



15046248

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

OMB APPROVAL	
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SEC

**ANNUAL AUDITED REPORT PROCESSING**  
**FORM X-17A-5 Section**  
**PART III FEB 26 2015**

SEC FILE NUMBER
8- 32775

FACING PAGE **Washington DC**  
**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 1/1/2014 AND ENDING 12/31/2014  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Inland Securities Corporation

OFFICIAL USE ONLY
FIRM I.D. NO.

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

2901 Butterfield Road

(No. and Street)

Oak Brook

(City)

IL

(State)

60523

(Zip Code)

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

Catherine L. Lynch

(630) 218-8000

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

KPMG LLP

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

200 E Randolph Drive

(Address)

Chicago

(City)

IL

(State)

60601

(Zip Code)

CHECK ONE:

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

**FOR OFFICIAL USE ONLY**

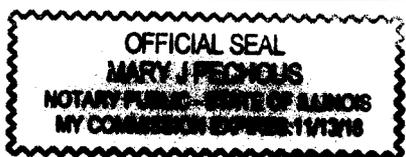
SEC 1410 (06-02)

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Handwritten initials and date: *Na 3/2/15*

OATH OR AFFIRMATION

I, Catherine L. Lynch, Chief Financial Officer, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Inland Securities Corporation, as of December 31, 2014, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:



Mary J. Fechinus
Notary Public

[Signature]
Signature
Chief Financial Officer
Title

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

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

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

**INLAND SECURITIES CORPORATION**  
(Wholly Owned by Inland Real Estate Investment Corp.)

Financial Statements and Schedules

December 31, 2014

(With Report of Independent Registered Public Accounting Firm Thereon)

**INLAND SECURITIES CORPORATION**  
(Wholly Owned by Inland Real Estate Investment Corp.)

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KPMG LLP  
Aon Center  
Suite 5500  
200 East Randolph Drive  
Chicago, IL 60601-6436

## Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholder  
Inland Securities Corporation:

We have audited the accompanying statement of financial condition of Inland Securities Corporation (the Company) as of December 31, 2014, and the related statements of operations, stockholder's equity, 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 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 Inland Securities Corporation as of December 31, 2014, and the results of its operations and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

The supplemental information contained in Schedules I, II, and III 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 contained in Schedules I, II, and III is fairly stated, in all material respects, in relation to the financial statements as a whole.

**KPMG LLP**

Chicago, Illinois  
February 24, 2015

**INLAND SECURITIES CORPORATION**  
(Wholly Owned by Inland Real Estate Investment Corp.)

Statement of Financial Condition

December 31, 2014

**Assets**

Cash and cash equivalents	\$ 3,473,154
Commissions receivable	231,099
Current income tax receivable	764,457
Fixed assets (net)	<u>34,334</u>
Total assets	<u><u>\$ 4,503,044</u></u>

**Liabilities and Stockholder's Equity**

<b>Liabilities:</b>	
Commissions payable	\$ 2,353,792
Accounts payable and accrued expenses	<u>536,144</u>
Total liabilities	<u><u>2,889,936</u></u>
<b>Stockholder's equity (note 2):</b>	
Common stock, \$0.01 par value. Authorized 10,000 shares; issued and outstanding 1,000 shares	10
Additional paid-in capital	21,502,253
Retained deficit	<u>(19,889,155)</u>
Total stockholder's equity	<u>1,613,108</u>
Total liabilities and stockholder's equity	<u><u>\$ 4,503,044</u></u>

See accompanying notes to financial statements.

**INLAND SECURITIES CORPORATION**  
(Wholly Owned by Inland Real Estate Investment Corp.)

Statement of Operations

Year ended December 31, 2014

Revenues:		
Commissions (note 3)	\$	62,277,617
Interest and other income		<u>102</u>
Total revenues		<u>62,277,719</u>
Expenses:		
Commissions		55,494,227
Employee compensation and benefits		7,814,539
Other operating expenses		<u>5,664,861</u>
Total expenses		<u>68,973,627</u>
Loss before income tax benefit		(6,695,908)
Income tax benefit		<u>2,709,045</u>
Net loss	\$	<u><u>(3,986,863)</u></u>

See accompanying notes to financial statements.

**INLAND SECURITIES CORPORATION**  
(Wholly Owned by Inland Real Estate Investment Corp.)

Statement of Stockholder's Equity

Year ended December 31, 2014

	<u>Common stock</u>	<u>Additional paid-in capital</u>	<u>Retained deficit</u>	<u>Total stockholder's equity</u>
Balance at December 31, 2013	\$ 10	18,502,253	(15,902,292)	2,599,971
Capital contributions	—	3,000,000	—	3,000,000
Net loss	—	—	(3,986,863)	(3,986,863)
Balance at December 31, 2014	\$ <u>10</u>	<u>21,502,253</u>	<u>(19,889,155)</u>	<u>1,613,108</u>

See accompanying notes to financial statements.

**INLAND SECURITIES CORPORATION**  
(Wholly Owned by Inland Real Estate Investment Corp.)

Statement of Cash Flows

Year ended December 31, 2014

Cash flows from operating activities:	
Net loss	\$ (3,986,863)
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation	14,358
Changes in assets and liabilities:	
Current income tax receivable	(509,045)
Commissions receivable	21,314
Commissions payable	1,090,974
Accounts payable and accrued expenses	169,669
Net cash used in operating activities	<u>(3,199,593)</u>
Cash flows from investing activity:	
Purchase of fixed assets	<u>(16,821)</u>
Net cash used in investing activity	<u>(16,821)</u>
Cash flows from financing activity:	
Capital contributions	<u>3,000,000</u>
Net cash provided by financing activity	<u>3,000,000</u>
Net decrease in cash and cash equivalents	(216,414)
Cash and cash equivalents at beginning of year	<u>3,689,568</u>
Cash and cash equivalents at end of year	<u>\$ 3,473,154</u>
Supplemental disclosure:	
Amounts received pursuant to the Company's tax sharing agreement	\$ 2,200,000

See accompanying notes to financial statements.

**INLAND SECURITIES CORPORATION**  
(Wholly Owned by Inland Real Estate Investment Corp.)

Notes to Financial Statements

December 31, 2014

**(1) General Information and Summary of Significant Accounting Policies**

Inland Securities Corporation (the Company) is registered as a broker and dealer in securities under the Securities Exchange Act of 1934. Inland Real Estate Investment Corp. (IREIC), as the sole stockholder, is committed to funding cash flow needs of the Company in the normal course of business. The Inland Group, Inc. (Inland) is the ultimate parent.

The accompanying financial statements have been prepared in accordance with U.S. generally accepted accounting principles (GAAP). The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual amounts could subsequently differ from such estimates.

A description of significant accounting policies is as follows:

**(a) Commissions**

In connection with the marketing of investment programs, commissions are based upon a percentage of a third-party investment in the related interest. For financial reporting and income tax purposes, these commissions are earned and the related expense is incurred at the time the third-party investment is accepted by the offering party.

**(b) Cash and Cash Equivalents**

For purposes of reporting cash flows, the Company considers all investments with an original maturity of three months or less to be a cash equivalent.

**(c) Income Taxes**

The Company is included in the consolidated federal and combined unitary state income tax returns of Inland.

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

**(2) Net Capital Requirements**

Pursuant to the Securities and Exchange Commission Uniform Net Capital Rule, the Company is required to maintain minimum net capital and maintain an allowable ratio of aggregate indebtedness to net capital as defined under this rule. At December 31, 2014, the Company had net capital and minimum net capital requirements of \$781,728 and \$192,662, respectively. At December 31, 2014, the Company's ratio of aggregate indebtedness to net capital was approximately 3.70 to 1.

**INLAND SECURITIES CORPORATION**  
(Wholly Owned by Inland Real Estate Investment Corp.)

Notes to Financial Statements

December 31, 2014

**(3) Related-Party Transactions**

Commission income of \$62,277,617 was derived from the sale of interests in investment programs in which IREIC's wholly owned subsidiaries are the advisor or asset manager. As of December 31, 2014, accounts receivable related to this income amounted to \$231,099.

The Company is charged direct costs for specific legal, payroll processing, information technology services, and certain other administrative services performed by administrative departments of Inland. Such amounts totaled approximately \$774,231 for the year ended December 31, 2014. As of December 31, 2014, accounts payable related to these direct costs amounted to \$24,240. In addition, the Company paid rent to IREIC of approximately \$25,260 for the year ended December 31, 2014. In the opinion of management, the aforementioned administrative costs and rent are believed to be reasonable; however, it is not necessarily indicative of the expense the Company may have incurred on its own account.

**(4) Income Taxes**

The Company is party to a tax-sharing agreement between Inland and IREIC, which provides that income tax expense or benefit be reflected on a separate company basis. The Company recorded a \$2,709,045 income tax benefit for the year ended December 31, 2014. At the beginning of the year, the Company had an income tax receivable from IREIC of \$255,412 relating to the unreimbursed income tax benefits for the year ended December 31, 2013. The Company received a \$2,200,000 payment from IREIC representing payment of the unreimbursed income tax benefit of the aforementioned \$255,412 and available current tax benefits of \$1,944,588. The remaining income tax benefits provided by the Company that were not paid in the amount of \$764,457 were recorded as a current income tax receivable as of December 31, 2014. The income tax benefit for the year ended December 31, 2014 was computed by applying an estimated combined tax rate of 41.18% to pretax income. Income tax expense from operations for the years ended December 31, 2014 and 2013 differs from "expected" tax expense (computed by applying the U.S. federal income tax rate of 35% for the years ended December 31, 2014 and 2013, to pretax income) principally due to the effect of state and local income taxes (net of federal benefit).

**(5) Subsequent Events**

Subsequent events were evaluated through February 24, 2015, the date on which the financial statements were issued.

**INLAND SECURITIES CORPORATION**  
(Wholly Owned by Inland Real Estate Investment Corp.)

Computation of Net Capital under Rule 15c3-1  
of the Securities and Exchange Commission

December 31, 2014

Stockholder's equity		\$ 1,613,108
Deductions:		
Nonallowable assets:		
Commissions receivable		32,589
Current income tax asset		764,457
Other assets		34,334
Total deductions		831,380
Net capital		781,728
Minimum net capital required to be maintained (greater of \$5,000 or 6-2/3% of aggregate indebtedness)		192,662
Excess net capital		\$ 589,066
Aggregate indebtedness – total liabilities		\$ 2,889,936
Ratio of aggregate indebtedness to net capital		3.70

A reconciliation is not necessary pursuant to Rule 17a-5(d)(4) as no material differences exist between the computations made by the independent auditor based on the audited financial statements and the broker-dealer's unaudited Form X-17A-5 IIA filing.

See accompanying report of independent registered public accounting firm.

**INLAND SECURITIES CORPORATION**  
(Wholly Owned by Inland Real Estate Investment Corp.)

Computation for Determination of Reserve Requirements under  
Rule 15c3-3 of the Securities and Exchange Commission

December 31, 2014

The Company claims exemption for the provision of Rule 15c3-3 of the Securities Exchange Act of 1934 pursuant to Section (k)(2)(i) of the Rule.

See accompanying report of independent registered public accounting firm.

**INLAND SECURITIES CORPORATION**  
(Wholly Owned by Inland Real Estate Investment Corp.)

Information Related to Possession or Control Requirements under  
Rule 15c3-3 of the Securities and Exchange Commission

December 31, 2014

The Company claims exemption for the provision of Rule 15c3-3 of the Securities Exchange Act of 1934 pursuant to Section (k)(2)(i) of the Rule.

See accompanying report of independent registered public accounting firm.



KPMG LLP  
Aon Center  
Suite 5500  
200 East Randolph Drive  
Chicago, IL 60601-6436

**Report of Independent Registered Public Accounting Firm on Applying Agreed-Upon Procedures  
Pursuant to SEC Rule 17a-5(e)(4)**

The Board of Directors  
Inland Securities 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 December 31, 2014, which were agreed to by Inland Securities Corporation (the Company) and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., SIPC and specified parties of report, solely to assist you and the other specified parties in evaluating the Company's compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). The Company's management is responsible for the Company'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 noting no differences;
2. Compared the amounts reported on the audited Form X-17A-5 for the year ended December 31, 2014, as applicable, 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; and
4. Proved the arithmetical 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.

**KPMG LLP**

February 24, 2015

KPMG LLP is a Delaware limited liability partnership,  
the U.S. member firm of KPMG International Cooperative  
("KPMG International"), a Swiss entity.

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

SEC  
Mail Processing  
Section

FORM  
X-17A-5

FOCUS REPORT  
(FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT)  
PART IIA 12

FEB 26 2015

Washington DC  
404

(Please read instructions before preparing Form)

This report is being filed pursuant to (Check Applicable Block(s)):

- 1) Rule 17a-5(a)  16
- 2) Rule 17a-5(b)  17
- 3) Rule 17a-11  18
- 4) Special request by designated examining authority  19
- 5) Other  26

NAME OF BROKER-DEALER

INLAND SECURITIES CORPORATION 13

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

2901 BUTTERFIELD ROAD 20

(No. and Street)

OAK BROOK 21 IL 22 60523 23

(City)

(State)

(Zip Code)

SEC. FILE NO.

8-32775 14

FIRM ID NO.

15807 15

FOR PERIOD BEGINNING (MM/DD/YY)

10/01/14 24

AND ENDING (MM/DD/YY)

12/31/14 25

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT (Area code) - Telephone No.

30 31

NAME(S) OF SUBSIDIARIES OR AFFILIATES CONSOLIDATED IN THIS REPORT

OFFICIAL USE

32 33

34 35

36 37

38 39

DOES RESPONDENT CARRY ITS OWN CUSTOMER ACCOUNTS ? YES  40 NO  41

CHECK HERE IF RESPONDENT IS FILING AN AUDITED REPORT  42

EXECUTION:

The registrant/broker or dealer submitting this Form and its attachments and the person(s) by whom it is executed represent hereby that all information contained therein is true, correct and complete. It is understood that all required items, statements, and schedules are considered integral parts of this Form and that the submission of any amendment represents that all unamended items, statements and schedules remain true, correct and complete as previously submitted.

Dated the \_\_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_\_

Manual Signatures of:

1) \_\_\_\_\_  
Principal Executive Officer or Managing Partner

2) \_\_\_\_\_  
Principal Financial Officer or Partner

3) \_\_\_\_\_  
Principal Operations Officer or Partner

ATTENTION - Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C. 78:f (a) )

FINRA



**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA**

**BROKER OR DEALER**

**INLAND SECURITIES CORPORATION**

as of 12/31/14

**STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING,  
NONCLEARING AND CERTAIN OTHER BROKERS OR DEALERS  
LIABILITIES AND OWNERSHIP EQUITY**

<u>Liabilities</u>	<u>A.I. Liabilities</u>	<u>Non-A.I. Liabilities</u>	<u>Total</u>
13. Bank loans payable .....	\$ 1045	\$ 1255	\$ 1470
14. Payable to brokers or dealers:			
A. Clearance account .....	1114	1315	1560
B. Other .....	2,353,792 1115	1305	2,353,792 1540
15. Payable to non-customers .....	1155	1355	1610
16. Securities sold not yet purchased, at market value .....		1360	1620
17. Accounts payable, accrued liabilities, expenses and other .....	536,144 1205	1385	536,144 1685
18. Notes and mortgages payable:			
A. Unsecured .....	1210		1690
B. Secured .....	1211	1390	1700
19. Liabilities subordinated to claims of general creditors:			
A. Cash borrowings:			
1. from outsiders \$ 970			
2. Includes equity subordination (15c3-1(d)) of ..... \$ 980			
B. Securities borrowings, at market value from outsiders \$ 990		1410	1720
C. Pursuant to secured demand note collateral agreements .....		1420	1730
1. from outsiders \$ 1000			
2. includes equity subordination (15c3-1(d)) of ..... \$ 1010			
D. Exchange memberships contributed for use of company, at market value .....		1430	1740
E. Accounts and other borrowings not qualified for net capital purposes .....	1220	1440	1750
20. TOTAL LIABILITIES .....	\$ 2,889,936 1230	\$ 1450	\$ 2,889,936 1760
 <u>Ownership Equity</u>			
21. Sole proprietorship .....			\$ 1770
22. Partnership (limited partners) .....	1020		1780
23. Corporation:			
A. Preferred stock .....			1791
B. Common stock .....			10 1792
C. Additional paid-in capital .....			21,502,253 1793
D. Retained earnings .....			(19,889,155) 1794
E. Total .....			1,613,108 1795
F. Less capital stock in treasury .....			( ) 1796
24. TOTAL OWNERSHIP EQUITY .....			\$ 1,613,108 1800
25. TOTAL LIABILITIES AND OWNERSHIP EQUITY .....			\$ 4,503,044 1810

OMIT PENNIES

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA

BROKER OR DEALER

INLAND SECURITIES CORPORATION

as of

12/31/14

COMPUTATION OF NET CAPITAL

1. Total ownership equity from Statement of Financial Condition .....	\$	1,613,108	<u>3480</u>
2. Deduct ownership equity not allowable for Net Capital .....	(		<u>3490</u> )
3. Total ownership equity qualified for Net Capital .....		1,613,108	<u>3500</u>
4. Add:			
A. Liabilities subordinated to claims of general creditors allowable in computation of net capital .....			<u>3520</u>
B. Other (deductions) or allowable credits (List) .....			<u>3525</u>
5. Total capital and allowable subordinated liabilities .....	\$	1,613,108	<u>3530</u>
6. Deductions and/or charges:			
A. Total non-allowable assets from			
Statement of Financial Condition (Notes B and C) .....	\$	831,380	<u>3540</u>
B. Secured demand note deficiency .....			<u>3590</u>
C. Commodity futures contracts and spot commodities-proprietary capital charges .....			<u>3600</u>
D. Other deductions and/or charges .....			<u>3610</u>
7. Other additions and/or allowable credits (List) .....			<u>3620</u>
8. Net Capital before haircuts on securities positions .....	\$	831,380	<u>3630</u>
9. Haircuts on securities (computed, where applicable, pursuant to 15c3-1(f)) :			
A. Contractual securities commitments .....	\$		<u>3640</u>
B. Subordinated securities borrowings .....			<u>3670</u>
C. Trading and investment securities:			
1. Exempted securities .....			<u>3735</u>
2. Debt securities .....			<u>3733</u>
3. Options .....			<u>3730</u>
4. Other securities .....			<u>3734</u>
D. Undue concentration .....			<u>3650</u>
E. Other (List) .....			<u>3736</u>
10. Net Capital .....	\$	781,728	<u>3740</u>
		781,728	<u>3750</u>

OMIT PENNIES

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA**

<b>BROKER OR DEALER</b> INLAND SECURITIES CORPORATION	as of <u>12/31/14</u>
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**COMPUTATION OF BASIC NET CAPITAL REQUIREMENT**

**Part A**

11. Minimum net capital required (6-2/3% of line 19)	\$	192,662	3756
12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	\$	5,000	3758
13. Net capital requirement (greater of line 11 or 12)	\$	192,662	3760
14. Excess net capital (line 10 less 13)	\$	589,066	3770
15. Net capital less greater of 10% of line 19 or 120% of line 12	\$	492,734	3780

**COMPUTATION OF AGGREGATE INDEBTEDNESS**

16. Total A.I. liabilities from Statement of Financial Condition	\$	2,889,936	3790
17. Add:			
A. Drafts for immediate credit	\$	3800	
B. Market value of securities borrowed for which no equivalent value is paid or credited	\$	3810	
C. Other unrecorded amounts (List)	\$	3820	3830
19. Total aggregate indebtedness	\$	2,889,936	3840
20. Percentage of aggregate indebtedness to net capital (line 19 divided by line 10)	%	369.69	3850
21. Percentage of debt to debt-equity total computed in accordance with Rule 15c-3-1(d)	%	0.00	3860

**COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT**

**Part B**

22. 2% of combined aggregate debit items as shown in Formula for Reserve Requirements pursuant to Rule 15c3-3 prepared as of the date of net capital computation including both brokers or dealers and consolidated subsidiaries' debits	\$		3870
23. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	\$		3880
24. Net capital requirement (greater of line 22 or 23)	\$		3760
25. Excess net capital (line 10 less 24)	\$		3910
26. Net capital in excess of the greater of: 5% of combined aggregate debit items or 120% of minimum net capital requirement	\$		3920

**NOTES:**

(A) The minimum net capital requirement should be computed by adding the minimum dollar net capital requirement of the reporting broker dealer and, for each subsidiary to be consolidated, the greater of:

1. Minimum dollar net capital requirement, or
2. 6-2/3% of aggregate indebtedness or 4% of aggregate debits if alternative method is used.

(B) Do not deduct the value of securities borrowed under subordination agreements or secured demand notes covered by subordination agreements not in satisfactory form and the market values of the memberships in exchanges contributed for use of company (contra to item 1740) and partners' securities which were included in non-allowable assets.

(C) For reports filed pursuant to paragraph (d) of Rule 17a-5, respondent should provide a list of material non-allowable assets.

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA**

**BROKER OR DEALER**

**INLAND SECURITIES CORPORATION**

For the period (MMDDYY) from 10/01/14 3932 to 12/31/14 3933  
Number of months included in this statement 3 3931

**REVENUE**

**STATEMENT OF INCOME (LOSS)**

1. Commissions:		
a. Commissions on transactions in exchange listed equity securities executed on an exchange	\$	<u>3935</u>
b. Commissions on listed option transactions		<u>3938</u>
c. All other securities commissions	9,668,646	<u>3939</u>
d. Total securities commissions	9,668,646	<u>3940</u>
2. Gains or losses on firm securities trading accounts		
a. From market making in options on a national securities exchange		<u>3945</u>
b. From all other trading		<u>3949</u>
c. Total gain (loss)		<u>3950</u>
3. Gains or losses on firm securities investment accounts		<u>3952</u>
4. Profits (losses) from underwriting and selling groups	8,208,521	<u>3955</u>
5. Revenue from sale of investment company shares		<u>3970</u>
6. Commodities revenue		<u>3990</u>
7. Fees for account supervision, investment advisory and administrative services		<u>3975</u>
8. Other revenue		25 <u>3995</u>
9. Total revenue	\$	<u>17,877,192</u> <u>4030</u>

**EXPENSES**

10. Salaries and other employment costs for general partners and voting stockholder officers		<u>4120</u>
11. Other employee compensation and benefits	3,297,153	<u>4115</u>
12. Commissions paid to other brokers-dealers	14,610,519	<u>4140</u>
13. Interest expense		<u>4075</u>
a. Includes interest on accounts subject to subordination agreements	<u>4070</u>	
14. Regulatory fees and expenses	201,932	<u>4195</u>
15. Other expenses	1,377,212	<u>4100</u>
16. Total expenses	\$	<u>19,486,816</u> <u>4200</u>

**NET INCOME**

17. Net income (loss) before Federal income taxes and items below (Item 9 less Item 16)	\$	(1,609,624) <u>4210</u>
18. Provision for Federal income taxes (for parent only)		(649,009) <u>4220</u>
19. Equity in earnings (losses) of unconsolidated subsidiaries not included above		<u>4222</u>
a. After Federal income taxes of		<u>4238</u>
20. Extraordinary gains (losses)		<u>4224</u>
a. After Federal income taxes of		<u>4239</u>
21. Cumulative effect of changes in accounting principles		<u>4225</u>
22. Net income (loss) after Federal income taxes and extraordinary items	\$	<u>(960,615)</u> <u>4230</u>

**MONTHLY INCOME**

23. Income (current month only) before provision for Federal Income taxes and extraordinary items		<u>(350,098)</u> <u>4211</u>
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**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA**

**BROKER OR DEALER**  
**INLAND SECURITIES CORPORATION**

For the period (MMDDYY) from 10/01/14 to 12/31/14

**STATEMENT OF CHANGES IN OWNERSHIP EQUITY  
(SOLE PROPRIETORSHIP, PARTNERSHIP OR CORPORATION)**

1. Balance, beginning of period		\$	1,573,723	4240
A. Net income (loss)			(960,615)	4250
B. Additions (includes non-conforming capital of	\$		1,000,000	4262
C. Deductions (includes non-conforming capital of	\$			4272
2. Balance, end of period (from item 1800)		\$	1,613,108	4290

**STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED  
TO CLAIMS OF GENERAL CREDITORS**

3. Balance, beginning of period		\$		4300
A. Increases				4310
B. Decreases				4320
4. Balance, end of period (from item 3520)		\$		4330

OMIT PENNIES

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA**

**BROKER OR DEALER**

INLAND SECURITIES CORPORATION

as of 12/31/14

**Exemptive Provision Under Rule 15c3-3**

25. If an exemption from Rule 15c3-3 is claimed, identify below the section upon which such exemption is based :

- A. (k) (1) - Limited business (mutual funds and/or variable annuities only) ..... \$ 4550
- B. (k) (2) (i) - "Special Account for the Exclusive Benefit of customers" maintained ..... X 4560
- C. (k) (2) (ii) - All customer transactions cleared through another broker-dealer on a fully disclosed basis.  
Name(s) of Clearing Firm(s) - Please separate multiple names with a semi-colon  
4335 4570
- D. (k) (3) - Exempted by order of the Commission ..... 4580

**Ownership Equity and Subordinated Liabilities maturing or proposed to be  
withdrawn within the next six months and accruals, (as defined below),  
which have not been deducted in the computation of Net Capital.**

Type of Proposed Withdrawal or Accrual (See below for code to enter)	Name of Lender or Contributor	Insider or Outsider ? (In or Out)	Amount to be with- drawn (cash amount and/or Net Capital Value of Securities)	(MMDDYY) Withdrawal or Maturity Date	Expect to Renew (Yes or No)
<u>4600</u>	<u>4601</u>	<u>4602</u>	<u>4603</u>	<u>4604</u>	<u>4605</u>
<u>4610</u>	<u>4611</u>	<u>4612</u>	<u>4613</u>	<u>4614</u>	<u>4615</u>
<u>4620</u>	<u>4621</u>	<u>4622</u>	<u>4623</u>	<u>4624</u>	<u>4625</u>
<u>4630</u>	<u>4631</u>	<u>4632</u>	<u>4633</u>	<u>4634</u>	<u>4635</u>
<u>4640</u>	<u>4641</u>	<u>4642</u>	<u>4643</u>	<u>4644</u>	<u>4645</u>
<u>4650</u>	<u>4651</u>	<u>4652</u>	<u>4653</u>	<u>4654</u>	<u>4655</u>
<u>4660</u>	<u>4661</u>	<u>4662</u>	<u>4663</u>	<u>4664</u>	<u>4665</u>
<u>4670</u>	<u>4671</u>	<u>4672</u>	<u>4673</u>	<u>4674</u>	<u>4675</u>
<u>4680</u>	<u>4681</u>	<u>4682</u>	<u>4683</u>	<u>4684</u>	<u>4685</u>
<u>4690</u>	<u>4691</u>	<u>4692</u>	<u>4693</u>	<u>4694</u>	<u>4695</u>
TOTAL			\$ <u>4699</u>		

OMIT PENNIES

Instructions: Detail listing must include the total of items maturing during the six month period following the report date, regardless of whether or not the capital contribution is expected to be renewed. The schedule must also include proposed capital withdrawals scheduled within the six month period following the report date including the proposed redemption of stock and payments of liabilities secured by fixed assets (which are considered allowable assets in the capital computation pursuant to Rule 15c3-1(c) (2) (iv)), which could be required by the lender on demand or in less than six months.

WITHDRAWAL CODE:	DESCRIPTION
1.	Equity Capital
2.	Subordinated Liabilities
3.	Accruals
4.	15c3-1(c) (2) (iv) Liabilities