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

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OMB APPROVAL	
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AMENDED SEC **ANNUAL AUDITED REPORT**  
Mail Processing Section **FORM X-17A-5**  
**PART III**

SEC FILE NUMBER
8- 36916

MAR 08 2016

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 1/1/2015 AND ENDING 12/31/2015  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Vaughan & Company Securities, Inc.  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
68 Passaic Street

OFFICIAL USE ONLY
FIRM I.D. NO.

(No. and Street)

Ridgewood

New Jersey

07450

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
James D. Vaughan, III 201-444-1361  
(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*  
Albanese, Michael F.

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

18 Lisa Court

Parsippany

NJ

07054

(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

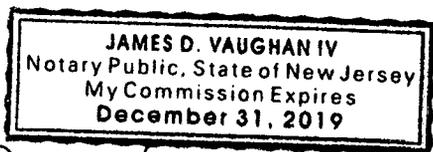
\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

AKB



OATH OR AFFIRMATION

I, James D. Vaughan, III, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Vaughan & Company Securities, Inc., as of December 31, 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:



James Vaughan Signature
CEO Title 3/1/16

Notary Public signature and title

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

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

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

**VAUGHAN & COMPANY SECURITIES, INC.**

**AUDITED FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION  
WITH INDEPENDENT AUDITOR'S REPORT**

**DECEMBER 31, 2015 AND 2014**

**VAUGHAN & COMPANY SECURITIES, INC.**  
**FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION**  
**DECEMBER 31, 2015 AND 2014**

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders  
of Vaughan & Company Securities, Inc.:

We have audited the accompanying statement of financial condition of Vaughan & Company Securities, Inc. as of December 31, 2015, and the related statements of income, changes in shareholders' equity, and cash flows for the year of 2015 then ended. These financial statements are the responsibility of Vaughan & Company Securities, Inc.'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 Vaughan & Company Securities, Inc. as of December 31, 2015, and the results of its operations and its cash flows for the year of 2015 then ended in accordance with accounting principles generally accepted in the United States of America.

The Computation of Net Capital under Rule 15c3-1 of the SEC, Reconciliation Pursuant To Rule 17a-5(d)(4) of the SEC and Reconciliation of Focus Report to Audit Report have been subjected to audit procedures performed in conjunction with the audit of Vaughan & Company Securities, Inc.'s financial statements. The supplemental information is the responsibility of Vaughan & Company Securities, Inc.'s management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with 17 C.F.R. §240.17a-5. In our opinion, The Computation of Net Capital and Reconciliations presented are fairly stated, in all material respects, in relation to the financial statements as a whole.



Michael F. Albanese, CPA

18 Lisa Court, Parsippany, NJ 07054

February 26, 2016

**VAUGHAN & COMPANY SECURITIES, INC.**

**STATEMENTS OF FINANCIAL CONDITION**

**December 31, 2015 and 2014**

	ASSETS	
	<u>2015</u>	<u>2014</u>
<b>CURRENT ASSETS</b>		
Cash	\$ 23,136	47,697
Restricted Cash	61,635	61,635
Commissions receivable	186,817	202,768
Prepaid Expenses	-	1,145
<b>TOTAL CURRENT ASSETS</b>	<u>271,588</u>	<u>313,245</u>
<b>TOTAL ASSETS</b>	<u>\$ 271,588</u>	<u>313,245</u>
	<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>	
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 31,109	13,106
Accrued expenses	80,047	67,083
Payroll taxes payable	3,865	1,233
<b>TOTAL CURRENT LIABILITIES</b>	<u>115,021</u>	<u>81,422</u>
<b>STOCKHOLDERS' EQUITY</b>		
Common stock		
Class A, voting, \$3 par value - 100 shares authorized, 100 shares issued and outstanding	\$ 300	300
Class B, voting, \$3 par value - 9,900 shares authorized, 9,900 shares issued and outstanding	29,700	29,700
Retained earnings	126,567	201,823
	<u>156,567</u>	<u>231,823</u>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<u>\$ 271,588</u>	<u>313,245</u>

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

**VAUGHAN & COMPANY SECURITIES, INC.**

**STATEMENTS OF INCOME**

**For the Years Ended December 31, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
<b>INCOME</b>		
Commission and other income, net of clearance and execution charges	\$ 1,799,669	\$ 1,945,668
Interest income	<u>11,477</u>	<u>12,772</u>
<b>TOTAL INCOME</b>	<u>1,811,146</u>	<u>1,958,440</u>
<b>EXPENSES</b>		
Salaries and deferred compensation	1,182,499	1,208,998
Travel and selling	153,850	172,672
Commissions	23,760	27,774
Payroll taxes and benefits	221,584	234,042
Securities fees	17,877	16,917
Rent and occupancy	48,000	48,000
Professional fees	25,715	28,556
Office and miscellaneous	161,464	144,016
Auto lease expense	19,070	25,397
<b>TOTAL EXPENSES</b>	<u>1,853,819</u>	<u>1,906,372</u>
<b>INCOME (LOSS) BEFORE TAXES</b>	(42,673)	52,068
<b>INCOME TAXES</b>	<u>2,583</u>	<u>1,838</u>
<b>NET INCOME (LOSS)</b>	<u>\$ (45,256)</u>	<u>\$ 50,230</u>

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

**VAUGHAN & COMPANY SECURITIES, INC.**

**STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**

**For the Years Ended December 31, 2015 and 2014**

	<u>Class A Stock</u>	<u>Class B Stock</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance at January 1, 2014	\$ 300	\$ 29,700	\$ 206,593	\$ 236,593
Net income (loss)	-	-	50,230	50,230
Dividends distributed	<u>-</u>	<u>-</u>	<u>(55,000)</u>	<u>(55,000)</u>
Balance at December 31, 2014	\$ 300	\$ 29,700	\$ 201,823	\$ 231,823
Net income (loss)	-	-	(45,256)	(45,256)
Dividends distributed	<u>-</u>	<u>-</u>	<u>(30,000)</u>	<u>(30,000)</u>
Balance at December 31, 2015	<u>\$ 300</u>	<u>\$ 29,700</u>	<u>\$ 126,567</u>	<u>\$ 156,567</u>

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

**VAUGHAN & COMPANY SECURITIES, INC.**

**STATEMENTS OF CASH FLOWS**

**For the Years Ended December 31, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net (loss) income	\$ (45,256)	50,230
Change in:		
Commissions receivable	15,952	(966)
Prepaid assets	1,145	(1,145)
Accounts payable	18,004	(8,380)
Other current liabilities	15,345	6,025
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>5,190</u>	<u>45,764</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Marketable Securities	21,553	(13,285)
Loan payable	250	13,999
Dividends distributed	(30,000)	(55,000)
<b>NET CASH USED FOR FINANCING ACTIVITIES</b>	<u>(8,197)</u>	<u>(54,286)</u>
<b>NET (DECREASE) INCREASE IN CASH</b>	(3,007)	(8,522)
<b>CASH - beginning</b>	<u>26,144</u>	<u>34,666</u>
<b>CASH - ending</b>	<u>\$ 23,137</u>	<u>26,144</u>
<b>SUPPLEMENTAL DISCLOSURES:</b>		
Cash paid for:		
Income Tax	\$ 2,583	1,838

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

**VAUGHAN & COMPANY SECURITIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015 and 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

Vaughan & Company Securities, Inc. (the Company) is engaged in the sale of publicly traded securities, provides investment advice and is a member of the Financial Industry Regulatory Authority (FINRA). The Company's office is located in Ridgewood, New Jersey. The Company was incorporated in New Jersey in November 1986. The business commenced in March 1987.

Cash

In addition to the operating account, the Company maintains seven separate accounts with Pershing, LLC in order to execute security transactions.

Restricted Cash

Restricted cash balance is the mandated deposit account with Pershing \$ 61,635 as of December 31, 2015 and 2014.

Commissions Receivable

Commission revenue and related clearance expenses are recorded when earned, on a settlement date basis, within the related brokerage account. Commissions receivable are stated without provision for doubtful accounts. Management believes all amounts are collectible.

Investment Advisory Fees

Fee revenue is recorded when earned. Fees receivable are stated without provision for doubtful accounts. Management believes all amounts are collectible.

Income Taxes

The Company has elected to be taxed as an "S" corporation under the Internal Revenue Code and applicable New Jersey statutes. The stockholders of the corporation are taxed on their proportionate share of the Company's taxable income on their personal tax returns. The portion of the New Jersey income tax that is the responsibility of the Company is provided for, using statutory rates.

Management Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Estimates used in preparing these financial statements include those assumed in computing commission's receivable, and those used in accruing liabilities for certain expenses. Actual results could differ from those estimates.

**VAUGHAN & COMPANY SECURITIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015 and 2014**

**2. RETIREMENT PLAN**

The Company adopted a 401(K) plan in the fiscal year ended September 30, 1988 for all full time employees. Any Company contributions are elective. The Company's expense at December 31, 2015 and 2014 was \$ 22,021 and \$ 40,049 respectively.

**3. RELATED PARTY TRANSACTIONS**

Vaughan & Company Securities, Inc., Pension Administrators, Inc., and Lois M. Vaughan, Esq. are controlled under common ownership.

The Company rents office space from Lois Vaughan, spouse of the principal shareholder of the related companies. No long-term lease agreements exist. Rent expense paid to related party for the periods ending December 31, 2015 and 2014 were \$48,000 and \$48,000, respectively. Vaughan & Co. Securities, Inc. pays all occupancy expense except property taxes.

Related party transactions are summarized as follows:

	<u>2015</u>	<u>2014</u>
Expenses		
Rent	\$48,000	\$48,000

**4. NET CAPITAL REQUIREMENTS**

The Company is subject to the Securities and Exchange Commission 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.

At December 31, 2015, the Company had net capital of \$ 156,502 which was \$ \$151,502 in excess of its required net capital of \$ 5,000.

**5. INCOME TAXES**

	<u>2015</u>	<u>2014</u>
The provision for income taxes consists of:		
State of New Jersey Minimum Taxes	<u>\$2,583</u>	<u>\$1,838</u>

**6. CONCENTRATION OF CREDIT RISK**

Financial instruments that potentially subject the Company to credit risk consist principally of commissions receivable and cash. The Company earns commissions entirely from financial institutions and investment management firms. Historically, the Company has not incurred any credit related losses. Cash, which consists primarily of cash held in brokerage accounts, is not subject to FDIC insurance protection.

**VAUGHAN & COMPANY SECURITIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015 and 2014**

**7. FAIR VALUES OF FINANCIAL INSTRUMENTS**

The Company has financial instruments, none of which are held for trading purposes. The Company estimates that the fair value of all financial instruments at December 31, 2015 and 2014 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. ASC 820 established for inputs used a fair value hierarchy in measuring fair value that maximizes the use of unobservable inputs and minimizes the use of observable inputs be used when available. The Company's marketable securities at December 31, 2015 are classified within level 1 of the hierarchy because they are valued using quoted market prices in an active market. Considerable judgment is necessarily required in interpreting market data to develop the estimates of fair value, and, accordingly, the estimates are not necessarily indicative of the amounts that the Company could realize in a current market exchange.

**8. STOCKHOLDERS' EQUITY**

Stockholders' equity is as follows:

	<u>2015</u>	<u>2014</u>
Common stock		
Class A, voting, \$3 par value — 100 shares authorized, 100 shares issued and outstanding	\$ 300	\$ 300
Class B, nonvoting, \$3 par value — 9,900 shares authorized, 9,900 shares issued and outstanding	29,700	29,700
Retained earnings	<u>\$ 126,567</u>	<u>201,823</u>
Total Stockholders' Equity	<u>\$ 156,567</u>	<u>\$ 231,823</u>

**9. SUBSEQUENT EVENTS**

These financial statements considered subsequent events through February 29, 2016 which was the date the financial statements were available to be issued. There were no reportable subsequent events through the date this report is filed.

**SUPPLEMENTARY INFORMATION**

**VAUGHAN & COMPANY SECURITIES, INC.**

**SCHEDULE I**

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

**December 31, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
Total stockholders' equity	\$ 156,567	231,823
Less ineligible assets:		
Advances to Affiliate		
Securities Haircut	65	3,964
Prepaid Expenses		1,145
Prepaid Taxes		
Total	<u>65</u>	<u>5,109</u>
Net Capital	<u>\$ 156,502</u>	<u>226,714</u>

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

**VAUGHAN & COMPANY SECURITIES, INC.**

**SCHEDULE II**

**Reconciliation Pursuant To Rule 17a-5(d)(4) of the  
Securities and Exchange Commission**

**December 31, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
Net capital per unaudited report	\$ 156,567	\$ 231,823
Assets NOT included in unaudited report		
Advances to Affiliates		-
Securities Haircut	65	3,964
Prepaid Expenses	<u>-</u>	<u>1,145</u>
Net capital per computation of net capita	<u>\$ 156,502</u>	<u>\$ 226,714</u>

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

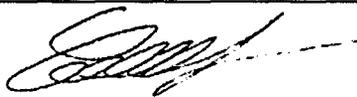
**INDEPENDENT ACCOUNTANT'S AGREED-UPON PROCEDURES REPORT  
ON SCHEDULE OF ASSESSMENT AND PAYMENTS (FORM SIPC-7)**

**Board of Directors of Vaughan & Company 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 (Form SIPC-7) to the Securities Investor Protection Corporation (SIPC) for the year ended 12/31/2015, which were agreed to by of Vaughan & Company Securities, Inc., and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., SIPC, solely to assist you and the other specified parties in evaluating of Vaughan & Company Securities, Inc.'s compliance with the applicable instructions of Form SIPC-7. Vaughan & Company Securities, Inc.'s management is responsible for of Vaughan & Company Securities, Inc.'s compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our findings are as follows:

- 1) Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records entries on Check Detail Schedule provided by management, noting no differences;
- 2) Compared the amounts reported on the audited Form X-17A-5 for the year ended 12/31/2015, as applicable, with the amounts reported in Form SIPC-7 for the year ended 12/31/2015, noting no differences;
- 3) Compared any adjustments reported in Form SIPC-7 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 Audited Trial Balance supporting the adjustments noting no differences; and
- 5) Compared the amount of any overpayment applied to the current assessment with the Form SIPC-7 on which it was originally computed, noting no differences (if applicable).  
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.



**Michael F. Albanese, CPA**

**Parsippany, New Jersey  
February 26, 2016**

**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 12/31/2015  
(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:

13\*13\*\*\*\*\*1431\*\*\*\*\*MIXED AADC 220  
036916 FINRA DEC  
VAUGHAN & COMPANY SECURITIES INC  
68 PASSAIC ST  
RIDGEWOOD NJ 07450-4310

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.  
\_\_\_\_\_

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

\$ 4,525  
( 2,294 )

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

7/23/15  
Date Paid

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)

\$ 2,231

G. PAID WITH THIS FORM:  
Check enclosed, payable to SIPC  
Total (must be same as F above)

\$ 2,231

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.

Vaughan & Co. Securities Inc  
(Name of Corporation, Partnership or other organization)  
James Vaughn  
(Authorized Signature)  
CEO  
(Title)

Dated the 29 day of January, 2016.

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 1/1/2015  
and ending 12/31/2015

Item No.  
2a. Total revenue (FOCUS Line 12 Part IIA Line 9, Code 4030)

Eliminate cents  
\$ 1,809,900

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.

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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):

\_\_\_\_\_  
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(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

\$ 1,809,900  
\$ 4,525  
(to page 1, line 2.A.)

2d. SIPC Net Operating Revenues

2e. General Assessment @ .0025

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

**To the Board of Directors and Shareholders of Vaughan and Company Securities, Inc.:**

**We have reviewed management's statements, included in the accompanying Exemption Report.PDF, in which (1) Vaughan & Company Securities, Inc. identified the following provisions of 17 C.F.R. §15c3-3(k) under which Vaughan and Company Securities, Inc. claimed an exemption from 17 C.F.R. §240.15c3-3(k)(2)(ii) and (2) Vaughan and Company Securities, Inc. stated that Vaughan and Company Securities, Inc. met the identified exemption provisions throughout the most recent fiscal year without exception. Vaughan and Company Securities, Inc.'s management is responsible for compliance with the exemption provisions and its statements.**

**Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about Vaughan and Company Securities, Inc.'s compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.**

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

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**Michael F. Albanese, CPA**

**Parsippany, New Jersey  
February 26, 2016**



# VAUGHAN & CO. SECURITIES, INC.

*Financial Services To Small Business Owners, Professionals, and their Families for Generations*

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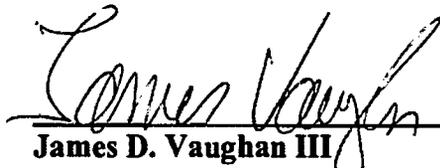
WEBSITE: [WWW.VAUGHANANDCO.COM](http://WWW.VAUGHANANDCO.COM)

**To: Jason Shi**

**Date: January 27, 2016**

**Re: Vaughan & Co. Securities, Inc.  
CRD 18826  
Exemption Report  
Section 15c3-3(k)**

**Vaughan & Co. Securities, Inc. hereby requests an exemption from Section 15c3-3(k) under the provisions of Section 240.15c3-3(k)(2)(ii). Vaughan & Co. Securities, Inc. has met the exemption provisions throughout the most recent fiscal year without exception.**

  
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**James D. Vaughan III  
Chief Executive Officer**