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

SEC FILE NUMBER
8 - 41437

Washington DC  
**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

FACING PAGE

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: Lowell & Company Inc

OFFICIAL USE ONLY
FIRM I.D. NO.

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

4021 84th St Suite 100

(No. and Street)

Lubbock

Texas

79423

(City)

(State)

(Zip Code)

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

William H Lowell

806-747-2644

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

McBee & Co., PC

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

718 Paulus Avenue

Dallas

Texas

75214

(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 240.17a-5(e)(2).

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

JG

*[Handwritten signature]*

*Lowell & Company Inc.*

*Financial Statements*

*As of*

*December 31, 2015*

*And*

*For the years then ended*

*And*

*Independent Auditor's Report*

*And*

*Supplementary Information*

*And*

*Additional Reports and Related  
Information*

OATH OR AFFIRMATION

I, William H Lowell, swear (or affirm) that, to the best of my knowledge and belief, the accompanying financial statements and supporting schedules pertaining to the firm of Lowell & Company 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:

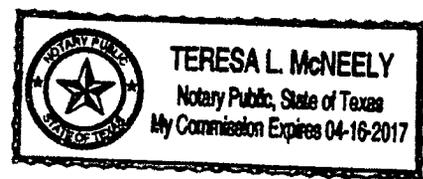
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*William H Lowell*  
Signature

\_\_\_\_\_  
President  
Title

Subscribed and sworn to before me this 23 day of February 2016

*Teresa L McNeely*  
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 Cash Flows
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of General Creditors.
- (g) Computation of net capital for brokers and dealers pursuant to Rule 15c3-1.
- (h) Computation for determination of reserve requirements pursuant to Rule 15c3-3.
- (i) Information relating to the possession or control requirements for brokers and dealers 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 Securities Investor Protection Corporation (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.
- (o) Independent Auditors' Report on Internal Control.
- (p) Schedule of Segregation Requirements and Funds in Segregation - customer's regulated commodity futures account pursuant to Rule 171-5

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

**LOWELL & COMPANY, INC.**

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DECEMBER 31, 2015**

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**McBee & Co.**

A Professional Corporation  
Certified Public Accountants

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

**To the Board of Directors of Lowell & Company, Inc.  
Lubbock, Texas**

We have audited the accompanying statement of financial condition of Lowell & Company, Inc. as of December 31, 2015, and the related statements of operations and changes in stockholder's equity and cash flows for the year then ended. These financial statements are the responsibility of Lowell & Company, 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 included assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial condition of Lowell & Company, Inc. as of December 31, 2015, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Schedule I, Computation of Net Capital Under SEC Rule 15c3-1, has been subjected to audit procedures performed in conjunction with the audit of Lowell & Company, Inc.'s financial statements. The supplemental information is the responsibility of Lowell & Company, 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, Schedule I, Computation of Net Capital Under SEC Rule 15c3-1, is fairly stated, in all material respects, in relation to the financial statements as a whole.

**McBee & Co, PC  
February 23, 2016**

**LOWELL & COMPANY, INC.**  
**STATEMENT OF FINANCIAL CONDITION**  
**AS OF DECEMBER 31, 2015**

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**ASSETS**

Cash and Cash Equivalents	\$	92,269
Cash Deposit with Clearing Broker		25,000
Accounts Receivable - Trade		86,354
Employee Receivables		62,032
Property, net of Accumulated Depreciation (Note 5)		<u>                    </u>
Total Assets	\$	<u>265,655</u>

**LIABILITIES AND STOCKHOLDER'S EQUITY**

**Liabilities**

Accounts payable - trade	\$	12,102
Accrued commissions		<u>116,550</u>
Total Liabilities		<u>128,652</u>

**Commitments and Contingencies (Note 7)**

**Stockholder's Equity**

Common stock, \$1 par value, 1,000,000 shares authorized, 1,000 shares issued and outstanding		1,000
Additional paid-in-capital		171,573
Accumulated deficit		<u>(35,570)</u>
Total Stockholder's Equity		<u>137,003</u>

<b>TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY</b>	\$	<u>265,655</u>
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**LOWELL & COMPANY, INC.**

**STATEMENT OF OPERATIONS**

**FOR THE YEAR ENDED DECEMBER 31, 2015**

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**REVENUE**

Commission Fees	\$	1,309,307
Investment Advisory Fees		663,236
Due Dilligence Fees		105,369
Interest Income		4,553
Other		<u>4,132</u>
Total Revenue		<u>2,086,597</u>

**EXPENSES**

Brokerage and Clearance		31,541
Commissions, Salaries and Payroll		1,148,317
Interest		1,988
Communications and Data Processing		2,867
Management Fees (Note 8)		956,114
General and Administrative		<u>33,843</u>
Total Expenses		<u>2,174,670</u>

**LOSS BEFORE PROVISION FOR TAX** (88,073)

State Tax Provision 4,159

**NET LOSS** \$ (92,232)

**LOWELL & COMPANY, INC.**  
**STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Common Stock</u>	<u>Additional Paid-in-Capital</u>	<u>Retained Earnings (Accumulated Deficit)</u>	<u>Total</u>
<b>Balance, January 1, 2014</b>	\$ 1,000	\$ 171,573	\$ 56,662	\$ 229,235
<b>Net Loss</b>			(92,232)	(92,232)
<b>Balance, December 31, 2015</b>	<u>\$ 1,000</u>	<u>\$ 171,573</u>	<u>\$ (35,570)</u>	<u>\$ 137,003</u>

**LOWELL & COMPANY, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

---

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net Income	<u>\$ (92,232)</u>
Adjustments to Reconcile Net Income to Net Cash Provided by (Used by) Operating Activities:	
Depreciation	620
Changes in operating assets and liabilities:	
Increase in clearing deposit	(15,000)
Decrease in accounts receivable	35,398
Decrease in employee receivables	92,000
Increase in accounts payable and accrued expenses	10,047
Increase in commissions payable	<u>42,336</u>
Total Adjustments	<u>165,401</u>
<b>Net Cash Provided by Operating Activities</b>	<u>73,169</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	73,169
Beginning of Year	<u>19,100</u>
End of Year	<u>\$ 92,269</u>

**SUPPLEMENTAL CASH FLOW DISCLOSURES**

State Income Taxes Paid	<u>\$ 4,159</u>
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## **LOWELL & COMPANY, INC.**

### **NOTES TO FINANCIAL STATEMENTS**

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#### **1. ORGANIZATION AND NATURE OF BUSINESS**

Lowell & Company, Inc. (the "Company") was organized as a Texas Corporation on April 18, 1989. The Company is a non-public broker-dealer registered with the Securities and Exchange Commission (SEC) and various states and is a member of the Financial Industry Regulatory Authority, Inc. (FINRA). As an introducing broker-dealer, the Company does not hold customer funds or securities, and clears all customer transactions on a fully disclosed basis through a clearing broker.

The Company also operates as Lowell Asset Management and provides asset management services to institutional and individual clients.

#### **2. SIGNIFICANT ACCOUNTING POLICIES**

##### **Basis of Presentation**

The Company is engaged in a single line of business as a securities broker-dealer, which comprises several classes of services, including principal transactions, agency transactions, investment advisory, and institutional private placement of securities throughout the United States.

##### **Use of Estimates**

The preparation of financial statements in conformity with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of the 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.

##### **Commissions**

Commissions and related clearing expenses are recorded on a trade-date basis as securities transactions occur and are paid to employees on a settlement date basis.

##### **Investment Advisory Income**

Investment advisory fees for managing clients' accounts and private placement fees are received as compensation monthly or quarterly in arrears, are computed based upon the market value of the assets under management for each account, and are recognized when earned.

##### **Variable Annuity Commissions**

Variable annuity commissions are recorded upon execution of a contract by a customer and upon subsequent renewals.

### **Cash Equivalents**

Cash and cash equivalents in the accompanying statement of financial condition represent assets with maturities of 90 days or less for purposes of the statement of cash flows.

### **Fair Value of Financial Instruments**

Cash, accounts receivable, accounts payable and accrued commissions are short-term in nature and accordingly are reported in the statement of financial condition at fair value or carrying amounts that approximate fair value.

### **Receivables and Credit Policy**

Accounts receivable are stated at the amounts management expects to collect. The carrying amounts of accounts receivable are reduced by a valuation allowance, if needed, that reflects management's best estimate of the amounts that will not be collected. Management individually reviews all receivable balances and, based on an assessment of current creditworthiness, estimates the portion of, if any, of the balance that will not be collected. Management provides for probable uncollectable amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to the respective receivable account. In Management's opinion, any potential allowance for uncollectable accounts would not be material to the Financial Statements as of the end of December 31, 2015.

### **Deposit with Clearing Broker**

The Company and the clearing broker attempt to control the risks associated with customer activities by limiting customer accounts to only cash type accounts and monitoring for prompt customer payments in accordance with various regulatory guidelines. The Company maintains a \$25,000 deposit account with the clearing broker to secure its obligation to fund any losses incurred by the clearing broker on customer transactions.

### **Property**

Property is recorded at cost less depreciation and amortization. Depreciation and amortization are primarily accounted for on the straight line method based on estimated useful lives. The amortization of leasehold improvements is based on the shorter of the lease term or the life of the improvement. Betterments and large renewals which extend the life of the asset are capitalized whereas maintenance and repairs and small renewals are expensed as incurred.

### **Advertising Costs**

The Company expenses advertising production costs as they are incurred and advertising communication costs the first time the advertising takes place.

### **Income Tax**

The Company has elected to be taxed as an S-Corporation and is therefore treated as a flow-through entity for income tax purposes, similar to a partnership. As a result, the net taxable income of the Company and any related tax credits, for federal income tax purposes, are deemed to pass to the individual member and are included in the member's personal tax return even though such net taxable income or tax credits may not actually have been distributed. Accordingly, no tax provision has been made in the financial statements since the income tax is a personal obligation of the individual member. The Company is subject to state income tax.

The Company recognizes and measures any unrecognized tax benefits in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740, "Income Taxes". Under that guidance the Company assesses the likelihood, based on their technical merit, that tax positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. The measurement of unrecognized tax benefits is adjusted when new information is available, or when an event occurs that requires a change. As of December 31, 2015, the Company believes there are no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

As of December 31 2015, the years ending December 31, 2012, 2013, 2014 and 2015 remain subject to examination by major tax jurisdictions.

### **3. NET CAPITAL REQUIREMENTS**

The Company is subject to the SEC uniform net capital rule (Rule 15c3-1), which requires the maintenance of a minimum amount of net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1 (and the rule of the "applicable" exchange also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1). At December 31, 2015, the Company had net capital of \$74,771 which was \$66,190, in excess of its required net capital of \$8,581. The Company's net capital ratio was 1.7 to 1 for December 31, 2015.

### **4. LIABILITIES SUBORDINATED TO CLAIMS OF GENERAL CREDITORS**

During the years ended December 31, 2015, there were no subordinated liabilities to the claims of general creditors. Accordingly, a statement of changes in liabilities subordinated to claims of general creditors has not been included in these financial statements.

## 5. PROPERTY

As of December 31, 2015, property is comprised of the following:

Computers and Equipment	\$ 43,188
Furniture and Fixtures	18,604
Leasehold Improvements	<u>6,324</u>
Total	<u>68,116</u>
Less:	
Accumulated Depreciation	<u>68,116</u>
Net Property	<u>\$ Nil</u>

## 6. CONCENTRATION OF CREDIT RISK

The Company is engaged in various trading and brokerage activities in which counterparties primarily include broker-dealers, banks and other financial institutions. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty or issuer of the instrument. The Company's financial instruments that are subject to concentrations of credit risk primarily consist of cash and accounts receivable. The Company places its cash with two high credit quality institutions. At times, such cash may be in excess of the FDIC insurance limits. The Company believes that it is not exposed to any significant risk related to cash. Collateral is not required for credit extended to the Company's customers. Major customers are defined as those comprising more than 10% of the company's annual revenue or outstanding accounts receivable balance at the end of the year. At December 31, 2015, the Company had no major customers.

As discussed in Note 1, certain of the Company's customers' securities transactions are introduced on a fully disclosed basis with its clearing broker/dealer. The clearing broker/dealer carries all of the accounts of the customers of the Company and is responsible for execution, collection and payment of funds, and receipt and delivery of securities relative to customer transactions. Off-balance-sheet risk exists with respect to these transactions due to the possibility that customers may be unable to fulfill their contractual commitments wherein the clearing broker/dealer may charge any losses it incurs to the Company. The Company seeks to minimize this risk through procedures designed to monitor the credit worthiness of its customers and that customer transactions are executed properly by the clearing broker/dealer.

## 7. COMMITMENTS AND CONTINGENCIES

### Operating Leases

The Parent Company leases office space in Lubbock, Texas and vehicles under non-cancelable lease agreements. The terms of the lease generally require the Parent Company to provide liability insurance and cover certain general operating expenses with a provision for escalations. At December 31, 2015, future minimum lease payments under the lease were as follows:

<u>Year Ending December 31,</u>	<u>Office</u>	<u>Vehicles</u>
2016	\$ 100,864	\$ 18,366
2017	108,558	18,366
2018	110,557	
2019	64,924	
Total	<u>\$ 384,903</u>	<u>\$ 36,732</u>

Rent expense for Parent Company approximated \$101,879 for the years ended December 31, 2015.

### Litigation

As of December 31, 2015, the Company is involved in a FINRA arbitration whereas a Claimant alleges that Lowell & Company, Inc. is liable for gross negligence, breach of fiduciary duty, and violation of the Missouri Securities Act and Missouri Consumer Protection Act for hiring and failing to supervise a registered representative. This matter is in the early stages of litigation. The Claim is expected to be contested. There is not sufficient information to evaluate the likelihood of an unfavorable outcome or to estimate a range of any potential loss. The Company maintains E&O insurance and has a deductible of \$150,000 for these matters. To date, the Company has incurred approximately \$20,000 in legal fees related to this matter.

## 8. RELATED PARTY TRANSACTIONS

The Company and its Parent are under common control and the existence of that control creates a financial position and operating results significantly different than if the companies were autonomous.

Under a Management Agreement (the "Agreement") effective January 01, 2014, the Parent provides the Company with consulting & general administrative services. Standard minimum monthly fees for such services are \$100,000 but the Agreement allows the Parent to waive any such portion of the monthly fees in order for the Company to remain in compliance with the minimum net capital requirements (See Note 3). The Agreement states that all monthly fees waived are not to be payable, and may not be added to future assessments. The total management fees incurred and paid under this agreement during 2015 totaled \$956,000. The Agreement was not consummated on terms equivalent to arms-length transactions.

**9. COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS AND INFORMATION RELATING TO POSSESSION OR CONTROL REQUIREMENTS PURSUANT TO RULE 15c3-3**

The Company operates pursuant to section (k)(2)(ii) exemptive provisions of Rule 15c3-3 of the Securities Exchange Act of 1934, in which all customer transactions are cleared on a fully disclosed basis through a clearing broker/dealer. Under these exemptive provisions, the Computation for Determination of Reserve Requirements and the disclosure of Information Relating to Possession or Control Requirements are not required.

During the years ended December 31, 2015, in the opinion of management, the Company has maintained compliance with the conditions for the exemption specified in paragraph (k)(2)(ii) of Rule 15c3-3.

**10. RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS**

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09-Revenue from Contracts with Customers (Topic 606) ("ASU 2014-09"). ASU 2014-09 requires entities to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that core principle, an entity will apply five steps, Step 1: Identify the contract(s) with a customer; Step 2: Identify the performance obligations in the contract; Step 3: Determine the transaction price; Step 4: Allocate the transaction price to the performance obligations in the contract, and Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation. The amendments in this Update help clarify the principles for recognizing revenue and develop commonalities with International Financial Reporting Standards (IFRS). The effective date of this standard was deferred by FASB ASU 2015-14-Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date, and is effective for annual reporting periods beginning after December 15, 2018 and interim reporting periods within annual reporting periods beginning after December 15, 2019. The guidance may be applied as of an annual reporting period beginning after December 15, 2016, including interim reporting periods within that reporting period. The Firm plans to adopt this standard on January 1, 2019. The Company does not expect the adoption of ASU 2014-09 and ASU2015-14 to have a material impact on the Company's results of operations or financial condition.

**11. SUBSEQUENT EVENTS**

Upon evaluation, the Company notes that there were no material subsequent events between the date of the financial statements and the date that the financial statements were issued or available to be issued.

**LOWELL & COMPANY, INC.**

**SCHEDULE I**

**COMPUTATION OF NET CAPITAL UNDER SEC RULE 15c3-1**

**AS OF DECEMBER 31, 2015**

**NET CAPITAL**

Total Balance Sheet Equity	\$	137,003
Subordinated Debt (Non-conforming capital)		
<i>Total Equity:</i>	<u>\$</u>	<u>137,003</u>
 (non-Allowable Assets)		62,232
(Other Deductions)A/R over 30 days (Haircuts on Securities)		
<i>Total Deductions:</i>	<u>\$</u>	<u>62,232</u>
 <b>Regulatory Net Capital:</b>	<u>\$</u>	<u>74,771</u>
Aggregate Indebtedness (AI)	\$	128,652
AI x .0667		0.0667
<i>AI Net Capital Requirement:</i>	<u>\$</u>	<u>8,581</u>
 <b>Statutory Net Capital Requirement:</b>	\$	5,000
 <b>Current Net Capital Requirement:</b>	<u>\$</u>	<u>8,581</u>
 <b>Regulatory Net Capital:</b>	<u>\$</u>	<u>74,771</u>
 <b>Excess or (Deficient) Net Capital)</b>	<u>\$</u>	<u>66,190</u>
 <b>Early Warning Test:</b>		
<i>Current Net Capital Required</i>	<u>\$</u>	<u>8,581</u>
x 120%		1.2
<i>Threshold Amount</i>	\$	10,297

No material differences existed between the audited computation of net capital pursuant to Rule 15c3-1 as of December 31, 2015 and the corresponding unaudited filing of part IIA of the FOCUS Report/form X-17A-5 filed by Lowell & Company, Inc.



**McBee & Co.**

A Professional Corporation  
Certified Public Accountants

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

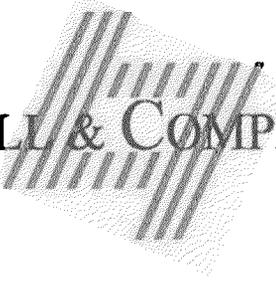
**To the Board of Directors of  
Lowell & Company, Inc.  
Lubbock, Texas**

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

**McBee & Co., PC  
February 23, 2016**



# LOWELL & COMPANY, INC.

## Lowell & Company Inc.'s Exemption Report

Lowell & Company, Inc. (the "Company") 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:

1. Lowell & Company, Inc. claimed an exemption 17 C.F.R. § 240.15c3-3 under the following provisions of 17 C.F.R. § 240.15c3-3 (k)(2)(ii) for the fiscal year ended December 31, 2015.
2. Lowell & Company, Inc. met the identified exemption provisions in 17 C.F.R. § 240.15c3-3(k)(2)(ii) throughout the most recent fiscal year of January 1, 2015 to December 31, 2015, without exception.

Lowell & Company, Inc.

I, William H. Lowell, affirm that, to my best knowledge and belief, this Exemption Report is true and correct.



\_\_\_\_\_  
Signature

*PRESIDENT*

\_\_\_\_\_  
Title

February 23, 2016



**McBee & Co.**

A Professional Corporation  
Certified Public Accountants

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

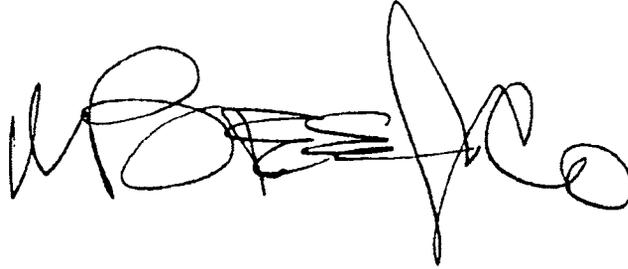
**To the Board of Directors of Lowell & Company, Inc.**  
**Lubbock, Texas**

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying Schedule of Assessment and Payments (Form SIPC-7) to the Securities Investor Protection Corporation (SIPC) for the year ended December 31, 2015, which were agreed to by Lowell & Company, Inc., and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc. (FINRA), and SIPC, solely to assist you and the other specified parties in evaluating the Lowell & Company, Inc.'s compliance with the applicable instructions of the Form SIPC-7. Lowell & Company, Inc.'s management is responsible for Lowell & Company, 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, including the accounting system entries and independent bank statements, noting no differences;
2. Compared the amounts reported on the audited X-17A-5 for the year ended December 31, 2015, as applicable, with the amounts reported in Form SIPC-7 for the year ended December 31, 2015, noting an immaterial difference with the total deductions causing an immaterial overstatement of the general assessment;
3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers, noting an immaterial difference with the deductions causing an immaterial overstatement of the general assessment; and
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting the adjustment noting no differences.

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

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

A handwritten signature in black ink, appearing to be a stylized name, possibly "W. B. Paulus".

McBee & Co., PC  
February 23, 2016

SECURITIES INVESTOR PROTECTION CORPORATION  
P.O. Box 92185 Washington, D.C. 20090-2185  
202-371-8300  
General Assessment Reconciliation  
For the fiscal year ended December 31, 2015  
(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

041437 FINRA DEC  
LOWELL & CO INC 21\*21  
4021 84TH ST STE 100  
LUBBOCK TX 79423-1953

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

William Lowell (806) 747-2644

2 A. General Assessment (item 2a from page 2 (not less than \$150 minimum))	\$	4,273.00
B. Less payment made with SIPC-6 filed (exclude interest)	\$	2,088.00
<u>7/20/2015</u> Date Paid		
C. Less prior overpayment applied		
D. Assessment balance due or (overpayment)	\$	2,185.00
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)	\$	2,185.00
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 complete.

Lowell & Company, Inc.

(Name of Corporation, District or other association)

PRESIDENT

(Title)

Dated the 17th day of February, 2015

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

Dates:	<u>                    </u> Postmarked	<u>                    </u> Received	<u>                    </u> Reviewed
SIPC REVIEWER	Calculations	Documentation	Forward Copy
	Exceptions:		
	Disposition of Exceptions:		

DETERMINATION OF "SIPC NET OPERATING REVENUES"  
AND GENERAL ASSESSMENT

Amounts for the fiscal period  
Beginning January 1, 2015  
and ending December 31, 2015  
Eliminate cents

Item No.		
2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)	\$	2,086,714.00
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	\$	338,833.00
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)

7 Direct expenses of printing advertising and legal fees incurred in connection with other revenue

8 Other revenue not related either directly or indirectly to the securities business. (See Instruction C).  
(See Instruction C)

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). \$ 38,821.00

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

\$ 38,821.00

Total deductions

\$ 377,654.00

2d. SIPC Net Operating Revenues

\$ 1,709,060.00

2e. General Assessment @ .0025

\$ 4,273.00

(to page 1, line 2A.)