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2/25/15



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

| 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
Processing
Section
FEB 24 2015
Washington DC
404

| SEC FILE NUMBER |
|-----------------|
| 8- 66746 |

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 01/01/14 AND ENDING 12/31/14
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: NAFA Capital Markets, LLC
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
100 N. Broadway, Suite 2550

| OFFICIAL USE ONLY |
|-------------------|
| FIRM I.D. NO. |

(No. and Street)
Oklahoma City OK 73102
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
John E. Fryrear 405-272-9290
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*
CF & Co., L.L.P.
(Name - if individual, state last, first, middle name)

8750 N. Central Expwy., Ste. 300 Dallas TX 75231
(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 |
|-----------------------|
| |

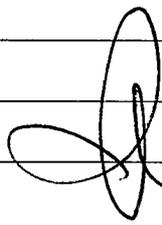
*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

2/25/15

OATH OR AFFIRMATION

I, John E. Fryrear, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of NAFA Capital Markets, LLC, as of 12/31, 20 14, 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:

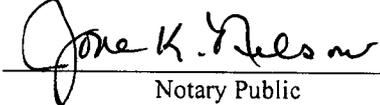
State of Oklahoma
County of Oklahoma
signed before me on February 23, 2015
by John E. Fryrear



Signature

President

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. N/A
- (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).

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors
NAFA Capital Markets, LLC

We have audited the accompanying statement of financial condition of NAFA Capital Markets, LLC (the "Company") as of December 31, 2014, and the related statements of income, changes in members' equity, changes in liabilities subordinated to claims of general creditors and cash flows for the year then ended. 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 also 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 NAFA Capital Markets, LLC as of December 31, 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 of America.

The supplementary information contained in Schedules I and II (the "Supplemental Information") has been subjected to audit procedures performed in conjunction with the audit of the Company's financial statements. The Supplemental Information is the responsibility of the Company'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.



CF & Co., L.L.P.

Dallas, Texas
February 19, 2015

NAFA CAPITAL MARKETS, LLC
Statement of Financial Condition
December 31, 2014

ASSETS

| | |
|--|-----------------------|
| Cash and cash equivalents | \$ 32,568 |
| Deposits with clearing broker-dealer | 100,000 |
| Receivable from clearing broker-dealer | 87,435 |
| Fees receivable | 26,277 |
| Prepaid expenses | 8,049 |
| Furniture, equipment and leasehold improvements at cost, less accumulated depreciation and amortization of \$76,088 | 6,508 |
| Other assets | <u>3,416</u> |
| Total Assets | <u>\$ 264,253</u> |

LIABILITIES AND MEMBERS' EQUITY

| | |
|---|-----------------------|
| Liabilities | |
| Accounts payable and accrued expenses | \$ 12,377 |
| Deferred income | <u>13,000</u> |
| Total liabilities | 25,377 |
| Members' equity | <u>238,876</u> |
| Total Liabilities and Members' Equity | <u>\$ 264,253</u> |

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

NAFA CAPITAL MARKETS, LLC
Statement of Income
For the Year Ended December 31, 2014

| | | |
|------------------------------------|----|------------------------|
| Revenues: | | |
| Commissions | \$ | 762,511 |
| Fee income | | <u>111,165</u> |
| | | <u>873,676</u> |
| Expenses: | | |
| Employee compensation and benefits | | 629,792 |
| Brokerage and clearing fees | | 34,596 |
| Communications | | 15,242 |
| Occupancy and equipment costs | | 63,385 |
| Promotions costs | | 28,688 |
| Data processing costs | | 23,973 |
| Regulatory fees and expenses | | 14,787 |
| Other | | <u>82,773</u> |
| | | <u>893,236</u> |
| Net loss | \$ | <u><u>(19,560)</u></u> |

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

NAFA CAPITAL MARKETS, LLC
Statement of Changes in Members' Equity
For the Year Ended December 31, 2014

| | |
|------------------------------------|--------------------------|
| Members' equity, beginning of year | \$ 258,436 |
| Net loss | <u>(19,560)</u> |
| Members' equity, end of year | <u><u>\$ 238,876</u></u> |

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

NAFA CAPITAL MARKETS, LLC
Statement of Changes in Liabilities Subordinated to Claims of Creditors
For the Year Ended December 31, 2014

| | | |
|------------------------------|----|-------------|
| Balance at December 31, 2013 | \$ | -- |
| Increases | | -- |
| Decreases | | -- |
| | | <hr/> |
| Balance at December 31, 2014 | \$ | -- |
| | | <hr/> <hr/> |

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

NAFA CAPITAL MARKETS, LLC
Statement of Cash Flows
For the Year Ended December 31, 2014

Cash flows from operating activities

| | |
|---|-------------|
| Net income (loss) | \$ (19,560) |
| Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities: | |
| Depreciation expense | 4,563 |
| Gain on disposal of assets | 8 |
| Change in operating assets and liabilities: | |
| Decrease in receivable from clearing broker-dealer | 32,902 |
| Increase in Fee Receivables | (26,277) |
| Increase in prepaid expenses | (1,001) |
| Increase in Deferred Income | 13,000 |
| Increase in accounts payable and accrued expenses | 1,380 |
| | 5,015 |
| Net cash provided (used) by operating activities | 5,015 |
| Net increase (decrease) in cash and cash equivalents | 5,015 |
| Cash and cash equivalents at beginning of year | 27,553 |
| Cash and cash equivalents at end of year | \$ 32,568 |

Supplemental disclosures

| | |
|----------------|-------|
| Cash paid for: | |
| Income taxes | \$ -- |
| Interest | \$ -- |

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

NAFA CAPITAL MARKETS, LLC
Notes to Financial Statements
December 31, 2014

Note 1 - Organization and Nature of Business

NAFA Capital Markets, LLC (the "Company") is an Oklahoma Limited Liability Company. Each member's liability is limited to its capital account. The Company is a broker-dealer in securities registered with the Securities and Exchange Commission ("SEC") and is a member of the Financial Industry Regulatory Authority ("FINRA"). The Company operates under SEC Rule 15c3-3(k)(2)(ii), which provides that all the funds and securities belonging to the Company's customers would be handled by a clearing broker-dealer. In accordance with the provisions of this rule, the Company executes all of its customers' transactions on a fully-disclosed basis, through an unaffiliated clearing broker-dealer which carries the accounts and securities of the Company's customers.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The financial statements present the financial position and results of operations of the Company. The Company is engaged in a single line of business as a securities broker-dealer, which comprises several classes of services, including principal transactions and agency transactions.

Securities Transactions

Profit and loss arising from all securities transactions entered into for the account and risk of the Company are determined using the specific identification method and are recorded on a trade date basis.

Customer securities transactions (and related commission revenue and expense) are recorded on a trade date basis.

Fee Income

The Company entered into investment advisory relationships with some of its clients. It receives quarterly management fees in arrears based on assets under management. Also, the Company earns advisory revenues from investment banking, financial and advisory services which include retainer fees and success fees. Retainer fees are recorded on a pro rata basis as the services related to the underlying transaction are earned under the terms of the engagement. Success fees are recorded when the underlying transactions are consummated.

Statement of Cash Flows

For purposes of reporting cash flows, the Company has defined cash equivalents as highly liquid investments with original maturities of less than ninety days that are not held for sale in the ordinary course of business.

Furniture, Equipment and Leasehold Improvements

Furniture, equipment and leasehold improvements are stated at cost less accumulated depreciation and amortization. Depreciation is provided principally by the straight-line method using estimated useful lives of three to ten years. Leasehold improvements are amortized over the lesser of the economic useful life of the improvement or the term of the lease.

NAFA CAPITAL MARKETS, LLC
Notes to Financial Statements
December 31, 2014

Note 2 - Summary of Significant Accounting Policies, continued

Income Taxes

The Company is treated and taxed as a partnership for federal income tax purposes. Accordingly, any tax liability is the responsibility of the individual members.

Any potential interest and penalty associated with a tax contingency, should one arise, would be included as a component of income tax expense in the period in which the assessment arises. The Company's income tax returns are subject to examination over the statutes of limitations, generally three years from the date of filing.

Use of Estimates

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

Note 3 - Deposits with and Receivable from Clearing Broker-Dealers

Deposits with clearing broker-dealers include cash required to be maintained at the clearing broker-dealer for clearing and trading activities. Receivable from clearing broker-dealer is comprised of commissions and other items. Such amounts are normally collected within five days after month end.

Note 4 - Furniture, Equipment and Leasehold Improvements

A summary of furniture, equipment and leasehold improvements at December 31, 2014 is as follows:

| | |
|--|-----------------|
| Furniture and fixtures | \$ 26,925 |
| Equipment | 35,786 |
| Leasehold improvements | <u>19,885</u> |
| | 82,596 |
| Less accumulated depreciation and amortization | <u>76,088</u> |
| | <u>\$ 6,508</u> |

Note 5 - Commitments and Contingent Liabilities

Financial Instruments with Off-Balance-Sheet Risk

In the normal course of business, the Company's customer activities involve the execution, settlement, and financing of various customer securities transactions. These activities may expose the Company to off-balance-sheet risk in the event the customer or other broker is unable to fulfill its contracted obligations and the Company has to purchase or sell the financial instrument underlying the contract at a loss. The majority of the Company's transactions with off-balance-sheet risk are short-term in duration.

NAFA CAPITAL MARKETS, LLC
Notes to Financial Statements
December 31, 2014

Note 5 - Commitments and Contingent Liabilities (continued)

Indemnification

The Company is required to indemnify its clearing broker-dealer if a customer fails to settle a securities transaction, according to its clearing agreement. Management was neither aware, nor had it been notified of any potentially material indemnification loss at December 31, 2014.

Note 6 - Concentrations Risks

The Company has five customers located in Oklahoma who make up approximately 99% of its revenues. If these relationships are terminated the company may be exposed to risk.

The Company maintains its cash in bank deposit accounts that, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts and does not believe it is exposed to any significant risk.

Note 7 - Operating Lease

The Company entered into a 12 month extension of its office lease agreement, effective November 2014. The lease expires October 31, 2015. The monthly basic rent under the agreement is \$4,235 per month. Rental expense for the year was \$54,574.

Note 8 - 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 net capital of \$194,626 which was \$94,626 in excess of its required net capital of \$100,000. The Company's ratio of aggregate indebtedness to net capital ratio was .13 to 1.

The Company is exempt from the Securities and Exchange Commission Customer Protection Rules (SEC rule 15c3-3), which relate to reserves and custody of securities, under section (k)(2)(ii) of this rule.

Supplemental Information Pursuant to Rule 17a-5
of the Securities Exchange Act of 1934, as of
December 31, 2014

Schedule I

NAFA CAPITAL MARKETS, LLC
Computation of Net Capital Under Rule 15c3-1
of the Securities and Exchange Commission
As of December 31, 2014

COMPUTATION OF NET CAPITAL

| | | | |
|---|----|--------|-------------|
| Total Members' Equity qualified for net capital | | \$ | 238,876 |
| Deductions and/or charges | | | |
| Non-allowable assets: | | | |
| Fees receivable | \$ | 26,277 | |
| Prepaid expenses | | 8,049 | |
| Furniture, equipment and leasehold improvements | | 6,508 | |
| Other assets | | 3,416 | 44,250 |
| | | | <hr/> |
| Net capital | | \$ | 194,626 |
| | | | <hr/> <hr/> |

AGGREGATE INDEBTEDNESS

| | | | |
|--|----|--------|-------------|
| Items included in statement of financial condition | | | |
| Accounts payable and accrued expenses | \$ | 12,377 | |
| Deferred Income | \$ | 13,000 | |
| | | | <hr/> |
| Total aggregate indebtedness | \$ | 25,377 | |
| | | | <hr/> <hr/> |

Schedule I (continued)

NAFA CAPITAL MARKETS, LLC
Computation of Net Capital Under Rule 15c3-1
of the Securities and Exchange Commission
As of December 31, 2014

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

| | |
|--|-------------------|
| Minimum net capital required (6 2/3% of total aggregate indebtedness) | <u>\$ 1,692</u> |
| Minimum dollar net capital requirement of reporting broker or dealer | <u>\$ 100,000</u> |
| Net capital requirement (greater of above two minimum requirement amounts) | <u>\$ 100,000</u> |
| Net capital in excess of required minimum | <u>\$ 94,626</u> |
| Net capital less greater of 10% of aggregate indebtedness or 120% of minimum net capital | <u>\$ 74,626</u> |
| Ratio: Aggregate indebtedness to net capital | <u>0.13 to 1</u> |

RECONCILIATION WITH COMPANY'S COMPUTATION

There were no material differences in the computation of net capital under Rule 15c3-1 from the Company's computation.

Schedule II

NAFA CAPITAL MARKETS, LLC
Computation for Determination of Reserve Requirements Under
Rule 15c3-3 of the Securities and Exchange Commission
As of December 31, 2014

EXEMPTIVE PROVISIONS

The Company has claimed an exemption from Rule 15c3-3 under Section (k)(2)(ii), in which all customer transactions are cleared through another broker-dealer on a fully disclosed basis.

Company's clearing firm: First Southwest Company



REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
ON MANAGEMENT'S EXEMPTION REPORT

To the Board of Members
NAFA Capital Markets, LLC

We have reviewed management's statements, included in the accompanying exemption report, in which (a) NAFA Capital Markets, LLC identified the following provisions of 17 C.F.R. § 15c3-3(k) under which NAFA Capital Markets, LLC claimed an exemption from 17 C.F.R. § 240.15c3-3: (k)(2)(ii) (the "exemption provisions") and (b) NAFA Capital Markets, LLC stated that NAFA Capital Markets, LLC met the identified exemption provisions throughout the period from June 1, 2014 to December 31, 2014 without exception. NAFA Capital Markets, LLC'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 NAFA Capital Markets, LLC'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 provisions set forth in paragraph (k)(2)(ii) of Rule 15c3-3 under the Securities Exchange Act of 1934.


CF & Co., L.L.P.

Dallas, Texas
February 19, 2015



NAFA
capitalmarkets

EXEMPTION REPORT
DECEMBER 31, 2014

Comes now the firm and makes the following statements that we believe are true and accurate to the best of our knowledge and belief:

1. The firm is exempt from the provisions of §240.15c3-3(k)(2)(ii).
2. The firm met the identified exemption provisions in §240.15c3-3(k)(2)(ii) from June 1, 2014 through December 31, 2014 without exception.

John Fryrear
President

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON
PROCEDURES RELATED TO AN ENTITY'S SIPC ASSESSMENT RECONCILIATION
DECEMBER 31, 2014

INDEPENDENT ACCOUNTANT'S REPORT ON THE SIPC ANNUAL
ASSESSMENT REQUIRED BY SEC RULE 17a-5

To the Board of Members
NAFA Capital Markets, LLC

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 December 31, 2014, which were agreed to by NAFA Capital Markets, LLC, the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc. and SIPC, solely to assist you and the other specified parties in evaluating NAFA Capital Markets, LLC's compliance with the applicable instructions of the Form SIPC-7. NAFA Capital Markets, LLC's management is responsible for NAFA Capital Markets, LLC's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards adopted by the Public Company Accounting Oversight Board ("PCAOB"). 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 disbursements records entries (cash disbursements journal), noting no differences.
2. Compared the amounts reported on the audited Form X-17A-5 Part III for the year ended December 31, 2014 with the amounts reported in Form SIPC-7 for the year ended December 31, 2014, noting no differences.
3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers, noting no differences.
4. Proved the mathematical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers 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.


CF & Co., L.L.P.

Dallas, Texas
February 19, 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 12/31/2014
(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:

20*20*****2855*****MIXED AADC 220
066746 FINRA DEC
NAFA CAPITAL MARKETS LLC
100 N BROADWAY STE 2550
OKLAHOMA CITY OK 73102-9211

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) \$ 2,098
- B. Less payment made with SIPC-6 filed (exclude interest) (859)
7-21-14
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) \$ 1,239
- G. PAID WITH THIS FORM:
Check enclosed, payable to SIPC
Total (must be same as F above) \$ 1,239
- 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.

NAFA CAPITAL MARKETS LLC
(Name of Corporation, Partnership or other organization)
JOHN E. FRYREAR
(Authorized Signature)
PRESIDENT
(Title)

Dated the 4 day of FEBRUARY, 20 15.

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 1/1/2014
and ending 12/31/2014

Eliminate cents

\$ 873,676

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):

(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

2d. SIPC Net Operating Revenues

2e. General Assessment @ .0025

34,596

34,596

\$ 839,080

\$ 2,098

(to page 1, line 2.A.)