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

| SEC FILE NUMBER |
|-----------------|
| 8-51572 |

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: FREDERICKS MICHAEL SECURITIES INC.

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

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

430 PARK AVENUE, SUITE 801
(No. and Street)
NEW YORK N.Y. 10022
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Ken Boyal 212-732-1600
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

CURCIO, WIESELTHIER & COHEN CPAs P.C.
(Name - if individual, state last, first, middle name)
7 PENN PLAZA, SUITE 1500, NEW YORK, N.Y. 10001
(Address) (City) (State) (Zip Code)

CHECK ONE:

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

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|-----------------------|
| |

*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)

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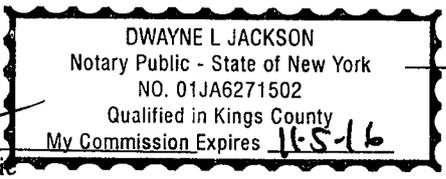
OATH OR AFFIRMATION

I, KENNETH BOYAL, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of FREDERICKS MICHAEL SECURITIES INC., 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:

Kenneth Boyal
Signature

PRESIDENT
Title

[Signature]
Notary Public



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

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

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

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FREDERICKS MICHAEL SECURITIES, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2014

FREDERICKS MICHAEL SECURITIES, INC.

TABLE OF CONTENTS

| | <u>PAGE</u> |
|--|--------------------|
| <i>REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</i> | <i>1-2</i> |
| <i>FINANCIAL STATEMENTS:</i> | |
| <i>STATEMENT OF FINANCIAL CONDITION</i> | <i>3</i> |
| <i>STATEMENT OF OPERATIONS</i> | <i>4</i> |
| <i>STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY</i> | <i>5</i> |
| <i>STATEMENT OF CASH FLOWS</i> | <i>6</i> |
| <i>NOTES TO FINANCIAL STATEMENTS</i> | <i>7-11</i> |
| <i>SUPPLEMENTARY SCHEDULES:</i> | |
| <i>I- COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1</i> | <i>12</i> |
| <i>II- COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS UNDER RULE 15c3-3 (EXEMPTION)</i> | <i>13</i> |
| <i>III- INFORMATION RELATING TO POSSESSION OR CONTROL REQUIREMENTS UNDER RULE 15c3-3 (EXEMPTION)</i> | <i>14</i> |

CURCIO
WIESELTHIER
+ COHEN

CERTIFIED PUBLIC ACCOUNTANTS PC 7 PENN PLAZA, SUITE 1500 NEW YORK NY 10001
TEL: 212 557-9800 • FAX: 212 557-9819 • website: www.cwccpafirm.com

To the Board of Directors
Fredericks Michael Securities, Inc.
New York, NY

Report of Independent Registered Public Accounting Firm

We have audited the accompanying statements of Fredericks Michael Securities, Inc. (a New York corporation), which comprise of the statement of financial condition as of December 31, 2014, and the related statements of operations, changes in stockholders' equity, and cash flows for the year then ended that are filed pursuant to rule 17a-5 under the Securities Exchange Act of 1934, and the related notes to the financial statements and supplemental information. Fredericks Michael Securities, Inc.'s management is responsible for these financial statements. 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. The company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimated 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 condition of Fredericks Michael Securities, Inc. as of December 31, 2014, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

The information contained in Schedule I, II and III has been subjected to audit procedures performed in conjunction with the audit of Fredericks Michael Securities, Inc.'s financial statements. The supplemental information is the responsibility of Fredericks Michael Securities, Inc.'s management. Our audit procedures including 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, we evaluated whether the supplemental information, including its form and content, is presented in conformity with Rule 17a-5 of the Securities Exchange Act of 1934. In our opinion, the supplemental information is fairly states, in all material respects, in relation to the financial statements as a whole.

Curcio, Wieselthier & Cohen, CPA's, P.C.

Curcio, Wieselthier & Cohen, C.P.A.'S, P.C.
New York, New York
February 25, 2014

FREDERICKS MICHAEL SECURITIES, INC.

STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2014

ASSETS

Current Assets:

| | |
|----------------------------|---------------|
| Cash | \$ 17,225 |
| Due from Related Party | 5,744 |
| Prepaid Expenses and Taxes | <u>1,797</u> |
| Total Current Assets | <u>24,766</u> |

Property and Equipment - Net

-

Deferred Taxes

28,170

Total Assets

\$ 52,936

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities:

| | |
|---------------------------|------------------|
| Accounts Payable | \$ <u>11,000</u> |
| Total Current Liabilities | <u>11,000</u> |

Stockholders' Equity:

| | |
|--|------------------|
| Common Stock - (\$1 Par Value, 200 Shares Authorized 100 Shares Issued and Outstanding) | 100 |
| Additional Paid-In Capital | 73,900 |
| Retained Earnings | <u>(32,064)</u> |
| Total Stockholders' Equity | <u>41,936</u> |
| Total Liabilities and Stockholders' Equity | <u>\$ 52,936</u> |

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

FREDERICKS MICHAEL SECURITIES, INC.

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2014

| | |
|--|---------------------------|
| Revenue: | |
| Advisory Income | <u>\$ 38,635</u> |
| Operating Expenses | |
| Facilities Charge | 51,600 |
| Legal and Accounting Fees | 30,000 |
| Regulatory and Consulting Fees | 3,399 |
| Office and Other Operating Expenses | <u>878</u> |
| Total Operating Expenses | <u>85,877</u> |
| Net Income (Loss) From Operations | <u>(47,242)</u> |
| Other Income and (Expenses) | |
| Interest Expense | <u>(10)</u> |
| Total Other Income and (Expenses) | <u>(10)</u> |
| Income (Loss) Before Provision for Income Taxes | <u>(47,252)</u> |
| Provision for Income Taxes | |
| Current | 132 |
| Deferred | <u>(12,277)</u> |
| Total Provision for Income Taxes | <u>(12,145)</u> |
| Net Income (Loss) | <u><u>\$ (35,107)</u></u> |

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

FREDERICKS MICHAEL SECURITIES, INC.

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2014

| | <u>Common Stock</u> | <u>Additional Paid In Capital</u> | <u>Retained Earnings</u> | <u>Total Stockholders' Equity</u> |
|------------------------------|-------------------------|---|------------------------------|---|
| Balance at January 1, 2014 | \$ 100 | \$ 73,900 | \$ 3,043 | \$ 77,043 |
| Net Income (Loss) | - | - | (35,107) | (35,107) |
| Contributions | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Balance at December 31, 2014 | <u>\$ 100</u> | <u>\$ 73,900</u> | <u>\$ (32,064)</u> | <u>\$ 41,936</u> |

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

FREDERICKS MICHAEL SECURITIES, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2014

Cash Flows From Operating Activities:

| | |
|--|-------------|
| Net Income (Loss) | \$ (35,107) |
| Adjustments To Reconcile Net Income To Net Cash | |
| Provided By (Used For) Operating Activities: | |
| Deferred Taxes | (12,277) |
| (Increase) or Decrease in Current Assets: | |
| Due from Related Party | 47,466 |
| Prepaid Expenses and Taxes | 132 |
| Increase or (Decrease) in Current Liabilities: | |
| Accounts Payable | 1,000 |
| | <hr/> |
| Net Cash Provided By (Used For) Operating Activities | 1,214 |

Cash Flows From Investing Activities:

| | |
|--|---------|
| None | <hr/> - |
| | <hr/> |
| Net Cash Provided By (Used For) Investing Activities | - |

Cash Flows From Financing Activities:

| | |
|--|---------|
| Contributions to Additional Paid in Capital | <hr/> - |
| | <hr/> |
| Net Cash Provided By (Used For) Financing Activities | - |

| | |
|---------------------------------|------------------------|
| Net Increase (Decrease) in Cash | 1,214 |
| Cash at Beginning of Year | <hr/> 16,011 |
| Cash at End of Year | <hr/> <u>\$ 17,225</u> |

Supplemental Disclosures of Cash Flow Information:

| | |
|--------------------------------|--------------|
| Cash paid during the year for: | |
| Taxes | <hr/> \$ 132 |
| Interest | <hr/> \$ 10 |

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

FREDERICKS MICHAEL SECURITIES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) Nature of Business

Fredericks Michael Securities, Inc. ("The Company") is a privately held New York corporation established in May 1988, that provides advisory services related to mergers, acquisitions, and other corporate transactions which involve the transfer or issuance of securities. On April 1, 1999, the Company's application with U.S. Securities and Exchange Commission for registration as a broker/dealer pursuant to Section 15(b) of the Securities Exchange Act of 1934 was approved. The Company is a member of the Financial Industry Regulatory Authority ("FINRA").

B) Basis of Accounting

The Company's financial statements are prepared using accrual basis of accounting in accordance with accounting principles general accepted in the United States of America.

C) Property, Equipment and Depreciation

Property, and Equipment are recorded at cost.

Depreciation is provided using various methods over the estimated useful lives of the assets. Expenditures for maintenance, repairs and renewals of minor items are charged to earnings as incurred. Major renewals and improvements are capitalized. Upon disposition, the cost and related accumulated depreciation are removed from the accounts and the resulting gain or loss is reflected in operations for the period.

D) Income Taxes

The Company is in accordance with FASB ASC 740-10-50-8. The provision for income taxes is comprised of current and deferred components. The current component represents the amount of federal, state, and local income taxes which are currently reportable to the respective tax authorities and is measured by applying statutory rates to the Company's taxable income as reported in its tax returns.

FREDERICKS MICHAEL SECURITIES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014

(continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

D) Income Taxes - (continued)

The Company is in accordance ASC Topic 740-10, Accounting for Uncertainty in Income Taxes, which prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of tax position taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. For the year ended December 31, 2014, the Company has no material uncertain tax positions to be accounted for in the financial statements under the new rules. The company recognizes interest and penalties, if any, related to unrecognized tax benefits in interest expense.

Deferred income taxes are provided for the temporary differences between the carrying values of the Company's assets and liabilities for financial reporting purposes and their corresponding income tax bases. These temporary differences are attributable to the Company's net operating loss (NOL) tax carry-forwards. As of December 31, 2014, the Company has for federal, state and local tax return purposes, net operating losses totaling \$108,973 expiring over the next 20 years. The tax benefit of the NOL carry forwards are included in the Company's calculation of its deferred tax asset. As of December 31, 2014, the amount of deferred tax assets totaled \$28,170.

Realization of the deferred tax asset is dependent on the Company generating sufficient taxable income prior to the expiration of the NOL carry forwards. Although realization is not assured, management believes it is more likely than not that the deferred tax asset will be realized. As such, a provision for a valuation allowance was deemed unnecessary.

The Company is subject to routine audits by taxing jurisdiction; however there are currently no audits for any tax periods in progress. Management believes it is no longer subject to income tax examinations for the years prior 2011.

E) Revenue Recognition

Revenue is recognized when the transaction is successfully consummated. Revenue arising from contingent advisory fee assignments is recognized, subject to the absence of uncertainties or the completion of the assignment. In instances where uncertainties exist or as to whether the assignment is completed as agreed upon, revenue is recognized when such uncertainties cease to exist. Expenses are recorded when incurred except in the case of contingent advisory fee assignments, which are recorded when the fee is recognized as earned.

FREDERICKS MICHAEL SECURITIES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014

(continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

F) Regulatory Requirements

The Company is a registered broker-dealer and, accordingly, is subject to the net capital rules of the Securities and Exchange Commission. Under these rules, the Company is required to maintain minimum Net Capital, as defined under Rule 15c3-1 of the Securities Exchange Act of 1934 (as amended).

G) 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

H) Management Review

The Company has performed an evaluation of subsequent events through February 25, 2015, which is the date the financial statements were available to be issued, noting no events which affect the financial statements as of December 31, 2014.

NOTE 2 - PROPERTY AND EQUIPMENT

Property and equipment is summarized as follows:

| | | <u>Estimated Useful Life</u> |
|--------------------------------|-----------------|----------------------------------|
| Office Furniture | \$ 37,469 | 5 Years |
| Computer and Office Equipment | <u>9,880</u> | 1- 3 Years |
| Total Property and Equipment | 47,349 | |
| Less: Accumulated Depreciation | <u>(47,349)</u> | |
| Net Property and Equipment | <u>\$ -</u> | |

As property and equipment is fully depreciated, no depreciation expense was incurred for the year ended December 31, 2014.

FREDERICKS MICHAEL SECURITIES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014

(continued)

NOTE 3 - RELATED PARTY TRANSACTIONS

A) Due From Related Party

The amount due from the Company is pursuant to an Income and Cost Sharing agreement with a related party whereby the Company participates in advisory services with the related party. The amount due from the related party as of December 31, 2014 totaled \$5,744.

B) Major Source of Income

For the year ended December 31, 2014, one hundred percent (100%) of the Company's advisory income was originated from the related party.

NOTE 4 - CONCENTRATIONS OF CREDIT RISK

Substantially, all of the Company's cash is maintained in a single bank. The Company has exposure to credit risk to the extent its cash exceeds the amounts covered by federal deposit insurance. For the year ended December 31, 2014, the amounts covered by federal deposit insurance are \$250,000. As of December 31, 2014, there were no uninsured amounts.

NOTE 5 - PROVISION FOR INCOME TAXES

The Provision for Income Taxes consists of the following:

Current:

| | | |
|--------------------------------------|----|-------------------|
| Federal Corporation Tax | \$ | - |
| New York State Franchise Tax | | 107 |
| New York City Corporation Income Tax | | <u>25</u> |
| Total Current Taxes | \$ | <u><u>132</u></u> |

FREDERICKS MICHAEL SECURITIES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014

(continued)

NOTE 5 - PROVISION FOR INCOME TAXES - (continued)

| | |
|--------------------------------------|--------------------|
| Deferred: | |
| Federal Corporation Tax | \$ (7,124) |
| New York State Franchise Tax | (949) |
| New York City Corporation Income Tax | <u>(4,204)</u> |
| Total Deferred Taxes | <u>\$ (12,277)</u> |

FREDERICKS MICHAEL SECURITIES, INC.

SUPPLEMENTARY SCHEDULES

DECEMBER 31, 2014

FREDERICKS MICHAEL SECURITIES, INC.

SCHEDULE I

COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1

DECEMBER 31, 2014

| | |
|--|-------------------------|
| <i>Net Capital</i> | |
| Total stockholders' equity | \$ 41,936 |
| Deduct: stockholders' equity not allowable for net capital | - |
| Total stockholders' equity qualifies for net capital | <u>41,936</u> |
| Add: subordinated borrowings allowable in computation of | - |
| <i>Total capital and allowable subordinated borrowings</i> | <u><u>41,936</u></u> |
| Deductions and/or changes: | |
| Non-allowable assets: | |
| Due from related party | 5,744 |
| Prepaid expenses | 1,797 |
| Deferred Taxes | <u>28,170</u> |
| Total deductions and/or changes: | <u>35,711</u> |
| <i>Net Capital before haircuts on securities positions</i> | 6,225 |
| <i>Haircuts on securities</i> | - |
| <i>Net Capital</i> | <u><u>\$ 6,225</u></u> |
| <i>Aggregate indebtedness</i> | |
| Items included in statements of financial conditions: | |
| Account payable, accrued liabilities, accrued expenses and other items included in statements of financial conditions | <u>\$ 11,000</u> |
| Total aggregate indebtedness | <u><u>\$ 11,000</u></u> |
| <i>Minimum net capital required</i> | <u><u>\$ 5,000</u></u> |
| <i>Excess net capital</i> | <u><u>\$ 1,225</u></u> |
| <i>Excess net capital of the greater of 10 percent of total aggregate Indebtness or 120 percent of minimum net capital required</i> | <u><u>\$ 225</u></u> |
| <i>Percentage of aggregate indebtedness to net capital</i> | <u><u>177%</u></u> |
| Reconciliation with Company's computation of (included in Part II of Form X-17A-5 as of December 31, 2014): | |
| Net capital, as reported in Company's Part II (un-audited) FOCUS report | \$ 6,225 |
| Net audit adjustments resulting in increased capital | - |
| <i>Net Capital per above</i> | <u><u>\$ 6,225</u></u> |

FREDERICKS MICHAEL SECURITIES, INC.

SCHEDULE II

**COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS
UNDER RULE 15C3-3 (EXEMPTION)**

DECEMBER 31, 2014

An exemption from Rule 15c3-3 is claimed, based upon section (k)(2)(i).

FREDERICKS MICHAEL SECURITIES, INC.

SCHEDULE III

**INFORMATION RELATING TO POSSESSION OR CONTROL
REQUIREMENTS UNDER RULE 15c3-3 (EXEMPTION)**

DECEMBER 31, 2014

An exemption from Rule 15c3-3 is claimed, based upon section (k)(2)(i).

FREDERICKS MICHAEL SECURITIES, INC.

EXEMPTION REPORT

DECEMBER 31, 2014

FREDERICKS MICHAEL SECURITIES, INC.

TABLE OF CONTENTS

| | <u>PAGE</u> |
|---|--------------------|
| <i>REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</i> | <i>1</i> |
| <i>FREDERICKS MICHAEL SECURITIES INC. EXEMPTION REPORT</i> | <i>2</i> |

CURCIO
WIESELTHIER
+ COHEN

CERTIFIED PUBLIC ACCOUNTANTS PC 7 PENN PLAZA, SUITE 1500 NEW YORK NY 10001
TEL: 212 557-9800 • FAX: 212 557-9819 • website: www.cwccpafirm.com

To the Board of Directors
Fredericks Michael Securities, Inc.
New York, NY

Report of Independent Registered Public Accounting Firm

We have reviewed management's statements, included in the accompanying Fredericks Michael Securities, Inc.'s Exemption Report, in which Fredericks Michael Securities, Inc. identified the following provisions of 17 C.F.R. §15c3-3(k) under which Fredericks Michael Securities, Inc. claimed an exemption from 17 C.F.R. § 240.15c3-3: (2)(i) (the "exemption provisions") and Fredericks Michael Securities, Inc. stated that Fredericks Michael Securities, Inc. met the identified exemption provisions throughout the most recent fiscal year without exception. Fredericks Michael 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 Fredericks Michael 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)(i) of Rule 15c3-3 under the Securities Exchange Act of 1934.

Curcio, Wieselthier & Cohen, CPA's, P.C.

Curcio, Wieselthier & Cohen, CPA's PC
New York, New York
February 25, 2015

**FREDERICKS
MICHAEL**

Fredericks Michael Securities, Inc.
430 Park Avenue
New York, New York 10022
Tel: +1 212 732 1600
Fax: +1 212 732 1872

Fredericks Michael Securities Inc. Exemption Report

Fredericks Michael Securities Inc. (the "Company") is a registered broker-dealer subject to Rule 17a-5 promulgated by the Securities and Exchange Commission (17 C.F.R. §240.17a-5, "Reports to be made by certain brokers and dealers"). This Exemption Report was prepared as required by 17 C.F.R. § 240.17a-5(d)(1) and (4). To the best of its knowledge and belief, the Company states the following:

(1) The Company may file an Exemption Report because the Company had no obligations under 17 C.F.R. § 240.15c3-3.

(2) The Company had no obligations under 17 C.F.R. § 240.15c3-3 throughout the most recent fiscal year without exception.

Fredericks Michael Securities Inc.

I, Ken Boyar, swear that, to my best knowledge and belief, this Exemption Report is true and correct.



Ken Boyar
Title: President
February 25, 2015