECURITIES, INC.
Notes to Financial Statements
November 30, 2014

Note 1 - Nature of Business and Summary of Significant Accounting Policies

Nature of Business:

Netherland Securities, Inc. (the Company) was organized in October 1996 as a Texas corporation. The Company is registered as a broker/dealer with the Securities and Exchange Commission (SEC) and is a member of the Financial Industry Regulatory Authority (FINRA) and Securities Investor Protection Corporation (SIPC). The Company is also a registered investment advisor with the State of Texas. The Company's customers are primarily individuals located throughout the state of Texas.

The Company operates pursuant to section (k)(2)(ii) exemptive provisions of Rule 15c3-3 of the Securities Exchange Act of 1934, and accordingly, is exempt from the remaining provisions of that Rule. The Company does not hold customer funds or securities, but as an introducing broker or dealer, will clear all transactions on behalf of customers on a fully disclosed basis through a clearing broker/dealer. The clearing broker/dealer carries all of the accounts of the customers and maintains and preserves all related books and records as are customarily kept by a clearing broker/dealer. Under these exemptive provisions, the Computation for Determination of Reserve Requirements and Information Relating to the Possession and Control Requirements are not required.

Significant Accounting Policies:

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of the assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value of Financial Instruments

The Company's financial asset and liability amounts reported in the statement of financial condition are short-term in nature and approximate fair value.

NETHERLAND SECURITIES, INC.
Notes to Financial Statements
November 30, 2014

Note 1 - Nature of Business and Summary of Significant Accounting Policies (continued)

Security Transactions

Security transactions and the related commission revenue and expenses are recorded on a trade date basis.

Investment Advisory Fees

Investment advisory fees are earned based on contractual percentages of client assets under management. The fees are billed quarterly in arrears.

Income Taxes

As of November 30, 2014, open Federal tax years include the tax years ended November 30, 2011 through November 30, 2013.

The Company is also subject to state income taxes.

Note 2 - Transactions with Clearing Broker/Dealer

The agreement with the clearing broker/dealer provides for clearing charges at a fixed rate multiplied by the number of tickets traded by the Company. The agreement also requires the Company to maintain a minimum of \$10,000 as a deposit in an account with the clearing broker/dealer.

Note 3 - Net Capital Requirements

The Company is subject to the SEC 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. Rule 15c3-1 also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1. At November 30, 2014, the Company had net capital of \$40,450, which was \$35,450 in excess of its net capital requirement of \$5,000. The Company's net capital ratio was 0.26 to 1.

Note 4 - Related Party-Transactions/Economic Dependency/Concentration of Services

The two shareholders of the company, who are also registered securities representatives and officers of the Company, generated substantially all of the Company's revenue, or about 2/3 and 1/3 respectively and accounted for substantially all of the Company's commission expense for the year ended November 30, 2014. The Company is economically dependent upon the shareholders due to the concentration of services provided by them.

NETHERLAND SECURITIES, INC.
Notes to Financial Statements
November 30, 2014

Note 5 - Commitments and Contingencies

Office Lease

The Company leases office space under a noncancelable operating lease through April 2016. Future minimum lease payments due for each of the years ending November 30 are as follows:

2015	\$25,908
2016	\$10,378
Thereafter	<u>\$35,286</u>

The terms of the lease require the Company to provide liability insurance and cover certain general operating expenses with provision for escalation. Office rent expense for the year was \$23,847 and is reflected in the accompanying statement of income as occupancy and equipment costs.

Contingencies

There are currently no asserted claims or legal proceedings against the Company, however, the nature of the Company's business subjects it to various claims, regulatory examinations, and other proceedings in the ordinary course of business. The ultimate outcome of any such action against the Company could have an adverse impact on the financial condition, results of operations, or cash flows of the Company.

Note 6 - Off-Balance-Sheet Risk and Concentration of Credit Risk

As discussed in Note 1, the Company's customers' securities transactions are introduced on a fully disclosed basis with its clearing broker/dealer. The clearing broker/dealer carries all of the accounts of the customers of the Company and is responsible for execution, collection and payment of funds, and receipt and delivery of securities relative to customer transactions. Off-balance-sheet risk exists with respect to these transactions due to the possibility that customers may be unable to fulfill their contractual commitments wherein the clearing broker/dealer may charge any losses it incurs to the Company. The Company seeks to minimize this risk through procedures designed to monitor the credit worthiness of its customers and that customer transactions are executed properly by the clearing broker/dealer.

Note 7 - Subsequent Events

Management has evaluated the Company's events and transactions that occurred subsequent to November 30, 2014, through January 15, 2015, the date which the financial statements were available to be issued.

Schedule I

NETHERLAND SECURITIES, INC.
Supplemental Information
Pursuant to Rule 17a-5
November 30, 2014

Total stockholders' equity qualified for net capital	\$ 45,366
Total deductions and/or charges	
Non-allowable assets	
Prepaid federal income taxes	4,916
	<u>4,916</u>
Net Capital	<u>\$ 40,450</u>
Aggregate indebtedness	
Accounts payable	\$ 1,640
Accrued expenses	8,989
	<u>8,989</u>
Total aggregate indebtedness	<u>\$ 10,629</u>
Computation of basic net capital requirement	
Minimum net capital required (greater of \$5,000 or 6 2/3% of aggregate indebtedness)	\$ 5,000
	<u>5,000</u>
Net capital in excess of minimum requirement	<u>\$ 35,450</u>
Ratio of aggregate indebtedness to net capital	<u>0.26</u>

Reconciliation of Computation of Net Capital

The above computation does not differ from the computation of net capital under Rule 15c3-1 as of November 30, 2014 as filed by Netherland Securities, Inc. on Form X-17A-5. Accordingly, no reconciliation is deemed necessary.

Statement of Changes in Liabilities Subordinated to Claims of General Creditors

No statement is required as no subordinated liabilities existed at any time during the year.

Statement Regarding the Exemption from Reserve Requirements and Possession or Control Requirements

The Company operates pursuant to section (k)(2)(ii) exemptive provisions of Rule 15c3-3 of the Securities Exchange Act of 1934, in which all customer transactions are cleared on a fully disclosed basis through a clearing broker/dealer. Under these exemptive provisions, the Computation of Determination of the Reserve Requirements and Information Relating to the Possession or Control Requirements are not required.

See accompanying report of independent registered public accounting firm

PHILLIP V. GEORGE, PLLC
CERTIFIED PUBLIC ACCOUNTANT

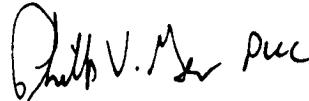
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors
Netherland Securities, Inc.

We have reviewed management's statements, included in the accompanying Exemption Report, in which (1) Netherland Securities, Inc. identified the following provisions of 17 C.F.R. §15c3-3(k) under which Netherland Securities, Inc. claimed an exemption from 17 C.F.R. §240.15c3-3(2)(ii) (the "exemption provisions") and (2) Netherland Securities, Inc. stated that Netherland Securities, Inc. met the identified exemption provisions throughout the most recent fiscal year without exception. Netherland Securities, Inc.'s management is responsible for compliance with the exemption provisions and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about Netherland Securities, Inc.'s compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the conditions set forth in paragraph (k)(2)(ii) of Rule 15c3-3 under the Securities Exchange Act of 1934.



PHILLIP V. GEORGE, PLLC

Celeste, Texas
January 15, 2015



NETHERLAND
SECURITIES, INC.

EXEMPTION REPORT

Netherland Securities, Inc.'s Assertions

We confirm, to the best of our knowledge and belief, that:

1. Netherland Securities, Inc. claimed an exemption from SEC Rule 15c3-3 under the provisions in paragraph of (k)(2)(ii) throughout the fiscal year December 1, 2013 to November 30, 2014.
2. Netherland Securities, Inc. met the identified exemption provisions in SEC Rule 15c3-3(k)(2)(ii) throughout the fiscal year December 1, 2013 to November 30, 2014 without exception.

J. Dale Netherland

PHILLIP V. GEORGE, PLLC
CERTIFIED PUBLIC ACCOUNTANT

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

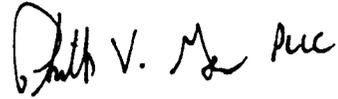
Board of Directors
Netherland Securities, Inc.

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying Schedule of Assessment and Payments (Form SIPC-7) to the Securities Investor Protection Corporation (SIPC) for the year ended November 30, 2014, which were agreed to by Netherland Securities, Inc. and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., and SIPC, solely to assist you and the other specified parties in evaluating Netherland Securities, Inc.'s compliance with the applicable instructions of Form SIPC-7. Netherland Securities, Inc.'s management is responsible for the Netherland Securities, Inc.'s compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the Public Company Accounting Oversight Board (United States). 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 (checks issued) noting no differences;
2. Compared the amounts reported on the audited Form X-17A-5 for the year ended November 30, 2014, as applicable, with the amounts reported in Form SIPC-7 for the year ended November 30, 2014, noting no differences;
3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers (there were no adjustments) noting no differences; and
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers (none) supporting the adjustments 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.

A handwritten signature in black ink that reads "Phillip V. George, PLLC". The signature is written in a cursive style with a large initial 'P'.

PHILLIP V. GEORGE, PLLC

Celeste, Texas
January 15, 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

For the fiscal year ended Nov 30, 2014
(Read carefully the instructions in your Working Copy before completing this Form)

SIPC-7

(33-REV 7/10)

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:

8-049913 FINRA NOV 4/1/1997
NETHERLAND SECURITIES INC
12720 HILLCREST RD STE 980
DALLAS, TX 75230

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.

- 2. A. General Assessment (item 2e from page 2) \$ 734.99
- B. Less payment made with SIPC-6 filed (exclude interest) (327.61)
6/16/14
Date Paid
- C. Less prior overpayment applied (—)
- D. Assessment balance due or (overpayment) —
- 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) \$ 407.38
- G. PAID WITH THIS FORM:
Check enclosed, payable to SIPC
Total (must be same as F above) \$ 407.38
- H. Overpayment carried forward \$(—)

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.

NETHERLAND SECURITIES, INC
(Name of Corporation, Partnership or other organization)

X Mark Netherland
(Authorized Signature)

CHAIRMAN
(Title)

Dated the 18 day of DECEMBER 2014.

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 12/1, 2013
and ending 11/30, 2014

Eliminate cents

\$ 656046

Item No.

2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)

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

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.
- (2) Revenues from commodity transactions.
- (3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.
- (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):

344286

15003

(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).

\$ 2762

Enter the greater of line (i) or (ii)

Total deductions

2762

362051

293995

734.99

2d. SIPC Net Operating Revenues

\$ _____

2e. General Assessment @ .0025

\$ _____

(to page 1, line 2.A.)