

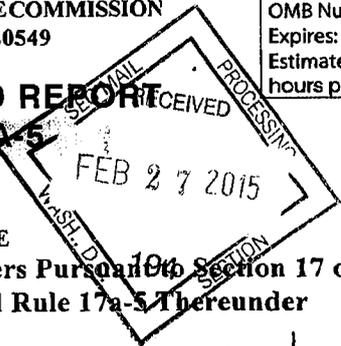
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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



SEC FILE NUMBER
B-36997

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 01/01/2014 AND ENDING 12/31/2014
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: MID-ATLANTIC SECURITIES INC
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
4001 BARNETT DRIVE; STE 100
(No. and Street)
RALPH N. C. 27609
(City) (State) (Zip Code)

OFFICIAL USE ONLY
FIRM I.D. NO.

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
JAMES GLOVER 919-783-7787
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*
BATCHELOR, TILLEY & ROBERTS, LLP
(Name - if individual, state last, first, middle name)
3605 GLENWOOD NE; RALPH N. C. 27602
(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, JAMES B. GLOVER JR., swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of MID-ATLANTIC 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:



James B. Glover Jr.
Signature
TREASURER
Title

Tony Britt Stephenson
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).

MID-ATLANTIC SECURITIES, INC.

**Consolidated Financial Statements
and Supplemental Information**

December 31, 2014 and 2013

(With Independent Auditors' Report Thereon)

MID-ATLANTIC SECURITIES, INC.

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BACHELOR, TILLERY & ROBERTS, LLP

CERTIFIED PUBLIC ACCOUNTANTS

POST OFFICE BOX 18068

RALEIGH, NORTH CAROLINA 27619

RONALD A. BACHELOR
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TELEPHONE (919) 787-8212
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Report of Independent Registered Public Accounting Firm

The Board of Directors
Mid-Atlantic Securities, Inc.:

We have audited the accompanying consolidated statements of financial condition of Mid-Atlantic Securities, Inc. and subsidiary (the "Company") as of December 31, 2014 and 2013, and the related consolidated statements of income and comprehensive income, stockholders' equity and cash flows for the years 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 audits.

We conducted our audits 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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2014 and 2013, and the consolidated results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States.

The supplemental information on pages 12-15 has been subjected to audit procedures performed in conjunction with the audit of the Company's consolidated 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 consolidated financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content is presented in conformity with 17 C.F.R. § 240.17a-5. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Batchelor, Tillery & Roberts, LLP

Raleigh, North Carolina
February 24, 2015

MID-ATLANTIC SECURITIES, INC.
Consolidated Statements of Financial Condition
December 31, 2014 and 2013

<u>Assets</u>	<u>2014</u>	<u>2013</u>
Current assets:		
Cash and cash equivalents	\$ 709,181	605,724
Marketable securities available-for-sale	14,484	12,060
Receivable from clearing corporation	31,952	37,613
Other receivables	164,358	195,133
Prepaid expenses	3,789	3,789
Total current assets	<u>923,764</u>	<u>854,319</u>
Furniture and equipment, net	<u>12,327</u>	<u>13,774</u>
	<u>\$ 936,091</u>	<u>868,093</u>
<u>Liabilities and Stockholders' Equity</u>		
Current liabilities:		
Accounts payable to non-customers	11,675	4,000
Accrued commissions and other payables	380,542	362,094
Total current liabilities	<u>392,217</u>	<u>366,094</u>
Deferred tax liability	<u>3,400</u>	<u>1,400</u>
Total liabilities	<u>395,617</u>	<u>367,494</u>
Commitments and contingencies		
Stockholders' equity:		
Class A common stock, \$0.10 par value; 1,000 shares authorized; issued and outstanding, 500 shares	50	50
Class B common stock, \$0.10 par value; authorized 1,000 shares; no shares issued	-	-
Additional paid-in capital	68,881	68,881
Accumulated other comprehensive loss	(5,616)	(8,040)
Retained earnings	<u>477,159</u>	<u>439,708</u>
Total stockholders' equity	<u>540,474</u>	<u>500,599</u>
	<u>\$ 936,091</u>	<u>868,093</u>

See accompanying notes to consolidated financial statements.

MID-ATLANTIC SECURITIES, INC.

Consolidated Statements of Income and Comprehensive Income

Years ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Revenues:		
Securities commissions	\$ 2,690,887	2,688,244
Commissions on sales of investment company shares	1,593,589	1,391,462
Registered investment advisor income	712,520	613,001
Other	<u>6,650</u>	<u>5,620</u>
	<u>5,003,646</u>	<u>4,698,327</u>
Expenses:		
Commissions	3,777,496	3,521,639
Salaries and benefits	804,577	712,681
Clearing charges	132,114	133,095
Professional fees	32,824	32,007
Payroll taxes	37,590	35,088
Rent	27,590	27,590
Office supplies	12,133	15,807
Taxes and licenses	17,540	20,491
Email service	7,881	7,214
Depreciation	6,043	5,636
Travel and entertainment	14,757	6,363
Telephone	4,524	3,062
Subscriptions	3,691	2,350
Miscellaneous	<u>3,665</u>	<u>2,555</u>
	<u>4,882,425</u>	<u>4,525,578</u>
Income from operations	121,221	172,749
Interest income	<u>2,230</u>	<u>1,232</u>
Income before provision for income taxes	123,451	173,981
Provision for income taxes	<u>(36,000)</u>	<u>(58,900)</u>
Net income	87,451	115,081
Other comprehensive gain - net unrealized gain on marketable securities	<u>2,424</u>	<u>4,464</u>
Comprehensive income	\$ <u>89,875</u>	<u>119,545</u>

See accompanying notes to consolidated financial statements.

MID-ATLANTIC SECURITIES, INC.
Consolidated Statements of Stockholders' Equity
Years ended December 31, 2014 and 2013

	<u>Common stock</u>	<u>Additional paid- in capital</u>	<u>Accumulated other comprehensive loss</u>	<u>Retained earnings</u>	<u>Total stockholders' equity</u>
Balance as of December 31, 2012	\$ 50	68,881	(12,504)	374,627	431,054
Dividends paid	-	-	-	(50,000)	(50,000)
Comprehensive income	<u>-</u>	<u>-</u>	<u>4,464</u>	<u>115,081</u>	<u>119,545</u>
Balance as of December 31, 2013	50	68,881	(8,040)	439,708	500,599
Dividends paid	-	-	-	(50,000)	(50,000)
Comprehensive income	<u>-</u>	<u>-</u>	<u>2,424</u>	<u>87,451</u>	<u>89,875</u>
Balance as of December 31, 2014	\$ <u>50</u>	<u>68,881</u>	<u>(5,616)</u>	<u>477,159</u>	<u>540,474</u>

See accompanying notes to consolidated financial statements.

MID-ATLANTIC SECURITIES, INC.
Consolidated Statements of Cash Flows
Years ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
Net income	\$ 87,451	115,081
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	6,043	5,636
Deferred income taxes	2,000	900
Changes in operating assets and liabilities:		
Receivables	36,436	(48,532)
Accrued commissions and other liabilities	<u>26,123</u>	<u>58,848</u>
Net cash provided by operating activities	<u>158,053</u>	<u>131,933</u>
 Cash flows used in investing activities - purchases of furniture and equipment	 <u>(4,596)</u>	 <u>(3,219)</u>
 Cash flows used in financing activities - dividends paid	 <u>(50,000)</u>	 <u>(50,000)</u>
Net increase in cash and cash equivalents	103,457	78,714
 Cash and cash equivalents, beginning of year	 <u>605,724</u>	 <u>527,010</u>
 Cash and cash equivalents, end of year	 \$ <u>709,181</u>	 <u>605,724</u>
 Supplemental disclosure of cash flow information:		
Cash paid for income taxes	\$ <u>56,719</u>	<u>7,244</u>

See accompanying notes to consolidated financial statements.

MID-ATLANTIC SECURITIES, INC.

Notes to Consolidated Financial Statements

December 31, 2014 and 2013

(1) Organization

Mid-Atlantic Securities, Inc. (the "Company") was incorporated in North Carolina on October 6, 1986 and commenced operations in January 1987. The Company is a broker-dealer in securities registered with the Securities and Exchange Commission (SEC) and the Financial Industry Regulatory Authority, Inc. (FINRA). The Company is also a registered investment advisor. The Company's equity securities are cleared through a clearing broker-dealer. The clearing broker-dealer, on behalf of the Company and for a fee, conducts and confirms security trades, handles security movements and maintains the customer's security accounts. The Company does not maintain customers' security accounts nor does it perform custodial functions related to customer securities. The Company receives commissions associated with the sale and purchase of securities. In addition to the foregoing, a portion of the Company's revenues is derived from investment advisory services.

The Company's wholly-owned subsidiary, MA Securities, Inc., earns revenues from selling insurance products of New York-based companies. As of December 31, 2014 and 2013, MA Securities, Inc. had no assets or stockholder's equity.

(2) Summary of Significant Accounting Policies

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Mid-Atlantic Securities, Inc. and its wholly-owned subsidiary, MA Securities, Inc., after elimination of all significant intercompany accounts and transactions.

Revenue Recognition

Commissions earned on trades of securities are recognized as income when the underlying transactions are completed. Other commissions and fees are recorded when earned.

Cash Equivalents

For purposes of the consolidated statements of cash flows, the Company considers all highly liquid instruments with an original maturity of three months or less to be cash equivalents.

Marketable Securities

All marketable securities are classified as available-for-sale. As such, they are stated at market value and any unrealized holding gains and losses, net of deferred taxes if material, are reported as other comprehensive income (loss). Realized gains and losses are calculated by using the specific cost method.

MID-ATLANTIC SECURITIES, INC.

Notes to Consolidated Financial Statements, Continued

December 31, 2014 and 2013

(2) Summary of Significant Accounting Policies, Continued

Receivable from Clearing Corporation

The Company clears certain of its proprietary and customer transactions through a broker-dealer on a fully disclosed basis. Commissions owed the Company from the clearing broker have been recorded as receivable from clearing corporation.

Other Receivables

The Company has accrued commissions (accounts receivable) related to various December transactions, which have been received in the subsequent year.

Furniture and Equipment

Furniture and equipment are stated at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets, which are generally three to ten years.

Expenditures for repairs and maintenance are charged to expense as incurred. The costs of major renewals and betterments are capitalized. The cost and related accumulated depreciation of furniture and equipment are removed from the accounts upon retirement or other disposition and any resulting gain or loss is reflected in operations for the period.

Advertising

Advertising and related costs are expensed as incurred.

Fair Value Measurements

FASB Accounting Standards Codification (ASC) 820-10 provides a single definition of fair value, together with a framework for measuring it, and requires additional disclosures about the use of fair value to measure assets and liabilities.

FASB ASC 820-10 defines fair value as 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. The accounting standard establishes a fair value hierarchy which encourages an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs are unobservable and have the lowest priority.

Level 1 Fair Value Measurements

The fair values of equity securities are based on quoted market prices and are, therefore, classified as Level 1.

MID-ATLANTIC SECURITIES, INC.

Notes to Consolidated Financial Statements, Continued

December 31, 2014 and 2013

(2) Summary of Significant Accounting Policies, Continued

Income Taxes

Income taxes are provided for the tax effects of transactions reported in the consolidated financial statements and consist of taxes currently due plus deferred taxes. Deferred taxes are recognized for differences between the basis of assets and liabilities for financial statement and income tax purposes. The differences relate primarily to depreciable assets (use of different depreciation methods and lives for financial statement and income tax purposes) and unrealized losses on marketable securities. The deferred tax assets and liabilities represent the future tax consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled.

Management does not believe the consolidated financial statements include any significant uncertain tax positions. Tax years ending December 31, 2011 through December 31, 2014 remain open for examination by taxing authorities as of the date of this report.

Use of Estimates

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

(3) Marketable Securities

As of December 31, 2014 and 2013, the cost basis of marketable equity securities was \$20,100, which exceeded the market value by \$5,616 and \$8,040 as of December 31, 2014 and 2013, respectively. The unrealized gain of \$2,424 and \$4,464 for 2014 and 2013, respectively, has been reported in comprehensive income.

(4) Furniture and Equipment

Furniture and equipment consist of the following:

	<u>2014</u>	<u>2013</u>
Computer equipment	\$ 37,072	34,076
Furniture and other equipment	<u>23,272</u>	<u>47,302</u>
	60,344	81,378
Less accumulated depreciation	<u>(48,017)</u>	<u>(67,604)</u>
	\$ <u>12,327</u>	<u>13,774</u>

MID-ATLANTIC SECURITIES, INC.

Notes to Consolidated Financial Statements, Continued

December 31, 2014 and 2013

(5) Net Capital Requirements

The Company is subject to the requirements of Securities and Exchange Commission Uniform Net Capital Rule (SEC Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. As of December 31, 2014 and 2013, the Company's net capital was \$465,012 and \$417,131, respectively, (\$415,012 in excess of its required net capital of \$50,000 in 2014 and \$367,131 in excess of its required net capital of \$50,000 in 2013). The Company's ratio of aggregate indebtedness to net capital was .84 to 1 and .88 to 1 as of December 31, 2014 and 2013, respectively.

The Company qualifies under the exemption provisions of Rule 15c3-3, paragraph (k)(2)(ii), as the Company does not carry security accounts for customers or perform custodial functions relating to customers' securities. Under the exemption, the Company is not required to maintain a reserve account for the benefit of customers.

(6) Related Party Transactions

Other receivables include \$3,170 as of December 31, 2014 and 2013 due from two officers. Accrued commissions and other payables include \$198,700 and \$108,426, respectively, as of December 31, 2014 and 2013, for commissions due to brokers who also hold an ownership interest in the Company.

See note 9 concerning the office space lease with a company related by common ownership.

The Company loaned an employee \$15,000 on November 2012 due in equal installments of \$217 with a balance of \$10,266 and \$10,877 as of December 31, 2014 and 2013, respectively.

(7) Commitments and Contingencies

The Company has a clearing agreement with one brokerage firm whereby it must produce a minimum of \$300,000 per year of gross commissions or pay a monthly fee of \$5,000 less monthly clearing charges retained by the brokerage firm. The minimum level of commissions was met in both 2014 and 2013.

The Company is required by the clearing firm to maintain clearing deposits under the current clearing contract totaling \$25,000 as of December 31, 2014 and 2013.

MID-ATLANTIC SECURITIES, INC.

Notes to Consolidated Financial Statements, Continued

December 31, 2014 and 2013

(8) Income Taxes

The provision for income taxes consists of the following:

	2014			2013		
	Current	Deferred	Total	Current	Deferred	Total
Federal	\$ 27,000	1,500	28,500	50,460	720	51,180
State	7,000	500	7,500	7,540	180	7,720
	<u>\$ 34,000</u>	<u>2,000</u>	<u>36,000</u>	<u>58,000</u>	<u>900</u>	<u>58,900</u>

The provision for income taxes differs from the amount computed by applying the U.S. Federal income tax rate of 34% to income before provision for income taxes due to state income taxes, net of the federal benefit, and multiple tax brackets.

Deferred tax liability arises primarily from timing differences of different depreciation methods for property and equipment.

(9) Leases

The Company began leasing office space from a company affiliated by common ownership during 2005, for which there is no formal rental arrangement. During 2014 and 2013, the Company paid rent each year totaling \$40,190 to this company.

Total rental expense for 2014 and 2013 was \$27,590, which is net of sublease rental income of \$12,600.

(10) Concentrations of Credit Risk

Financial instruments, which potentially subject the Company to concentrations of credit risk, consist primarily of cash and cash equivalents and accounts receivable. Cash and cash equivalents consist of cash and money market funds maintained with one brokerage firm (\$87,241) and two banks (\$200,666 and \$421,274). The amounts held at one bank are within the federally insured limit of \$250,000 and the second bank exceeds the \$250,000 limit by \$171,274. Accounts receivable are described in note 2. The Company believes there is minimal credit risk relative to its cash investments and accounts receivable.

(11) Benefit Plan

The Company has adopted a SIMPLE IRA Plan whereby employees who are expected to earn at least \$5,000 in compensation for the calendar year are eligible to participate. Eligible employees may contribute a percentage of their compensation up to \$12,500 per year. The Company matches each eligible employee's contribution, up to a limit of 3% of the employee's compensation. The Company's matching contribution for 2014 and 2013 was \$14,774 and \$12,519, respectively.

MID-ATLANTIC SECURITIES, INC.

Notes to Consolidated Financial Statements, Continued

December 31, 2014 and 2013

(12) Subsequent Events

The date to which events occurring after December 31, 2014, the date of the most recent consolidated statement of financial condition, have been evaluated for possible adjustment to the consolidated financial statements or disclosure is February 24, 2015, the date the consolidated financial statements were available to be issued.

MID-ATLANTIC SECURITIES, INC.

Supplemental Schedules of Computation of Net Capital and Aggregate Indebtedness
Under Rule 15c3-1 of the Securities and Exchange Commission

December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<u>Net Capital</u>		
Total stockholders' equity	\$ 540,474	500,599
Deduct non-allowable assets:		
Receivable from non-customers and prepaid expenses	59,218	60,775
Furniture and equipment, net	<u>12,327</u>	<u>13,774</u>
	71,545	74,549
Net capital before haircuts on securities positions	<u>468,929</u>	<u>426,050</u>
Haircuts on securities:		
Investment securities - exempted	1,745	7,110
Investment securities - other	<u>2,172</u>	<u>1,809</u>
	3,917	8,919
Net capital	<u>\$ 465,012</u>	<u>417,131</u>
<u>Aggregate Indebtedness</u>		
Items included in statement of financial condition:		
Accounts payable to non-customers	11,675	4,000
Accrued commissions and other payables	<u>380,542</u>	<u>362,094</u>
	<u>\$ 392,217</u>	<u>366,094</u>

MID-ATLANTIC SECURITIES, INC.

Supplemental Schedules of Computation of Net Capital and Aggregate Indebtedness
Under Rule 15c3-1 of the Securities and Exchange Commission, Continued

December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<u>Computation of Basic Net Capital Requirement</u>		
Minimum net capital required (6-2/3% of aggregate indebtedness)(A)	\$ <u>26,148</u>	<u>24,418</u>
Minimum dollar net capital requirement of reporting broker (B)	\$ <u>50,000</u>	<u>50,000</u>
Net capital requirement-greater of (A) or (B)	\$ <u>50,000</u>	<u>50,000</u>
Excess net capital	\$ <u>415,012</u>	<u>367,131</u>
Excess net capital at 1000% (Net capital less 10% of aggregate indebtedness)	\$ <u>425,790</u>	<u>380,522</u>
Ratio of aggregate indebtedness to net capital	<u>0.84</u>	<u>0.88</u>
<u>Reconciliation with Company's Computation</u>		
Net capital, as reported in Company's FOCUS report (unaudited)	\$ 444,293	417,131
Audit adjustments, primarily income taxes	<u>20,719</u>	<u>-</u>
Net capital per above	\$ <u>465,012</u>	<u>417,131</u>

MID-ATLANTIC SECURITIES, INC.

**Supplemental Schedule of Computation for Determination of Reserve Requirements
Under Rule 15c3-3 of the Securities and Exchange Commission**

December 31, 2014 and 2013

The Company claims exemption from Rule 15c3-3 under paragraph (k)(2)(ii). All customer transactions are cleared through another broker-dealer on a fully disclosed basis.

BATCHELOR, TILLERY & ROBERTS, LLP

CERTIFIED PUBLIC ACCOUNTANTS

POST OFFICE BOX 18068

RALEIGH, NORTH CAROLINA 27619

RONALD A. BATCHELOR
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Report of Independent Registered Public Accounting Firm

The Board of Directors
Mid-Atlantic Securities, Inc.:

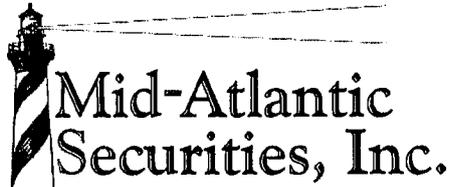
We have reviewed management's statements, included in the accompanying Exemption Report, in which (1) Mid-Atlantic Securities, Inc. (the "Company") identified the following provisions of 17 C.F.R. § 15c3-3(k) under which the Company claimed exemption from 17 C.F.R. § 240.15c3-3: (2)(ii) (the "exemption provisions"), and (2) the Company stated that the Company met the identified exemption provisions throughout the most recent fiscal year without exception. The Company'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 the Company's compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

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

Batchelor, Tillery & Roberts, LLP

February 24, 2015



EXEMPTION REPORT

Mid-Atlantic Securities, Inc. is a registered broker-dealer subject to SEC Rule 17a-5. This Exemption Report was prepared as required by Rule 17a-5(d)(1) and (4). To the best of its knowledge and belief, the Company states the following:

Throughout the fiscal year ended December 31, 2014, the Company claimed an exemption to SEC Rule 15c3-3 pursuant to paragraph k(2)(ii).

The Company has met the identified exemption provision throughout the most recent fiscal year without exception.

A handwritten signature in black ink that reads "James B. Glover Jr." in a cursive style.

James B. Glover Jr.
Treasurer

February 17, 2015

BATCHELOR, TILLERY & ROBERTS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
POST OFFICE BOX 18068
RALEIGH, NORTH CAROLINA 27619

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**Independent Accountants' Report on Applying Agreed-Upon
Procedures Related to an Entity's SIPC Assessment Reconciliation**

The Board of Directors
Mid-Atlantic Securities, Inc.:

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying Schedule of Assessment and Payments on page 20 [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 Mid-Atlantic Securities, Inc. (the "Company"), the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., and SIPC, 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 payment in Form SIPC-7 with the cash disbursement records entries [Cash Disbursements Journal for July 2014 and February 2015], check copies and wire documentation, 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 [SIPC Report ytd 2014, Commissions by Type and Trial Balance as of December 31, 2014], 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 [SIPC Report ytd 2014 and Commissions by Type] supporting the adjustments, noting no differences.

The Board of Directors
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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.

Batchelor, Jellery & Roberts, LLP

February 24, 2015

MID-ATLANTIC SECURITIES, INC.

Schedule of Assessments and Payments

Year ended December 31, 2014

General assessment for 2014	\$	3,379
Less:		
Payment on July 25, 2014		(1,560)
Payment on February 23, 2015		<u>(1,819)</u>
Balance due on March 1, 2015	\$	<u> -</u>