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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- 48028

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 January 1, 2015 AND ENDING December 31, 2015
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Smith Wiley Securities, Inc.
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

OFFICIAL USE ONLY
FIRM I.D. NO.

37 Jerome Avenue, Suite Two

(No. and Street)

Bloomfield

(City)

CT

(State)

06002

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Gwendolyn Smith Morris 866.548.2513, ext 304

(Area Code - Prefix) (Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Whitney & Hadley, P.C.

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

290 Trustball Street, 24th floor

(Address)

Hartford

(City)

CT

(State)

06150

(Zip Code)

CHECK ONE:

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

FOR OFFICIAL USE ONLY

*Claim 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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SMITH WHILEY SECURITIES, INC.

(A WHOLLY-OWNED SUBSIDIARY OF SMITH WHILEY & COMPANY)

**Financial Statements
and Supplemental Schedule**

December 31, 2015 and 2014

CONFIDENTIAL

SMITH WHILEY SECURITIES, INC.

(A WHOLLY-OWNED SUBSIDIARY OF SMITH WHILEY & COMPANY)

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OATH OR AFFIRMATION

I, Gwendolyn Smith Brown, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Smith Whitey Securities, Inc., as of December 31, 2012, 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:

Notarial R. Box

My commission expires

1/31/2020

R. Ronald R. Box
Notary Public

Gwendolyn Smith Brown
Signature
President & Chief Executive Officer
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 24(b.17c-5(e)(2))

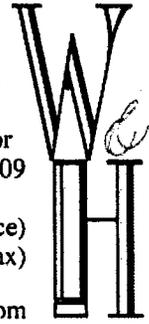
WHITTLESEY & HADLEY, P.C.

Certified Public Accountants/Consultants

280 Trumbull Street, 24th Floor
Hartford, Connecticut 06103-3509

860.522.3111 (voice)
860.728.0232 (fax)

www.whcpa.com



**REPORT OF INDEPENDENT REGISTERED
PUBLIC ACCOUNTING FIRM**

To The Board of Directors and Stockholder of
Smith Whiley Securities, Inc.

Report on the Financial Statements

We have audited the accompanying statements of financial condition of Smith Whiley Securities, Inc. (the "Company") as of December 31, 2015 and 2014 and the related statements of operations, changes in stockholder's equity and cash flows for the years then ended, and the related notes to the financial statements. 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.

Scope

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 from 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects the financial position of Smith Whiley Securities, Inc. as of December 31, 2015 and 2014, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The information contained in Schedule 1 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 17 C.F.R. § 240.17a-5. In our opinion, the identified supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Whittlesey & Hadley, P.C.

Hartford, Connecticut
February 5, 2016

Hartford • Hamden • Holyoke

SMITH WHILEY SECURITIES, INC.

(A WHOLLY-OWNED SUBSIDIARY OF SMITH WHILEY & COMPANY)

STATEMENTS OF FINANCIAL CONDITION

	December 31,	
	2015	2014
ASSETS		
Cash	\$ 9,178	\$ 8,983
Accounts receivable - related party	10,000	-
Prepaid expenses	2,351	3,496
	<u>2,351</u>	<u>3,496</u>
Total assets	\$ 21,529	\$ 12,479
STOCKHOLDER'S EQUITY		
Common Stock - par value - (\$.001 per share); 1,000,000 shares authorized, issued and outstanding in 2015 and 2014	\$ 1,000	\$ 1,000
Additional paid in capital	120,086	111,151
Accumulated deficit	(99,557)	(99,672)
	<u>(99,557)</u>	<u>(99,672)</u>
Total stockholder's equity	\$ 21,529	\$ 12,479

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

SMITH WHILEY SECURITIES, INC.

(A WHOLLY-OWNED SUBSIDIARY OF SMITH WHILEY & COMPANY)

STATEMENTS OF OPERATIONS

For the years ended December 31,

2015

2014

Revenues - related party	<u>\$ 10,000</u>	<u>\$ -</u>
Expenses		
Audit	4,000	4,000
Compliance	1,236	-
Insurance	716	716
Registration	2,714	1,479
Other administrative	<u>1,219</u>	<u>4,939</u>
Total expenses	<u>9,885</u>	<u>11,134</u>
Net income (loss)	<u>\$ 115</u>	<u>\$ (11,134)</u>

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

SMITH WHILEY SECURITIES, INC.

(A WHOLLY-OWNED SUBSIDIARY OF SMITH WHILEY & COMPANY)

STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY

For the years ended December 31, 2015 and 2014

	<u>Common Stock</u>		Additional Paid-In Capital	Accumulated Deficit	Total Stockholder's Equity
	Shares	Amount			
Balance at December 31, 2013	1,000,000	\$ 1,000	\$ 97,798	\$ (88,538)	\$ 10,260
Capital contribution	-	-	13,353	-	13,353
Net loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,134)</u>	<u>(11,134)</u>
Balance at December 31, 2014	1,000,000	1,000	111,151	(99,672)	12,479
Capital contribution	-	-	8,935	-	8,935
Net income	<u>-</u>	<u>-</u>	<u>-</u>	<u>115</u>	<u>115</u>
Balance at December 31, 2015	<u>1,000,000</u>	<u>\$ 1,000</u>	<u>\$120,086</u>	<u>\$ (99,557)</u>	<u>\$ 21,529</u>

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

SMITH WHILEY SECURITIES, INC.

(A WHOLLY-OWNED SUBSIDIARY OF SMITH WHILEY & COMPANY)

STATEMENTS OF CASH FLOWS

	For the years ended December 31,	
	2015	2014
Cash flows from operating activities		
Net gain (loss)	\$ 115	\$ (11,134)
Adjustments to reconcile net income to net cash used in operating activities:		
Changes in assets and liabilities		
Decrease in prepaid expenses	1,145	272
(Increase) in accounts receivable - related party	(10,000)	-
(Decrease) in accounts payable	-	(952)
Net cash used in operating activities	<u>(8,740)</u>	<u>(11,814)</u>
Cash flows from financing activities		
Capital contribution	<u>8,935</u>	<u>13,353</u>
Net cash provided by financing activities	<u>8,935</u>	<u>13,353</u>
Net increase in cash	195	1,539
Cash at beginning of year	<u>8,983</u>	<u>7,444</u>
Cash and cash equivalents at end of period	<u>\$ 9,178</u>	<u>\$ 8,983</u>

Supplemental disclosure of cash flow information

The Company paid no interest during 2015 and 2014.

The Company paid \$525 and \$0 in taxes during 2015 and 2014.

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

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Smith Whiley Securities, Inc. (the "Company"), organized and incorporated on November 23, 1994, is registered as a broker/dealer with the Securities and Exchange Commission and is a member of the Financial Industry Regulatory Authority (FINRA). The Company is a wholly-owned subsidiary of Smith Whiley & Company (the "Parent"). The Company distributes limited partnership interests in Parent sponsored funds. The Company's distribution activities did not generate any commission revenue or expense in 2015 or 2014.

The Company and the Parent entered into a Management Services and Overhead Reimbursement Agreement in 1995 (the "Agreement"). The Parent makes the services of its employees, administrative support, office space, equipment and other requested services available to the Company pursuant to the Agreement.

On June 18, 2011, the Company entered into an Amended and Restated Management Services and Overhead Reimbursement Agreement with the Parent, effective April 1, 2011. The amended agreement clarified the Company's relationship with the Parent and listed certain revenues and expenses that would be paid or assumed by the Company. All expenses associated with the activities of operating as a broker/dealer are recorded by the Company in its financial statements.

On October 27, 2011, the Company entered into a modified Amended and Restated Management Services and Overhead Reimbursement Agreement with the Parent which more specifically identified expenses that would be charged to the Company and recorded in its financial statements.

The Company relies on equity funding from the Parent for operations.

Subsequent Events

Management has evaluated subsequent events for potential recognition or disclosure in the financial statements through February 5, 2016, the date upon which the Company's financial statements were available to be issued. No subsequent events were identified which require recognition or disclosure in the financial statements.

Cash

Cash represents amounts on deposit in a business checking account.

Income Taxes

The Company is part of a consolidated group for federal income tax return purposes, and is a "qualified S-Corporation subsidiary". Therefore, there are no federal or state income tax accruals herein, as these obligations are passed through to the stockholder. Additionally, in accordance with ASC 740, *Income Taxes*, there are no tax positions taken or expected to be taken in the course of preparing the Parent's tax returns that are "more-likely-than-not" of being sustained by the applicable tax authority.

SMITH WHILEY SECURITIES, INC.

(A WHOLLY-OWNED SUBSIDIARY OF SMITH WHILEY & COMPANY)

Use of Estimates

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

2. TRANSACTIONS WITH AFFILIATES

Certain personnel of the Parent are registered representatives of the Company and are eligible to earn commissions in connection with the distribution of limited partnership interests in Parent sponsored funds. In such instances, the Parent may compensate the Company through payment of a commission, which, in turn, the Company would pay to such registered representatives and record such as an expense. There were no commissions earned or paid for the years ended December 31, 2015 and 2014 as there were no sales of limited partnership interests in Parent sponsored funds.

The Parent contributed additional paid-in-capital of \$8,935 during the year ended 2015 to support operations pursuant to the Agreement discussed above.

Related party revenue is from services provided by the Company to the Parent Company related to the formation of a new investment partnership.

3. NET CAPITAL AND RESERVE REQUIREMENTS

As a registered broker/dealer and member of the FINRA, the Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule 15c3-1, which states that net capital, as defined, shall not be less than \$5,000. The Company's net capital for regulatory purposes at December 31, 2015 equaled \$7,743 which is in excess of the required minimum.

The Company does not hold funds or securities for, or owe funds or securities to, customers other than funds or securities promptly forwarded to an unaffiliated bank escrow agent account, if applicable. There has not been any activity of this kind during 2015 or 2014. The Company is thereby exempt from Rule 15c3-3 of the Securities Exchange Act of 1934 by paragraph (k)(2)(i) of that rule as it relates to promptly obtaining and maintaining physical possession or control of customers' securities.

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

**COMPUTATION OF NET CAPITAL AND AGGREGATE INDEBTEDNESS,
UNDER SEC RULE 15C3-1**

SUPPLEMENTAL SCHEDULE – SCHEDULE 1
December 31, 2014

Stockholder's equity	\$ 21,529
Less: Ownership equity not allowed for capital	(1,435)
Less: Nonallowable assets	(12,351)
Add: Unrealized gains on municipal securities	<u>-</u>
Net capital before haircut on security position	7,743
Less: Haircut on other securities	<u>-</u>
Net capital	7,743
Minimum net capital required to be maintained	<u>5,000</u>
Net capital in excess of requirement	<u>\$ 2,743</u>

The above calculation does not differ from the Company's unaudited Focus Report as of December 31, 2015.

WHITTLESEY & HADLEY, P.C.

Certified Public Accountants/Consultants

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February 5, 2016

The Board of Directors
Smith Whiley Securities, Inc.
Hartford, Connecticut

We have audited the financial statements of Smith Whiley Securities, Inc. (the "Company") as of and for the year ended December 31, 2015, and have issued our report thereon dated February 5, 2016. Our responsibilities under auditing standards of the Public Company Accounting Oversight Board ("PCAOB") were communicated to you in our engagement letter dated December 7, 2015. Professional standards require that we communicate to you the following information related to our audit.

INDEPENDENCE

Whittlesey & Hadley, P.C. has no relationships with the Company which impairs our independence. None of the services we have performed impaired our independence. We confirm to you that Whittlesey & Hadley, P.C. is independent of the Company within the meaning of PCAOB Rule 3520, *Auditor Independence*.

OUR RESPONSIBILITY UNDER THE STANDARDS OF THE PCAOB

Our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance about whether the financial statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting principles.

Because an audit is designed to provide reasonable, but not absolute, assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

As part of our audit, we considered the internal control of the Company. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control. *See our separately issued communications regarding internal control.*

SIGNIFICANT AUDIT FINDINGS

Qualitative Aspect of Accounting Practices

Management has the responsibility for selection and use of appropriate accounting policies. The significant accounting policies used by Smith Whiley Securities, Inc. are described in Note 1 to the financial statements. No new significant accounting policies were adopted this year and the application of existing policies was not changed during 2015. We noted no transactions entered by the Company during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Critical Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. In addition, future events could change our determination in terms of which accounting estimates we deem to be critical accounting estimates.

Financial Statement Presentation

We noted that the presentation of the financial statements and related footnote disclosures are in conformity with the applicable financial reporting framework.

New Accounting Pronouncements That Are Not Yet Effective

The Company will have to adopt certain new accounting pronouncements in future years. We have no concerns regarding management's anticipated application of accounting pronouncements that have been issued but are not yet effective.

Alternative Accounting Treatments

We noted no material transactions or accounting estimates for which there are alternative treatments permissible under the applicable financial reporting framework.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

We are required to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to you, including those which are recorded to the financial statements. For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on the Company's financial reporting process (that is, cause future financial statements to be materially misstated). There were no audit adjustments identified during the course of our audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 5, 2016.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Company's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. We are not aware of any such consultation.

Issued Discussed with Management Prior to Retention

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Company's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Management Advisory Services

There were no such services provided by us to the Company this year.

Fraud and Illegal Acts

Our audit noted no instance of irregularities, fraud or illegal acts involving senior management, or that would cause a material misstatement of the financial statements.

Material Going Concern Issues

During the course of our audit we noted no material uncertainties related to events and conditions that caused us to question the Company's ability to continue as a going concern.

* * * * *

This communication is intended solely for the information and use of the Board of Directors of Smith Whiley Securities, Inc., management and the respective Federal and State of Connecticut regulatory agencies, and is not intended to be and should not be used by anyone other than these specified parties.

Should you desire further information concerning these matters, we will be happy to meet with you at your convenience.

Very truly yours,

Whitney & Hadley, P.C.

WHITTLESEY & HADLEY, P.C.

Certified Public Accountants/Consultants

280 Trumbull Street, 24th Floor
Hartford, Connecticut 06103-3509

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February 5, 2016

The Board of Directors
Smith Whiley Securities, Inc.
Hartford, Connecticut

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PCAOB Rule 3526, *Communication with Audit Committees Concerning Independence*, requires that we disclose to you in writing, at least annually, all relationships between our firm and any affiliates and your Company and its related entities or persons in financial reporting oversight roles at your Company that may reasonably be thought to bear on independence.

We are not aware of any such relationships.

We confirm that we are independent of the Company in compliance with Rule 3520 and within the meaning of the federal securities laws administered by the Securities and Exchange Commission.

As further required by PCAOB Rule 3526, we will be pleased to discuss the potential effects of such relationships on our independence with respect to the Company with you at your convenience.

* * * * *

This communication is intended solely for use by you and other members of the Board of Directors in your consideration of our independence as auditors, and should not be used for any other purpose.

Very truly yours,

Whittlesey & Hadley, P.C.

WHITTLESEY & HADLEY, P.C.

Certified Public Accountants/Consultants

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Report of Independent Registered Public Accounting Firm

We have reviewed management's statements, included in the accompanying "*Management Assertion Regarding Exemption Provisions*", in which (1) Smith Witley Securities, Inc. identified the following provisions of 17 C.F.R. § 15c3-3(k) under which Smith Witley Securities, Inc. claimed an exemption from 17 C.F.R. § 240.15c3-3: 15c 3-3 (k)(2)(i) (the "exemption provisions") and (2) Smith Witley Securities, Inc. stated that Smith Witley Securities, Inc. met the identified exemption provisions throughout the period from January 1, 2015 through December 31, 2015. Smith Witley Securities, Inc.'s management is responsible for compliance with the exemption provisions and its statements.

Scope

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 Smith Witley 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.

Review Results

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)(i) of Rule 15c3-3 under the Securities Exchange Act of 1934.

Whittlesey & Hadley, P.C.

Hartford, Connecticut

February 5, 2016

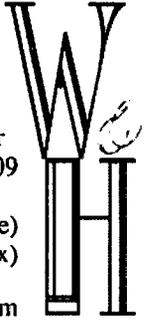
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February 5, 2016

The Board of Directors
Smith Whiley Securities, Inc.
Hartford, Connecticut

Dear Members:

In planning and performing our audit of the financial statements of Smith Whiley Securities, Inc. (the "Company") as of and for the year ended December 31, 2015, we considered the Company's internal control in order to determine auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control. A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented, or detected and corrected on a timely basis.

We did not identify any deficiencies in internal control that we consider to be material weaknesses.

* * * * *

This communication is intended solely for the information and use of Smith Whiley Securities, Inc., the Board of Directors and management of Smith Whiley & Company, and their respective federal and State of Connecticut Regulatory Agencies. Should you have any questions about this letter, or any other matter, please contact us at your convenience.

Very truly yours,

Whittlesey & Hadley, P.C.

WHITTLESEY & HADLEY, P.C.

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