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

SEC FILE NUMBER
8- 26602

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FACING PAGE

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

REPORT FOR THE PERIOD BEGINNING 01/01/15 AND ENDING 12/31/15
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Securities America, Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

12325 Port Grace Blvd.

(No. and Street)

LaVista

NE

68128

(City)

(State)

(Zip Code)

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

David Vaughan

(402)399-9111, ext 3101

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

EisnerAmper LLP

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

750 Third Avenue

New York

NY

10017

(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)

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SEC 1410 (06-02)

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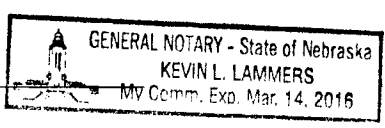
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OATH OR AFFIRMATION

I, David Vaughan, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Securities America, Inc. 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:

[Handwritten Signature]
Signature
Senior Vice President, CFO
Title

[Handwritten Signature]
Notary Public



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

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

SECURITIES AMERICA, INC.

(an indirect wholly-owned subsidiary of
Ladenburg Thalmann Financial Services, Inc.)

STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2015

CONFIDENTIAL



EisnerAmper LLP
750 Third Avenue
New York, NY 10017-2703
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F 212.891.4100

www.eisneramper.com

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholder
Securities America, Inc.
La Vista, Nebraska

We have audited the accompanying statement of financial condition of Securities America, Inc. (the "Company") as of December 31, 2015. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement 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 statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 statement of financial condition referred to above presents fairly, in all material respects, the financial position of Securities America, Inc. as of December 31, 2015, in conformity with accounting principles generally accepted in the United States of America.

EisnerAmper LLP

New York, New York
February 26, 2016

CONFIDENTIAL

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholder
Securities America, Inc.
La Vista, Nebraska

New York, New York
February 26, 2016

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SECURITIES AMERICA, INC.

**Notes to Statement of Financial Condition
December 31, 2015**

CONFIDENTIAL

ASSETS

Cash and cash equivalents	\$ 21,084,755
Securities owned, at fair value	1,303,090
Due from clearing brokers, net	4,514,040
Commissions receivable	15,654,474
Agents balances and other receivables, net of allowance of \$580,000	5,478,994
Notes receivable - agents, net of allowance of \$192,000	1,850,314
Due from affiliate	3,123
Intangible assets, net	5,695,822
Deferred tax asset, net	4,046,845
Goodwill	31,895,774
Prepaid expenses and other assets	<u>3,213,012</u>
	<u>\$ 94,740,243</u>

LIABILITIES

Commissions payable	\$ 20,078,950
Securities sold, not yet purchased, at fair value	12,973
Accrued compensation	3,579,980
Accrued expenses and other liabilities	5,610,277
Due to affiliate	2,810,017
Deferred income	757,614
Contingent consideration payable, at fair value	<u>967,076</u>
	<u>33,816,887</u>

SHAREHOLDER'S EQUITY

Common stock, \$1 par value; authorized 200 shares, issued and outstanding 100 shares	100
Capital in excess of par value	116,326,478
Accumulated deficit	<u>(55,403,222)</u>
	<u>60,923,356</u>
	<u>\$ 94,740,243</u>

See notes to statement of financial condition

SECURITIES AMERICA, INC.

Notes to Statement of Financial Condition
December 31, 2015

CONFIDENTIAL

NOTE A - DESCRIPTION OF BUSINESS

Securities America, Inc. (the "Company") is a wholly-owned subsidiary of Securities America Financial Corporation ("SAFC"), which is wholly owned by Ladenburg Thalmann Financial Services Inc. ("LTS"). LTS is a public company whose stock trades on the NYSE MKT under the symbol LTS. Securities America Advisors, Inc. ("SAA") and Brecek & Young Advisors, Inc. ("BYA") are registered investment advisory firms, wholly owned by SAFC. On November 4, 2011, LTS purchased 100% of the outstanding common stock of SAFC from Ameriprise Financial, Inc. ("Ameriprise").

The Company is a registered broker-dealer in securities under the Securities Exchange Act of 1934 and a member of the Financial Industry Regulatory Authority, Inc. ("FINRA"). The Company is also subject to regulation by the Commodity Futures Trading Commission ("CFTC") and the National Futures Association ("NFA"). The Company provides securities distribution and brokerage services and also offers other financial products, including variable annuity insurance products, through a network of independent contractor-brokers and insurance agents.

The Company executes and clears trades through two unaffiliated brokerage firms: National Financial Services LLC and Pershing LLC (the clearing brokers).

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

[1] Use of estimates:

In preparing financial statements in conformity with generally accepted accounting principles ("GAAP") in the United States, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and contingent liabilities at the date of the financial statement. Management believes that the estimates utilized in preparing its financial statements are reasonable and prudent. Actual results could differ from those estimates.

[2] Cash equivalents:

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash equivalents at December 31, 2015 consists of money market funds which are carried at fair value of \$10,482,251.

[3] Financial instruments:

Substantially all of the Company's financial instruments are carried at fair value or amounts approximating fair value. Assets, including cash, securities owned, and certain receivables are carried at fair value or contracted amounts which approximate fair value. Similarly, liabilities, including securities sold, not yet purchased and certain payables, are carried at fair value or contracted amounts approximating fair value.

[4] Securities transactions:

Securities transactions of the Company are recorded on a trade-date basis.

[5] Intangible assets:

Intangible assets are being amortized over their estimated useful lives generally on a straight-line basis. Intangible assets are tested for recoverability whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The Company assesses the recoverability of its intangible assets by determining whether the unamortized balance can be recovered over the assets' remaining life through undiscounted estimated future cash flows.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

If such cash flows indicate that the unamortized amounts will not be recovered, an adjustment will be made to reduce such amounts to fair value based on estimated future cash flows discounted at a rate commensurate with the risk associated with achieving such cash flows. Future cash flows are based on trends of historical performance and the Company's estimate of future performance, giving consideration to existing and anticipated competitive and economic conditions.

[6] Goodwill:

Goodwill primarily arose in connection with the acquisition of the Company by Ameriprise's former parent in a prior year. Goodwill is not subject to amortization and is tested for impairment annually, or more frequently if events or changes in circumstances indicate that the asset may be impaired. As the Company has only one reporting unit, the impairment test consists of a comparison of the fair value of the Company with the carrying amount of its net assets, including goodwill. Fair value is typically based upon estimated future cash flows discounted at a rate commensurate with the risk involved or market-based comparables. If the carrying amount of the Company's net assets exceeds the fair value of the Company, then an analysis will be performed to compare the implied fair value of goodwill with the carrying amount of goodwill. An impairment loss will be recognized in an amount equal to the excess of the carrying amount over its implied fair value. After an impairment loss is recognized, the adjusted carrying amount of goodwill is its new accounting basis. Accounting guidance on the testing of goodwill for impairment allows entities testing goodwill for impairment the option of performing a qualitative assessment to determine the likelihood of goodwill impairment and whether it is necessary to perform such two-step impairment test. The annual impairment test performed on December 31, 2015 based on a quantitative assessment did not indicate any impairment of goodwill.

NOTE C - ACQUISITION

On June 2, 2015 (the "Closing Date"), SAFC acquired certain assets of Dalton Strategic Investment Services, Inc. ("Dalton") related to their brokerage and advisory business, that was deemed to be a business acquisition. The purchase price consisted of an initial cash payment made by SAFC of \$2,100,000 and contingent consideration which is estimated to have a fair value of \$589,000. Concurrent with the acquisition, SAFC transferred the portion of the acquired assets that relate to broker dealer activities to the Company for the following consideration:

Due to SAFC	1,155,000
Contingent Consideration liability	<u>323,950</u>
Total	<u>\$1,478,950</u>

The contingent consideration liability was valued using an income-based approach discounting to present value the earn-out's probability weighted expected payout using three earn-out scenarios. The fair value measurement of the earn-out which relates to a three-year period is based on unobservable inputs (Level 3) and reflects the Company's own assumptions.

The allocation of the consideration to Dalton's intangible assets acquired was based on their estimated fair values. The excess of the consideration over the identifiable intangible assets acquired has been allocated to goodwill.

SECURITIES AMERICA, INC.

**Notes to Statement of Financial Condition
December 31, 2015**

CONFIDENTIAL

NOTE C – ACQUISITION (CONTINUED)

The following table summarizes the aggregate estimates of the fair values of assets acquired in the acquisition:

		<u>Estimated Useful Life (years)</u>
Relationships with independent contractor financial advisors	\$1,418,450	10.0
Non-compete agreement	52,800	4.0
Goodwill	7,700	
Total identifiable intangible assets	<u>\$1,478,950</u>	

The contingent consideration liability is carried at fair value, which amounts to \$967,076.

Set forth below are changes in the carrying value of contingent consideration related to acquisitions:

Fair value of contingent consideration as of December 31, 2014	\$ 709,200
Fair value of contingent consideration in connection with 2015 acquisition	323,950
Payments	(54,574)
Change in fair value of contingent consideration	<u>(11,500)</u>
Fair value of contingent consideration as of December 31, 2015	<u>\$ 967,076</u>

NOTE D - NOTES RECEIVABLE - AGENTS

From time to time, the Company may make loans to its independent contractor-financial advisors, primarily to newly recruited advisors to assist in the transition process. The notes receivable balance is comprised of unsecured non-interest-bearing and interest-bearing loans (interest ranging from 0% to 6.25%) to the Company's advisors. These notes have various schedules for repayment or forgiveness based on production or retention requirements being met and mature at various dates through 2021. The Company also provides an allowance for doubtful accounts on its receivables from advisors based on historical collection experience. Furthermore, the Company is continually evaluating its receivables for collectability and possible write-offs where a loss is deemed probable.

NOTE E - RELATED PARTY TRANSACTIONS

The Company periodically advances excess funds to its affiliates or has amounts payable to affiliates for goods or services acquired through the affiliate. The Company has an expense sharing arrangement with SAA and is allocated overhead expense from its parent, SAFC. Amounts due to and from affiliates of the Company are settled periodically.

Amounts due from (to) affiliates of the Company as of December 31, 2015, are as follows:

	<u>2015</u>
SAFC	\$ (2,810,017)
BYA	<u>3,123</u>
	<u>\$ (2,806,894)</u>

Notes to Statement of Financial Condition
December 31, 2015

NOTE F - INCOME TAXES

The Company is a party to a tax-sharing agreement with LTS and is included in the consolidated U.S. federal and certain combined state income tax returns with LTS and its subsidiaries. For financial reporting purposes, the Company determines its income tax provision on a standalone basis pursuant to terms of the tax sharing agreement. Consolidated federal and combined state tax liabilities currently payable by the Company pursuant to the tax-sharing agreement will be paid to LTS. State and local income taxes in jurisdictions where the Company files separately are paid directly to the taxing authority.

The Company accounts for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, the Company determines deferred tax assets and liabilities on the basis of the differences between the financial statement and tax bases of assets and liabilities by using enacted tax rates in effect for the year in which the differences are expected to reverse.

Income tax benefits are recognized for a tax position when, in management's judgment, it is more likely than not that the position will be sustained upon examination by a taxing authority. For a tax position that meets the more-likely-than-not recognition threshold, the tax benefit is measured as the largest amount that is judged to have a greater than 50% likelihood of being realized upon ultimate settlement with a taxing authority.

As of December 31, 2015, the Company has a liability for uncertain state tax positions of \$88,837 including interest and penalties of \$20,960.

Significant components of the Company's deferred tax assets and liabilities as of December 31, 2015 are as follows:

Deferred tax assets:	
Allowances for receivables	\$ 300,686
Accrued liabilities	2,318,356
Securities	96,526
Intangible assets	253,847
Stock based compensation	<u>2,128,301</u>
 Total deferred tax assets	 5,097,716
Deferred tax liability:	
Goodwill	<u>(1,050,871)</u>
 Total deferred tax liability	 (1,050,871)
 Net deferred tax asset	 <u>\$ 4,046,845</u>

In assessing our ability to recover its deferred tax assets, we evaluate whether it is more likely than not that some portion or the entire deferred tax asset will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income in those periods in which temporary differences become deductible and/or net operating losses can be utilized. We considered all positive and negative evidence when determining the amount of the net deferred tax assets that are more likely than not to be realized. This evidence includes, but is not limited to, historical earnings, scheduled reversal of taxable temporary differences, tax planning strategies and projected future taxable income. Based on these considerations, we believe it is more likely than not that the Company will realize the benefit of its deferred tax asset as of December 31, 2015.

SECURITIES AMERICA, INC.

Notes to Statement of Financial Condition
December 31, 2015

CONFIDENTIAL

NOTE F - INCOME TAXES (CONTINUED)

Prior to being acquired by LTS in 2011, the Company was included in consolidated federal and state income tax returns filed by Ameriprise. Accordingly, the Company jointly, with other members of the consolidated group, and severally is liable for any additional taxes that may be assessed against the group. In connection with the acquisition Ameriprise has agreed to indemnify LTS for any income tax assessments imposed on any members of Ameriprise's consolidated group other than SAFC and its subsidiaries. Ameriprise has disclosed that in 2015 the IRS has completed its field examinations of the 1997 through 2011 tax returns. However, for federal income tax purposes, tax years 1997 through 2006, 2008, and 2009, remain open for certain unagreed-upon issues. Ameriprise's or certain of its subsidiaries' state income tax returns are currently under examination by various jurisdictions for years ranging from 1997 through 2012.

NOTE G - INTANGIBLE ASSETS AND GOODWILL

Intangible assets subject to amortization as of December 31, 2015 consist of:

		December 31, 2015		
	Estimated Life in Years	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Brokerage relationships	10-15	\$ 7,653,027	\$ 2,353,180	\$ 5,299,847
Non-compete covenants	4-5	<u>1,234,000</u>	<u>838,025</u>	<u>395,975</u>
		<u>\$ 8,887,027</u>	<u>\$ 3,191,205</u>	<u>\$ 5,695,822</u>

Change to goodwill during the year ended December 31, 2015 is as follows:

Balance as of January 1, 2015	\$31,888,074
Purchase of business – Dalton	<u>7,700</u>
Balance as of December 31, 2015	<u>\$31,895,774</u>

NOTE H - NET CAPITAL AND OTHER REGULATORY REQUIREMENTS

The Company is subject to the SEC's Uniform Net Capital Rule ("Rule 15c3-1" or the "Rule") of the Securities Exchange Act of 1934 and is required to maintain minimum net capital, as defined in the Rule. The Company is also subject to the net capital requirements of the CFTC Regulation 1.17 and requirements of the NFA. The Company uses the alternative method, as permitted by the Rule, which requires that the Company maintain minimum net capital equal to \$250,000. Net capital may fluctuate on a daily basis. As of December 31, 2015, the Company had net capital of \$6,645,646 which was \$6,395,646 in excess of the required net capital of \$250,000.

The Company claims exemptions from the provisions of the SEC Rule 15c3-3 pursuant to paragraph (k)(2)(ii) as it clears its customers transactions through its primary correspondent brokers on a fully disclosed basis.

NOTE I - COMMITMENTS AND CONTINGENCIES

From April 2014 to July 2015, eleven arbitration claims were filed on behalf of 64 individuals against the Company and another brokerage firm concerning purported unauthorized trading and unsuitability of investments made on their behalf by a registered representative. In November 2014, the parties to one of the arbitration claims resolved all claims on behalf of 29 individual claimants. In July 2015, the parties to another of the arbitration claims resolved all claims with one individual claimant. In January 2016, the parties to the remaining nine arbitration claims resolved all claims. The amounts paid in connection with those settlements are not material.

SECURITIES AMERICA, INC.

Notes to Statement of Financial Condition December 31, 2015

CONFIDENTIAL

NOTE I - COMMITMENTS AND CONTINGENCIES (CONTINUED)

The Company has received notice of potential claims which would involve 31 individuals seeking reimbursement of investment losses that are not material.

Commencing in October 2013, certain states have requested that the Company provide information concerning the suitability of purchases of non-traded REIT securities by their residents. The Company has complied with the requests. The Company has not received notice of, and does not expect any further action by, any of the states.

Since July 2015, the Company has been reviewing the extent to which it failed to waive mutual fund sales charges for certain customers who purchased shares in mutual funds beginning in July 2009 that provided fee waivers for certain charitable and retirement accounts. The Company intends to reimburse such mutual fund sales charges, with interest, to the affected customers; the cost to the Company is not expected to be material. The Company does not believe that it will be subject to disciplinary action in connection with these reimbursements.

In September 2015, Securities America was named as a defendant in lawsuits brought by the bankruptcy trustee of a broker-dealer (U.S. Bankruptcy Court for the District of Minnesota) and by a customer of that broker-dealer (U.S. District Court for the District of Minnesota). The lawsuits allege that certain of the debtor broker-dealer's assets were transferred to Securities America in June 2015 for inadequate consideration. The complaints seek an unspecified amount of compensatory damages, and other relief. The Company believes the claims are without merit and intends to vigorously defend against them.

In the ordinary course of business, in addition to the above disclosed matters, the Company is a defendant in legal, regulatory and arbitration proceedings and may be subject to unasserted claims and arbitrations primarily in connection with its activities as a securities broker-dealer. Such litigation and claims may involve substantial or indeterminate amounts and are in varying stages of legal proceedings. Where the Company believes that it is probable that a liability has been incurred and the amount of loss can be reasonably estimated, the Company has provided an accrual. Upon final resolution, amounts payable may differ materially from amounts accrued. As of December 31, 2015, the Company believes current accruals amounting to \$2,982,500 are adequate and no further accruals are required.

NOTE J - FAIR VALUE OF ASSETS AND LIABILITIES

Authoritative accounting guidance defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy which prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market or income approach are used to measure fair value. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value are classified and disclosed in one of the following three categories:

- Level 1 - Quoted prices in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices in active markets that are directly or indirectly observable for the asset or liability.
- Level 3 - Unobservable inputs for the asset or liability where there is little or no market data, which requires the reporting entity to develop its own assumptions.

Money market investments (cash equivalents) together with a mutual fund are measured at their net asset value ("NAV").

NOTE J - FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

When available, the fair value of securities is based on quoted prices in active markets. If quoted prices are not available, fair values are obtained from nationally recognized pricing services or other model-based valuation techniques such as the present value of cash flows. For Real Estate Investment Trusts investment products the fair value is based on recent redemption transactions.

The following table presents the balances of assets and liabilities measured at fair value on a recurring basis:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Money market investments	\$ 10,482,251			\$ 10,482,251
Mutual fund investments	684,244			684,244
Real Estate Investment Trusts		618,846		618,846
Total assets at fair value	<u>\$ 11,166,495</u>	<u>\$ 618,846</u>		<u>\$ 11,785,341</u>
Liabilities:				
Contingent consideration payable			\$ 967,076	\$ 967,076
Securities sold, not yet purchased	<u>\$ 7,957</u>	<u>\$ 5,016</u>		<u>12,973</u>
Total liabilities at fair value	<u>\$ 7,957</u>	<u>\$ 5,016</u>	<u>\$ 967,076</u>	<u>\$ 980,049</u>

NOTE K - OFF-BALANCE-SHEET RISK AND CONCENTRATIONS OF CREDIT RISK

The Company uses two third-party clearing brokers. Cash and financial instruments held at the Company's clearing brokers collateralize amounts due to the clearing brokers, if any, and may serve to satisfy regulatory requirements. The Company is subject to credit risk should these brokers be unable to fulfill their obligations. The Company attempts to minimize these credit risks by monitoring the creditworthiness of its clearing brokers. Commissions receivable are due from a large number of mutual funds and insurance companies. These receivables are uncollateralized.

The Company has agreed to indemnify the clearing brokers for losses that they may sustain from customer accounts introduced by the Company. At December 31, 2015, there were no material amounts to be indemnified to the clearing brokers for customer accounts.

The Company maintains cash and cash equivalents in bank accounts which, at times, may exceed federally insured limits. The Company has not experienced and does not expect to experience any losses in such accounts.