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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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ANNUAL AUDITED REPORT
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PART III

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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: EQUITEC PROPRIETARY MARKETS, LLC

OFFICIAL USE ONLY

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

FIRM I.D. NO.

111 W. JACKSON BLVD., 20TH FLOOR

(No. and Street)

CHICAGO

IL

60604

(City)

(State)

(Zip Code)

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

FRED GOLDMAN

312-692-5007

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

JESSER, RAVID, JASON, BASSO & FARBER, LLP

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

150 N. WACKER DR., SUITE 3100 CHICAGO

IL

60606

(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)

SEC 1410 (06-02)

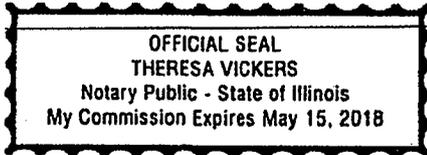
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OATH OR AFFIRMATION

I, FRED GOLDMAN, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of EQUITEC PROPRIETARY MARKETS, LLC, 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:



[Signature]
Signature

CHIEF FINANCIAL OFFICER
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 copy of the review Report of Independent Registered Public Accounting Firm on Accompanying Management's Claim of Exemption from SEC Rule 15c3-3.

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



JESSER RAVID

JESSER, RAVID, JASON, BASSO AND FARBER LLP

150 N. Wacker Drive, Suite 3100
Chicago, IL 60606

OFFICE: (312) 782-4710
FAX: (312) 782-4711

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
ON FINANCIAL STATEMENTS**

The Member
Equitec Proprietary Markets, LLC
Chicago, IL

We have audited the accompanying financial statements of Equitec Proprietary Markets, LLC (the Company), an Illinois Limited Liability Company, which comprise the statement of financial condition as of December 31, 2014, and the related statements of operations and changes in members' capital 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. The Company'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 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 condition of Equitec Proprietary Markets, LLC 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 supplemental information presented in Schedule I and Schedule II 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 Rule 17a-5 of the Securities Exchange Act of 1934. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Jesser, Ravid, Jason, Basso and Farber, LLP
Chicago, IL

February 27, 2015

EQUITEC PROPRIETARY MARKETS, LLC

STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2014

ASSETS

Cash	\$	1,352,145
Dividends receivable		657,095
Securities and derivatives owned, at fair value		592,423,908
U.S. Treasury bills		1,499,111
Other receivables and assets		<u>204,495</u>
	\$	<u>596,136,754</u>

LIABILITIES AND MEMBERS' CAPITAL

Liabilities:

Due to clearing broker	\$	68,754,839
Securities and derivatives sold, not yet purchased, at fair value		477,087,305
Accounts payable and accrued expenses		<u>1,867,995</u>
		547,710,139
Members' capital		<u>48,426,615</u>
	\$	<u>596,136,754</u>

See Notes to Financial Statements.

EQUITEC PROPRIETARY MARKETS, LLC

STATEMENT OF OPERATIONS AND CHANGES IN MEMBERS' CAPITAL

YEAR ENDED DECEMBER 31, 2014

REVENUES:

Trading income (loss):		
Trading gains, net	\$ 29,530,698	
Interest and dividend income	4,514,224	
Interest and dividend expense	<u>(3,534,085)</u>	
Net trading income	30,510,837	
Order routing	1,933,599	
Other income	<u>215,322</u>	
Total Revenues		\$ 32,659,758

EXPENSES:

Compensation and benefits	5,552,606	
Commissions, order routing, clearing and exchange fees	20,661,241	
Exchange seat lease	189,003	
Marketing	17,941	
Office	363,611	
Professional fees	126,125	
Rent	420,300	
Technology and communications	2,480,812	
Other	<u>339,263</u>	
Total Expenses		<u>30,150,902</u>

NET INCOME 2,508,856

MEMBERS' CAPITAL, BEGINNING OF YEAR 50,567,759

CAPITAL CONTRIBUTIONS 7,000,000

CAPITAL WITHDRAWALS (11,650,000)

MEMBERS' CAPITAL, END OF YEAR \$ 48,426,615

See Notes to Financial Statements.

EQUITEC PROPRIETARY MARKETS, LLC

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2014

OPERATING ACTIVITIES:

Net income	\$ 2,508,856	
Adjustments to reconcile net income to net cash provided by operating activities:		
Decrease in dividends receivable	3,730,688	
Decrease in securities and derivatives owned, at fair value	1,463,782,519	
Increase in U.S. Treasury bills	(999,405)	
Decrease in other receivables and assets	25,827	
Decrease in balance due to clearing broker	(1,222,508,326)	
Decrease in securities and derivatives sold, not yet purchased, at fair value	(240,405,505)	
Decrease in accounts payable and accrued expenses	<u>(2,290,535)</u>	
Net cash provided by operating activities		\$ 3,844,119

FINANCING ACTIVITIES:

Capital contributions	7,000,000	
Capital withdrawals	<u>(11,650,000)</u>	
Net cash used in financing activities		<u>(4,650,000)</u>

NET DECREASE IN CASH	(805,881)
CASH, BEGINNING OF YEAR	<u>2,158,026</u>
CASH, END OF YEAR	<u>\$ 1,352,145</u>

SUPPLEMENTAL CASH FLOW DISCLOSURES:

Cash paid during the year for interest	<u>\$ 4,370,993</u>
Cash paid during the year for income taxes	<u>\$ -</u>

See Notes to Financial Statements.

EQUITEC PROPRIETARY MARKETS, LLC

NOTES TO FINANCIAL STATEMENTS

1. Organization:

Equitec Proprietary Markets, LLC (the Company) is a limited liability company organized under the laws of the state of Illinois, and is registered as a broker-dealer with the Securities and Exchange Commission (SEC). The Company conducts market-making and proprietary trading activities in exchange-traded securities and derivative financial instruments. All trades are cleared through another broker-dealer. The Company also provides access to its trading software for affiliated and nonaffiliated entities. The Company is a wholly owned subsidiary of Equitec Group, LLC (Group). The Company is currently a member of the Chicago Board Options Exchange (CBOE), CBOE Futures Exchange, NYSE Arca, and has executed an Electronic User Agreement with the Intercontinental Exchange Futures U.S., allowing the Company access to those markets. During the year, the Company was a member of the NASDAQ OMX PHLX, but terminated its membership on November 3, 2014.

2. Significant Accounting Policies:

The Company follows the accounting standards set by the Financial Accounting Standards Board (FASB). The FASB sets generally accepted accounting principles (GAAP) that the Company follows to ensure consistent reporting of financial condition, results of operations, and cash flows.

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

The Company maintains cash in certain bank accounts insured by the Federal Deposit Insurance Corporation (FDIC). The insurance is currently limited to \$250,000. During 2014, the accounts, at times, may have exceeded their insured limit; however, no losses have been incurred on the accounts.

Securities and derivative transactions and the related revenue and expenses are recorded on a trade-date basis. All positions in securities and derivatives are stated at fair value. The related changes in unrealized appreciation or depreciation are reflected in trading gains and losses. See Notes 4 and 5.

Dividend income and expense are recognized on the ex-dividend date. Interest income and expense are recognized on an accrual basis.

Other receivables and assets include the Company's Class B limited partnership interest, which represents an ownership interest in the Company's clearing broker. As such, the interest is not readily marketable, and is carried at its original cost of \$10,000.

U.S. Treasury bills are valued at cost plus accrued interest, which approximates fair value. See Note 5.

EQUITEC PROPRIETARY MARKETS, LLC

NOTES TO FINANCIAL STATEMENTS

2. Significant Accounting Policies - continued:

Order routing, which includes providing access to and usage of the Company's trading software, is recognized as earned on a trade-date basis, net of any Chicago lease taxes collected.

The Company extends credit to its customers and generally requires no collateral. As such, the Company is susceptible to credit risk from customers. Management reviews aged receivables on a regular basis, and maintains prudent credit and collection policies to minimize risk.

Accounts receivable are stated at the amounts the Company expects to collect. The Company maintains an allowance for doubtful accounts to recognize estimated losses resulting from the inability of its customers to make required payments. Management considers a variety of factors when determining the collectability of specific customer accounts, such as credit-worthiness, past transaction history, current economic industry trends, and changes in payment terms. Based on management's assessment, the Company provides for estimated uncollectible amounts through a charge to earnings and a credit to valuation allowance. Balances that remain outstanding after the Company has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. As of December 31, 2014, the balance of the allowance for doubtful accounts was \$13,369. For the year ended December 31, 2014, the Company charged to bad debt expense estimated uncollectible accounts receivable balances totaling \$13,353.

The Company is not liable for federal income taxes as the member recognizes its respective share of income or loss in its consolidated tax returns. For 2014, the Company was exempt from Illinois Replacement Tax as it qualified as an Investment Partnership. Accordingly, no provision for income taxes has been made in these financial statements. FASB provides guidance for how uncertain tax positions should be recognized, measured, disclosed and presented in the financial statements. This requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Company's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained "when challenged" or "when examined" by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax benefit or expense and asset or liability, respectively, in the current year. For the year ended December 31, 2014, management has determined that there were no material uncertain income tax positions. The Company is not subject to examination by United States federal and state tax authorities for tax years before 2011.

Management has evaluated subsequent events through February 27, 2015, the date on which the financial statements were available to be issued.

3. Due from/to Clearing Broker:

The balance due from/to the clearing broker includes net receivables and payables for settled trades, cash and margin balances held at the clearing broker, and open trade equity on futures contracts. The Company earns or pays interest from/to its clearing broker

EQUITEC PROPRIETARY MARKETS, LLC

NOTES TO FINANCIAL STATEMENTS

3. Due from/to Clearing Broker - continued:

based upon the federal funds rate computed on a daily basis on credit/debit balances. Amounts due to the clearing broker at December 31, 2014 consist of the following:

	Receivable (Payable)
Cash/margin accounts at clearing broker	\$ (50,992,314)
Futures open trade equity	(17,762,525)
Total	\$ (68,754,839)

4. Derivative Financial Instruments:

Derivative contracts are financial instruments whose value is based upon an underlying asset, index, or reference rate. The Company's derivative activities are limited to those involving equity and index options, futures contracts, and options on futures contracts. The Company uses derivative financial instruments as part of its market-making and trading activities and its overall risk management process. These derivative contracts are recorded in the statement of financial condition as assets and liabilities measured at fair value and the related realized and unrealized gain (loss) associated with these derivatives is recorded in the statement of operations as net trading gains (losses). The Company does not consider any derivative instruments to be hedging instruments, as defined in FASB ASC 815, Derivatives and Hedging. Therefore, certain of the disclosures required under FASB ASC 815 are generally not applicable with respect to these financial instruments. At December 31, 2014 and for the year then ended, the Company's derivative activities had the following impact on the statement of financial condition and the statement of operations:

Statement of Financial Condition:

	<u>Fair Value</u>
Payable to clearing broker:	
Futures open trade equity – equity index	<u>\$ 17,762,525</u>
Derivatives owned:	
Options on futures contracts	\$ 24,666,800
Equity and index options	<u>240,852,254</u>
	<u>\$ 265,519,054</u>
Derivatives sold, not yet purchased:	
Options on futures contracts	\$ 28,400,835
Equity and index options	<u>433,823,023</u>
	<u>\$ 462,223,858</u>

EQUITEC PROPRIETARY MARKETS, LLC

NOTES TO FINANCIAL STATEMENTS

4. Derivative Financial Instruments - continued:

Statement of Operations:

Trading gains (losses), net:	
Futures contracts – equity index	\$ 21,278,773
Options on futures contracts	(11,608,958)
Equity and index options	<u>34,405,002</u>
	<u>\$ 44,074,817</u>

For the year ended December 31, 2014, the monthly average volume of derivative contracts bought and sold was approximately 2,639,000.

5. Fair Value of Financial Instruments:

FASB ASC 820 defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy which prioritizes the input to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market.

Assets and liabilities recorded at fair value are categorized within the fair value hierarchy based upon the level of judgment associated with the inputs used to measure their value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The Company utilizes valuation techniques to maximize the use of observable inputs and minimize the use of unobservable inputs. Fair value measurement techniques used by the Company are consistent with the market, income and cost approach, as specified by FASB ASC 820. Inputs are broadly defined as assumptions market participants would use in pricing an asset or liability. The fair value hierarchy prioritizes the input to valuation techniques used to measure fair value into three broad levels:

- **Level 1.** Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. The types of investments considered as Level 1 include listed debt and equity securities and listed derivatives.
- **Level 2.** Inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly. Fair value is determined through the use of models or other valuation methodologies. The Level 2 inputs taken into consideration by the Company were quotes received from outside brokers, maturity of securities, values of underlying securities, etc. Investments which are generally included in this category include certain corporate bonds and loans, less liquid and restricted equity securities and certain over-the-counter derivatives. A significant adjustment to a Level 2 input could result in the Level 2 measurement becoming a Level 3 measurement.

EQUITEC PROPRIETARY MARKETS, LLC

NOTES TO FINANCIAL STATEMENTS

5. Fair Value of Financial Instruments - continued:

- **Level 3.** Inputs are unobservable for the asset or liability and include situations where there is little, if any, market activity for the asset or liability. The inputs into the determination of fair value are based upon the best information in the circumstances and may require significant management judgment or estimation. Investments that are generally included in this category include equity and debt positions in private companies.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment.

The following table presents the Company's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of December 31, 2014.

	Level 1	Level 2	Level 3	Total
Due to clearing broker: Futures open trade equity	\$ 17,762,525	\$ -	\$ -	\$ 17,762,525
Equity and debt securities owned	324,454,955	2,449,899	-	326,904,854
Equity options owned	240,852,254	-	-	240,852,254
Options on futures contracts owned	24,666,800	-	-	24,666,800
Equity securities sold, not yet purchased	14,863,447	-	-	14,863,447
Equity options sold, not yet purchased	433,823,023	-	-	433,823,023
Options on futures contracts sold, not yet purchased	28,400,835	-	-	28,400,835

As of December 31, 2014, securities and derivatives owned and securities and derivatives sold, not yet purchased, which trade in active markets and are valued using quoted active market prices or broker or dealer quotations with reasonable levels of price transparency, are classified within Level 1 of the fair value hierarchy. Assets that have been classified within the Level 2 of the fair value hierarchy represent convertible notes which have been valued at the price of the underlying stock as if it were converted at December 31, 2014.

Recorded amounts of cash, receivables and payables approximate fair value, based on their short-term nature.

EQUITEC PROPRIETARY MARKETS, LLC

NOTES TO FINANCIAL STATEMENTS

6. Guarantees:

Indemnifications: In the normal course of business, the Company enters into contracts that contain a variety of representations and warranties that provide indemnifications under certain circumstances. The Company's maximum exposure under these agreements is unknown, as this would involve future claims that may be made against the Company regarding circumstances that have not yet occurred. However, management considers the likelihood of a material loss related to these agreements to be remote.

Other guarantees: The Company guarantees certain service providers, such as clearing and custody agents, mainly Goldman Sachs Execution & Clearing, L.P. (GSEC), against specified potential losses in connection with their acting as agent for the Company and its affiliates. The Company has entered into a guarantee contract with GSEC guaranteeing an unlimited amount in specified losses of Equitec Specialists, L.L.C., an affiliate. Management cannot estimate the amount of any potential liability under these guarantees, but feels that the likelihood of any requirement to make payments pursuant to these agreements is remote.

7. Financial Instruments with Off-Balance-Sheet Risk:

In connection with its market-making and proprietary trading activities, the Company entered into various transactions involving derivative financial instruments, primarily exchange-traded equity and index options, futures contracts, and options on futures contracts. Options held provide the Company with the opportunity to deliver or take delivery of specified financial instruments at a contracted price. Options written obligate the Company to deliver or take delivery of specified financial instruments at a contracted price in the event the option is exercised by the holder. Futures contracts provide for the delayed delivery or purchase of financial instruments at a specified future date at a specified price or yield. These derivative financial instruments may have market risk and/or credit risk in excess of the amounts recorded in the statement of financial condition.

Market risk: Market risk is the potential change in an instrument's value caused by fluctuations in equity prices, interest and currency exchange rates, credit spreads, and other risks. Derivative financial instruments involve varying degrees of off-balance-sheet market risk. Changes in the market values of the underlying financial instruments may result in changes in the value of the derivative financial instruments in excess of the amounts reflected in the statement of financial condition. Exposure to market risk is influenced by a number of factors, including the relationships between financial instruments and the volatility and liquidity in the markets in which the financial instruments are traded. In many cases, the use of derivative and other financial instruments serves to modify or offset market risk associated with other transactions and, accordingly, serves to decrease the Company's overall exposure to market risk. The Company attempts to manage its exposure to market risk arising from the use of these financial instruments through various analytical monitoring techniques.

EQUITEC PROPRIETARY MARKETS, LLC

NOTES TO FINANCIAL STATEMENTS

7. Financial Instruments with Off-Balance-Sheet Risk - continued:

In addition, the Company sells securities it does not currently own and will, therefore, be obligated to purchase such securities at a future date. The Company has recorded these obligations in the statement of financial condition at December 31, 2014 at the fair value of the related securities and would incur a loss if the fair value of the securities were to increase subsequent to December 31, 2014.

Credit risk: Credit risk arises from the potential inability of counterparties to perform in accordance with the terms of the contracts. The Company's exposure to credit risk associated with counterparty nonperformance is limited to the current cost to replace all contracts in which the Company has a gain. Exchange-traded financial instruments generally do not give rise to significant counterparty exposure due to the cash settlement procedures for daily market movements or the margin requirements of the individual exchanges and clearing brokers.

Concentration of credit risk: The majority of the Company's trades were cleared through Goldman Sachs Execution & Clearing, L.P., the Company's clearing broker. In the event this counterparty does not fulfill its obligation, the Company may be exposed to risk. The risk of default also depends on the creditworthiness of the counterparties to these transactions. It is the Company's policy to review, as necessary, the credit standing of each counterparty.

Amounts payable, if any, to the clearing broker and securities sold, not yet purchased, are collateralized by cash and securities owned and on deposit with the clearing broker.

8. Long-Term Notes Receivable:

Included in securities and derivative owned at December 31, 2014, the long-term notes receivable of \$1,549,000 bear interest at 7 percent, compounded quarterly, with a maturity date of March 5, 2018. At the option of the Company, the value of the notes plus accrued interest is convertible into shares of the common stock of the issuer, CADIZ Inc. If the Company forgoes the option to convert, the total amount of principal plus accrued interest is to be received on the maturity date.

9. Net Capital Requirements:

The Company is subject to the SEC Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. (The rule of the "applicable" exchange also provides that equity capital may not be withdrawn or cash distributions paid if the resulting ratio would exceed 10 to 1.) Under this rule, the Company is required to maintain "minimum net capital" equivalent to \$100,000 or 6 2/3% of "aggregate indebtedness," whichever is greater, as these terms are defined. At December 31, 2014, the Company had net capital of \$23,528,441, which was \$23,404,221 in excess of its required net capital.

EQUITEC PROPRIETARY MARKETS, LLC

NOTES TO FINANCIAL STATEMENTS

9. Net Capital Requirements - continued:

The Company had a net capital deficiency of \$3,050,245 commencing at the close of business on July 11, 2014 through the morning of July 14, 2014. The deficiency was disclosed by management to the Company's designated examining authority, Chicago Board Options Exchange. This deficiency was due to the haircuts exceeding the Company's expectations. A capital deposit of \$5,000,000 was made by Equitec Group, LLC before the open of the markets on July 14, 2014 bringing the net capital into a positive amount of \$1,949,755.

10. Principal Transaction Revenues:

During 2014, the Company's principal transaction revenues consisted primarily of equity activities (including equity shares, equity options and options on stock indexes) totaling \$30,510,837 and order routing income totaling \$1,933,599.

11. Operating Lease:

The Company rents two office copiers and related equipment under a three-year non-cancelable operating lease expiring in September, 2017. The lease provides for a monthly rental of \$1,283, plus applicable taxes and fees. The minimum annual rental commitments under this operating lease, exclusive of additional payments that may be required for taxes and operating costs, are as follows:

2015	\$15,396
2016	15,396
2017	<u>10,264</u>
	<u>\$41,056</u>

Lease expense totaled \$23,206 for the year ended December 31, 2014.

12. Related Party Transactions:

The Company's payroll function is handled exclusively by the member, Equitec Group, LLC. Reimbursement payments were made to Group based on the Company's share of payroll-related expenses. During 2014, total compensation paid by Group on the Company's behalf was \$5,552,606. Also, the Company paid rent for the use of Group's office facilities by the Company and its affiliates under a lease that has been entered into between Group and a third-party lessor. The Company was reimbursed from its affiliates for their share of rent expense, as described below.

The Company was reimbursed for certain expenses, including office space and administrative services, that are shared with various affiliates. During 2014, the Company was reimbursed \$573,675 for such expenses.

During 2014, the Company received technology fee income from various affiliates totaling \$701,200 for certain equipment and services made available to its affiliates.

EQUITEC PROPRIETARY MARKETS, LLC

NOTES TO FINANCIAL STATEMENTS

12. Related Party Transactions - continued:

Order routing income included \$428,603 received from various affiliates for access and usage of the Company's trading software. At December 31, 2014, other receivables and assets included \$66,571 due from these affiliates for such services.

13. Commitments and Contingencies:

In the normal course of business, the Company is subject to various claims, litigation, regulatory and arbitration matters. Although the effect of these claims and matters cannot be determined, management of the Company believes, after consultation with legal counsel, that the resolution of these claims and matters will not result in any material adverse effect upon the Company's financial condition or results of operations.

The Company is currently a defendant in litigation involving a dispute with Schooley Mitchell Consultants (SMTC). On February 3, 2014, a formal complaint was filed by SMTC in circuit court alleging fees owed by the Company of \$142,250 for telecommunication cost reduction services provided by SMTC dating back to 2010. The case is currently the subject of further court proceedings. Although the results of the court proceedings cannot be determined at this time, management believes, after consultation with legal counsel, that the resolution of this matter will not result in any material adverse effect upon the Company's financial condition or results of operations.

EQUITEC PROPRIETARY MARKETS, LLC

SCHEDULE I

COMPUTATION OF NET CAPITAL UNDER RULE 15C 3-1
OF THE SECURITIES AND EXCHANGE COMMISSION

DECEMBER 31, 2014

COMPUTATION OF NET CAPITAL

Total members' capital, end of year		\$ 48,426,615
Less:		
Non-allowable assets:		
Limited partnership interest	\$ (10,000)	
Other assets	<u>(194,495)</u>	(204,495)
Other deductions and/or charges		(147,704)
Haircuts on securities		<u>(24,112,230)</u>
Undue concentration		<u>(433,745)</u>
NET CAPITAL		23,528,441
Minimum capital requirement		<u>124,220</u>
EXCESS NET CAPITAL		<u>\$ 23,404,221</u>
EXCESS NET CAPITAL AT 1000%		<u>\$ 23,342,111</u>

COMPUTATION OF AGGREGATE INDEBTEDNESS

Item(s) included in the statement of financial condition:		
Accrued compensation, as applicable	\$ 874,757	
Accounts payable and other accrued expenses, as applicable	<u>988,540</u>	
Aggregate indebtedness		<u>\$ 1,863,297</u>
Ratio: Aggregate indebtedness to Net Capital		0.08 to 1

Note: The above information on this schedule is in agreement, in all material respects, with the unaudited FOCUS report, Part II, filed by the Company as of December 31, 2014.

EQUITEC PROPRIETARY MARKETS, LLC

SCHEDULE II

COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS AND INFORMATION
RELATING TO POSSESSION AND CONTROL REQUIREMENTS UNDER RULE 15C 3-3
OF THE SECURITIES AND EXCHANGE COMMISSION

DECEMBER 31, 2014

COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS UNDER RULE 15C 3-3

Although the Company is not exempt from Rule 15c3-3, it does not transact business in securities with, or for, other than members of a national securities exchange and does not carry margin accounts, credit balances or securities for any person defined as a "customer" pursuant to Rule 17a-5(c)(4). Accordingly, there are no amounts reportable under these sections.

INFORMATION RELATING TO POSSESSION AND CONTROL REQUIREMENTS
UNDER RULE 15C 3-3

Although the Company is not exempt from Rule 15c3-3, it does not transact business in securities with, or for, other than members of a national securities exchange and does not carry margin accounts, credit balances or securities for any person defined as a "customer" pursuant to Rule 17a-5(c)(4). Accordingly, there are no amounts reportable under these sections.



JESSER RAVID

JESSER, RAVID, JASON, BASSO AND FARBER LLP

150 N. Wacker Drive, Suite 3100
Chicago, IL 60606

OFFICE: (312) 782-4710
FAX: (312) 782-4711

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
ON MANAGEMENT'S CLAIM OF EXEMPTION FROM SEC RULE 15C3-3**

The Member
Equitec Proprietary Markets, LLC
Chicago, IL

We have reviewed management's statements included in the accompanying Management's Claim of Exemption from SEC Rule 15c3-3 in which: (1) Equitec Proprietary Markets, LLC (the Company) identified the following provisions of 17 C.F.R. §15c3-3(k) under which the Company claimed an exemption from 17 C.F.R. §240.15c3-3: (2)(ii) (the "exemptive provisions") and (2) the Company stated that the Company met the identified exemptive provisions throughout the most recent fiscal year without exception. The Company's management is responsible for compliance with the exemptive 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 the Company's compliance with the exemptive 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.

Jesser, Ravid, Jason, Basso and Farber, LLP
Chicago, IL

February 27, 2015

Equitec Proprietary Markets, LLC
111 West Jackson Blvd
20th Floor
Chicago, IL 60604

MANAGEMENT'S CLAIM OF EXEMPTION FROM SEC RULE 15C3-3

Jesser, Ravid, Jason, Basso and Farber, LLP
150 N. Wacker Dr.
Suite 3100
Chicago, IL 60606

In accordance with the requirements set forth in Rule 17a-5 of the Securities and Exchange Commission (SEC), the management of Equitec Proprietary Markets, LLC (the Company) has asserted that the Company was in compliance with the exemptive provisions of SEC Rule 15c3-3, as of and for the year ended December 31, 2014, by making the following statements to our auditors:

1. Because the Company did not carry securities accounts for customers or perform custodial functions relating to customer securities, the Company was exempt from the requirements of the SEC's Customer Protection Rule under paragraph (k)(2)(ii).
2. The Company has met the requirements of the exemptive provisions referred to in the previous statement for the year ended December 31, 2014 without exception.
3. The Company has disclosed any regulatory examinations or correspondence between the SEC or DEA related to compliance with the exemptive provisions.
4. All subsequent events through the date of the auditors' report that could have a material effect on the company's assertions have been disclosed.
5. The Company has maintained effective controls in order to maintain compliance with the exemptive provisions.
6. The Company actively monitors their compliance with the exemptive provisions.

This report is to be filed with the Company's annual audited financial statements and is intended solely for the information and use of the SEC in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than the SEC.



Fred Goldman, Chief Financial Officer

Equitec Proprietary Markets, LLC

February 27, 2015

EQUITEC PROPRIETARY MARKETS, LLC
FORM SIPC-7: GENERAL ASSESSMENT RECONCILIATION
(With Independent Accountants' Report Thereon)
YEAR ENDED DECEMBER 31, 2014



JESSER RAVID

JESSER, RAVID, JASON, BASSO AND FARBER LLP

150 N. Wacker Drive, Suite 3100
Chicago, IL 60606

OFFICE: (312) 782-4710
FAX: (312) 782-4711

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

The Member
Equitec Proprietary Markets, LLC
Chicago, IL

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 Equitec Proprietary Markets, LLC (the Company), and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., SIPC, and other examining authorities, solely to assist you and the other specified parties in evaluating the Company's compliance with the applicable instructions of 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 (if applicable) with respective cash disbursement records including a copy of the check written, the bank statement in which the check cleared, and the cash disbursements journal in which the check was recorded, 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 (if applicable) with supporting schedules and working papers, noting no differences;
- 4) Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting the adjustments, noting no differences; and
- 5) Compared the amount of any overpayment applied to the current assessment (if applicable) with the Form SIPC-7 on which it was originally computed, noting no differences.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

Jesser, Ravid, Jason, Basso and Farber, LLP
Chicago, IL

February 27, 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

SIPC-7

(33-REV 7/10)

For the fiscal year ended 12/31/2014

(Read carefully the instructions in your Working Copy before completing this Form)

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:

10*10*****1019*****ALL FOR AADC 606
053363 CBOE DEC
EQUITEC PROPRIETARY MARKETS LLC
111 W JACKSON BLVD 20TH FL
CHICAGO IL 60604-3589

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.

CHERYL POSTON 312-692-507

2. A. General Assessment (item 2e from page 2)

\$ 28,799

B. Less payment made with SIPC-6 filed (exclude interest)

(<31,369>)

7.14.14
Date Paid

C. Less prior overpayment applied

(_____)

D. Assessment balance due or (overpayment)

<2,570>

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)

\$ <2,570>

G. PAID WITH THIS FORM:

Check enclosed, payable to SIPC
Total (must be same as F above)

\$ 0

H. Overpayment carried forward

\$(2,570)

3. Subsidiaries (S) and predecessors (P) included in this form (give name and 1934 Act registration number):

N/A

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.

EQUITEC PROPRIETARY MARKETS, LLC
(Name of Corporation, Partnership or other organization)

Cheryl A. Poston
(Authorized Signature)

Dated the 23RD day of FEBRUARY, 2015.

CONTROLLER
(Title)

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:	<u> </u>	<u> </u>	<u> </u>
		Postmarked	Received	Reviewed
	Calculations	<u> </u>		Documentation <u> </u>
	Exceptions:			
	Disposition of exceptions:			
			Forward Copy	<u> </u>

**DETERMINATION OF "SIPC NET OPERATING REVENUES"
AND GENERAL ASSESSMENT**

Amounts for the fiscal period
beginning 1/1/2014
and ending 12/31/2014

Item No.	Eliminate cents
2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)	\$ <u>22,160,143</u>
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.	<u>1,125,701</u>
(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	<u>1,125,701</u>
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.	<u>6,678,987</u>
(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):	_____
<hr/>	
(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.	\$ <u>5,087,243</u>
(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)	<u>5,087,243</u>
Total deductions	<u>11,766,230</u>
2d. SIPC Net Operating Revenues	\$ <u>11,519,614</u>
2e. General Assessment @ .0025	\$ <u>28,799</u>

(to page 1, line 2.A.)

EQUITEC PROPRIETARY MARKETS, LLC

FORM SIPC-7: GENERAL ASSESSMENT RECONCILIATION
(With Independent Accountants' Report Thereon)

YEAR ENDED DECEMBER 31, 2014



JESSER RAVID

JESSER, RAVID, JASON, BASSO AND FARBER LLP

150 N. Wacker Drive, Suite 3100
Chicago, IL 60606

OFFICE: (312) 782-4710
FAX: (312) 782-4711

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

The Member
Equitec Proprietary Markets, LLC
Chicago, IL

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 Equitec Proprietary Markets, LLC (the Company), and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., SIPC, and other examining authorities, solely to assist you and the other specified parties in evaluating the Company's compliance with the applicable instructions of 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 (if applicable) with respective cash disbursement records including a copy of the check written, the bank statement in which the check cleared, and the cash disbursements journal in which the check was recorded, 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 (if applicable) with supporting schedules and working papers, noting no differences;
- 4) Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting the adjustments, noting no differences; and
- 5) Compared the amount of any overpayment applied to the current assessment (if applicable) with the Form SIPC-7 on which it was originally computed, noting no differences.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

Jesser, Ravid, Jason, Basso and Farber, LLP
Chicago, IL

February 27, 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:

10*10*****1019*****ALL FOR AADC 606
053363 CBOE DEC
EQUITEC PROPRIETARY MARKETS LLC
111 W JACKSON BLVD 20TH FL
CHICAGO IL 60604-3589

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.
CHERYL POSTON 312-692-507

- 2. A. General Assessment (item 2e from page 2) \$ 28,799
- B. Less payment made with SIPC-6 filed (exclude interest) (<31,369>)
7.14.14
Date Paid
- C. Less prior overpayment applied ()
- D. Assessment balance due or (overpayment) <2,570>
- 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) \$ <2,570>
- G. PAID WITH THIS FORM:
Check enclosed, payable to SIPC
Total (must be same as F above) \$ 0
- H. Overpayment carried forward \$ (2,570)

3. Subsidiaries (S) and predecessors (P) included in this form (give name and 1934 Act registration number):
N/A

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.

EQUITEC PROPRIETARY MARKETS, LLC
(Name of Corporation, Partnership or other organization)
Cheryl L. Poston
(Authorized Signature)
CONTROLLER
(Title)

Dated the 23rd day of FEBRUARY, 2015.

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

Item No.		
2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)		Eliminate cents \$ <u>22,160,143</u>
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.		<u>1,125,701</u>
(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		<u>1,125,701</u>
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.		<u>6,678,987</u>
(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):		_____
<hr/>		
(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.		\$ <u>5,087,243</u>
(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)		<u>5,087,243</u>
Total deductions		<u>11,766,230</u>
2d. SIPC Net Operating Revenues		\$ <u>11,519,614</u>
2e. General Assessment @ .0025		\$ <u>28,799</u>

(to page 1, line 2.A.)