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

SEC  
Mail Processing  
Section  
FEB 27 2015  
Washington DC

SEC FILE NUMBER
8- 68909

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: TON Capital Markets Inc.

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

1000 Brickell Ave., Suite 1112

(No. and Street)

Miami

(City)

FL

(State)

33131

(Zip Code)

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

Kevin Rowe

786-405-1400

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Macker, Johnson & Smith PA

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

500 West Cypress Creek Road, Suite 450, Ft Lauderdale FL

(Address)

(City)

(State)

(Zip Code) 33305

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)

Handwritten initials: JSP 1/2/15

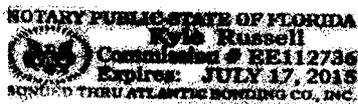
OATH OR AFFIRMATION

I, Kevin A. Rowe, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of IOV Capital markets, Inc., as of February 25, 2015, 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  
CEO & COO  
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).

**TOV Capital Markets, Inc.  
Financial Statements  
and Supplemental Information**

**December 31, 2014**

**TOV Capital Markets, Inc.**  
**Financial Statements and Supplementary Information**  
**Year Ended December 31, 2014**

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## HACKER, JOHNSON & SMITH PA

Fort Lauderdale  
Fort Myers  
Orlando  
Tampa

Certified Public Accountants

### Report of Independent Registered Public Accounting Firm

To the Stockholders  
TOV Capital Markets, Inc.  
Miami, Florida

We have audited the accompanying statement of financial condition of TOV Capital Markets, Inc. (the "Company") as of December 31, 2014, and the related statements of operations, changes in stockholders' equity and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

The computation of net capital under Rule 15c3-1 of the Securities and Exchange Commission 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 15c3-1 of the Securities and Exchange Commission. In our opinion, the Computation of Net Capital under Rule 15c3-1 of the Securities and Exchange Commission is fairly stated, in all material respects, in relation to the financial statements as a whole.

HACKER, JOHNSON & SMITH PA  
Fort Lauderdale, Florida  
February 26, 2015

**TOV Capital Markets, Inc.**  
**Statement of Financial Condition**  
**December 31, 2014**

**Assets**

Cash	\$ 707,042
Deposit held by clearing firm	26,241
Prepaid Expenses	22,386
Property and Equipment	776,389
<b>Total Assets</b>	<b>\$ <u>1,532,058</u></b>

**Liabilities and Stockholder's Equity**

Accounts Payable	\$ 9,677
Accrued Expenses	16,940
Due to Clearing Firm	9,914
<b>Total Liabilities</b>	<b><u>36,531</u></b>

Commitments and Contingencies (Note 5)

**Stockholder's Equity**

Common Stock, par value \$0.01, 1,000 shares authorized, 1,000 shares issued and outstanding	10
Additional Paid In Capital	3,481,019
Accumulated Deficit	<u>(1,985,502)</u>
<b>Total Stockholder's Equity</b>	<b><u>1,495,527</u></b>

<b>Total Liabilities and Stockholder's Equity</b>	<b>\$ <u>1,532,058</u></b>
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The accompanying notes are an integral part of these financial statements

**TOV Capital Markets, Inc.**  
**Statement of Changes in Stockholder's Equity**  
**For the Year Ended December 31, 2014**

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Accumulated Deficit	Total
Balance, December 31, 2013	1,000	\$ 10	\$ 3,481,019	\$ (1,346,523)	\$ 2,134,506
Contribution by Stockholder	-	-	-	-	-
Net loss, 2014	-	-	-	(638,979)	(638,979)
Balance, December 31, 2014	<u>1,000</u>	<u>\$ 10</u>	<u>\$ 3,481,019</u>	<u>\$ (1,985,502)</u>	<u>\$ 1,495,527</u>

The accompanying notes are an integral part of these financial statements

**TOV Capital Markets, Inc.**  
**Statement of Cash Flows**  
**Year Ended December 31, 2014**

Cash flows from operating activities:		
Net loss	\$	(638,979)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation		34,087
Changes in operating assets and liabilities:		
(Increase) Decrease in:		
Prepaid expenses		(617)
Deposit held by clearing firm		823,898
Increase (Decrease) in:		
Accounts payable		6,879
Accrued expenses		4,440
Payable to clearing firm		9,914
Net cash provided by operating activities		<u>239,622</u>
Cash at beginning of year	\$	<u>467,420</u>
Cash at end of year	\$	<u><u>707,042</u></u>

The accompanying notes are an integral part of these financial statements

**TOV Capital Markets, Inc.**  
**Notes to the Financial Statements**  
**December 31, 2014 and the year then ended**

**Note 1 - Nature of Operations and Basis of Presentation**

Organization

TOV Capital Markets, Inc. (the “Company”), incorporated in 2010 in Delaware, is a broker-dealer registered with the Securities and Exchange Commission (“SEC”) and is a member of the Financial Industry Regulatory Authority (“FINRA”). The Company is a wholly-owned subsidiary of New Lodz Corporation (the “Parent”).

The Company is a broker dealer retailing corporate equity securities over-the counter and selling corporate debt securities. The company is registered with FINRA as a mutual fund retailer, U.S. government securities broker, and municipal securities broker. The Company acts as placement agent for equity and debt private placements on behalf of its clients. The Company’s registration also includes options broker and trading securities for its own account. The Company does not carry security accounts for customers or perform custodial functions relating to customers’ securities.

Basis of Presentation

The accompanying financial statements have been prepared pursuant to Rule 17a-5 of the Securities Exchange Act of 1934. The classification and reporting of items appearing on the financial statements are consistent with that rule.

**Note 2 - Summary of Significant Accounting Policies**

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments with maturity of three months or less at the time of purchase to be cash equivalents. Cash and cash equivalents consist primarily of cash and money-market funds held at banks and other financial institutions.

Property and Equipment

Property and equipment is recorded at cost. Expenditures for major betterments and additions are charged to the asset accounts, while replacements, maintenance and repairs which do not improve or extend the lives of the respective assets are charged to expense as incurred.

Depreciation

Depreciation of property and equipment is computed by the straight-line method over the estimated useful lives of the assets, which range from five to thirty-nine years.

**TOV Capital Markets, Inc.**  
**Notes to the Financial Statements**  
**December 31, 2014 and the year then ended**

**Revenue Recognition**

Securities transactions, along with related commission income and clearing costs, are reported on a trade date basis.

**Income Taxes**

The Company accounts for income taxes under the asset and liability method. Deferred tax assets and liabilities are provided for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Deferred tax asset is recorded when management believes it is more likely than not that the tax benefits will be realized. Realization of the deferred tax assets is dependent upon generating sufficient taxable income in the future. At December 31, 2014, it is more likely than not the Company will not be able to resolve the deferred tax asset in the near term and allowance has been recorded against it. The Company assesses its tax positions in accordance with "Accounting for Uncertainties in Income Taxes" as prescribed by the Accounting Standards Codification, which provides guidance for financial statement recognition and measurement of uncertain tax positions taken or expected to be taken in a tax return for open tax years (generally a period of three years from the later of each return's due date or the date filed) that remain subject to examination by the Company's major tax jurisdictions. The Company's tax returns filed before 2011 are no longer subject to examination by its taxing authorities.

The Company assesses its tax positions and determines whether it has any material unrecognized liabilities for uncertain tax positions. The Company records these liabilities to the extent it deems them more likely than not to be incurred. Interest and penalties related to uncertain tax positions, if any, would be classified as a component of income tax expense.

Management has evaluated the Company's tax positions and concluded that the Company has taken no uncertain tax positions that require adjustment to or disclosures in the financial statements.

**Note 3 - Concentrations**

The clearing and depository operations for the Company's securities transactions are currently provided by a brokerage firm, Interactive Brokers LLC, whose principal office is in Greenwich, CT. The underlying agreement is effective October 14, 2014 with an initial term of 5 months and will automatically renew for successive periods unless terminated by either party. At December 31, 2014, a clearing deposit of \$10,728 was held by Interactive Brokers LLC.

**TOV Capital Markets, Inc.**  
**Notes to the Financial Statements**  
**December 31, 2014 and the year then ended**

**Note 4 - Property and Equipment**

Property and equipment at December 31, 2014 consisted of the following:

		<u>Estimated Useful Life</u>
Office condominium	\$ 803,029	39 Years
Furniture and fixtures	39,560	7 Years
Office equipment	39,227	5 Years
Total	\$ 881,816	
Less: Accumulated Depreciation	(105,427)	
	<u>\$ 776,388</u>	

**Note 5 - Commitments and Contingencies**

Office Condominium Maintenance Fees

The Company owns the office condo located at 1000 Brickell Avenue, Unit 11E, Miami, Florida 33131 since May 14, 2010. Total purchase price including closing costs was \$803,029, which was contributed by the Company's sole shareholder, New Lodz Corporation. Monthly maintenance costs associated with the purchase are approximately \$2,718. Office maintenance fees expense for year 2014 was \$32,611.

Legal Matters

From time to time, the Company may be involved in litigation relating to claims arising out of its operations in the normal course of business. As of December 31, 2014, there were no pending or threatened lawsuits that could reasonably be expected to have a material effect on the results of its operations.

There are no proceedings in which any of Company's management, board members or affiliates, is an adverse party or has a material interest adverse to our interest.

**Note 6 - Net Capital Requirement**

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum regulatory net capital, and requires aggregate indebtedness, as defined, not to exceed 1500 percent of its net capital. At December 31, 2014, the Company had net capital of \$696,752, which exceeded its requirement of \$100,000 by \$596,752. The percentage of aggregate indebtedness to net capital was 5%.

**Note 7 - Income Taxes**

The reconciliation of income tax benefit computed at the United States federal tax rate of 34% to income tax expense (benefit) is as follows for 2014:

**TOV Capital Markets, Inc.**  
**Notes to the Financial Statements**  
**December 31, 2014 and the year then ended**

Tax benefit at the United States statutory rate	\$	(217,253)
State income tax, net of federal benefit		(23,188)
Change in valuation allowance		240,376
Income tax expense (benefit)	\$	<u>-</u>

The tax effect of temporary differences that give rise to significant portions of the deferred tax assets is as follows:

Organizational and start-up costs	\$	447,861
Net operating losses		282,118
Premises and equipment		17,094
Less: Valuation allowance	\$	<u>(747,073)</u>
Net deferred tax assets	\$	<u>-</u>

At December 31, 2014, the Company had approximately \$750,000 in net operating loss carryforward available to offset future taxable income. These carryforwards will expire in 2034.

A valuation allowance is established if it is more likely than not that all or a portion of the deferred tax asset will not be realized. Accordingly, a valuation allowance has been established for the full amount of the deferred tax assets due to the uncertainty of realization. Management believes that based upon its projection of future taxable operating income for the foreseeable future, it is more likely than not that the Company will not be able to realize the benefit of the deferred tax assets at December 31, 2014. The valuation allowance as of December 31, 2013 was \$506,696. The net change in the valuation allowance during the year ended December 31, 2014 was an increase of \$240,376.

**Note 8 - Subsequent Events**

In preparing these financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through February 26, 2014, the date the financial statements were available to be issued.

**TOV Capital Markets, Inc.**

**Supplemental Information**

**TOV Capital Markets, Inc.**  
**Schedule 1**  
**Computation of Net Capital Pursuant to Rule 15c3-1**  
**of the Securities Exchange Act of 1934**  
**December 31, 2014**

<u>Net Capital</u>	
Stockholder's Equity	\$ 1,495,527
Deductions and/or charges for non-allowable assets:	
Fixed Assets	776,389
Prepaid Expenses	11,800
CRD Deposit	1,982
Employee Advances	8,604
Total non-allowable assets	<u>798,775</u>
Net Capital before Haircuts	696,752
Haircuts	<u>-</u>
Net Capital	696,752
Computation of Basic Net Capital Requirement:	
Minimum net capital requirement	<u>100,000</u>
Excess Net Capital	\$ <u>596,752</u>
Aggregate indebtedness:	
Accounts payable and accrued expenses	<u>36,531</u>
Total Aggregate Indebtedness	\$ <u>36,531</u>
Percentage of aggregate indebtedness to net capital	5%
Reconciliation with TOV Capital Markets, Inc's computation (included in Part II of form X-17 A-5 as of December 31):	
Net Capital, per December 31, Unaudited Focus Report, as filed	\$ 696,752
Net Audit Adjustments	<u>0</u>
Net Capital, per the December 31, Audited Report	\$ <u>696,752</u>

**TOV Capital Markets, Inc.**  
**Supplementary Note**  
**Supplementary Information Pursuant to Rule 17a-5**  
**of the Securities Exchange Act of 1934**  
**December 31, 2014**

TOV Capital Markets, Inc. is exempt from SEC Rule 15c3-3 under paragraph (k)(2)(i) of the rule, as no customer funds or securities are held.

Therefore, the following reports are not presented:

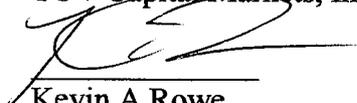
1. Computation for Determination of Reserve Requirement under Rule 15c3-3 of the Securities and Exchange Commission.
2. Information Relating to the Possession or Control Requirements under Rule 15c3-3 of the Securities and Exchange Commission.

TOV Capital Markets, Inc.  
Exemption Report

TOV Capital Markets, Inc. 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:

The Company claims an exemption from 17C.F.R. &240.15c3-k(2)(ii), and the Company met the exemption provision throughout the most recent fiscal year without exception.

TOV Capital Markets, Inc.



Kevin A Rowe  
CEO & CCO

2/26/15

Date



## HACKER, JOHNSON & SMITH PA

Fort Lauderdale  
Fort Myers  
Orlando  
Tampa

Certified Public Accountants

### Report of Independent Registered Public Accounting Firm

To the Stockholders  
TOV Capital Markets, Inc.  
Miami, Florida:

We have reviewed management's statements, included in the accompanying Exemption Report, in which (1) TOV Capital Markets, Inc. identified the following provisions of 17 C.F.R. § 15c3-3(k) under which TOV Capital Markets, Inc. claimed an exemption from 17 C.F.R. § 240.15c3-3: under a (k)(2)(ii) exemption (the "exemption provisions") and (2) TOV Capital Markets, Inc. stated that TOV Capital Markets, Inc. met the identified exemption provisions throughout the most recent fiscal year without exception. TOV Capital Markets, 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 TOV Capital Markets, 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 provisions set forth in paragraph (k)(2)(ii) of Rule 15c3-3 under the Securities Exchange Act of 1934.

HACKER, JOHNSON & SMITH PA  
Fort Lauderdale, Florida  
February 26, 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:

17\*17\*\*\*\*\*2263\*\*\*\*\*MIXED AADC 220  
068809 FINRA DEC  
TOV CAPITAL MARKETS INC  
1000 BRICKELL AVE STE 1112  
MIAMI FL 33131-3014

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.

Kevin Rowe (786) 405-1406

- 2. A. General Assessment (item 2e from page 2) \$ 0
- B. Less payment made with SIPC-6 filed (exclude interest) (0)
- C. Less prior overpayment applied (        )
- D. Assessment balance due or (overpayment)
- E. Interest computed on late payment (see instruction E) for          days at 20% per annum
- F. Total assessment balance and interest due (or overpayment carried forward) \$
- G. PAID WITH THIS FORM:  
Check enclosed, payable to SIPC  
Total (must be same as F above) \$ 0
- H. Overpayment carried forward \$(          )

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

The SIPC member submitting this form and the person by whom it is executed represent thereby that all information contained herein is true, correct and complete.

ToV Capital Markets, Inc  
Name of Corporation, Partnership or other organization  
K. Rowe  
(Authorized Signature)  
Chief Executive Officer  
(Title)

Dated the 29 day of January, 20 15.

This form and the assessment payment is due 60 days after the end of the fiscal year. Retain the Working Copy of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.

**SIPC REVIEWER**

Dates:          Postmarked          Received          Reviewed           
Calculations          Documentation          Forward Copy           
Exceptions:           
Disposition of exceptions:

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

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

Eliminate cents

Item No.

2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)

\$ 6,539

2b. Additions:

- (1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above.
- (2) Net loss from principal transactions in securities in trading accounts.
- (3) Net loss from principal transactions in commodities in trading accounts.
- (4) Interest and dividend expense deducted in determining item 2a.
- (5) Net loss from management of or participation in the underwriting or distribution of securities.
- (6) Expenses other than advertising, printing, registration fees and legal fees deducted in determining net profit from management of or participation in underwriting or distribution of securities.
- (7) Net loss from securities in investment accounts.

Total additions

2c. Deductions:

- (1) Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, from the business of insurance, from investment advisory services rendered to registered investment companies or insurance company separate accounts, and from transactions in security futures products.
- (2) Revenues from commodity transactions.
- (3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.
- (4) Reimbursements for postage in connection with proxy solicitation.
- (5) Net gain from securities in investment accounts.
- (6) 100% of commissions and markups earned from transactions in (i) certificates of deposit and (ii) Treasury bills, bankers acceptances or commercial paper that mature nine months or less from issuance date.
- (7) Direct expenses of printing advertising and legal fees incurred in connection with other revenue related to the securities business (revenue defined by Section 16(9)(L) of the Act).
- (8) Other revenue not related either directly or indirectly to the securities business.  
(See Instruction C).

134,110

(Deductions in excess of \$100,000 require documentation)

(9) (i) Total interest and dividend expense (FOCUS Line 22/PART IIA Line 13, Code 4075 plus line 2b(4) above) but not in excess of total interest and dividend income.

\$ \_\_\_\_\_

(ii) 40% of margin interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960).

\$ \_\_\_\_\_

Enter the greater of line (i) or (ii)

Total deductions

2d. SIPC Net Operating Revenues

\$ 0

2e. General Assessment @ .0025

\$ 0

(to page 1, line 2.A.)