



McC  
12/15

SECU

16022391

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	May 31, 2017
Estimated average burden hours per response.....	12.00

SEC  
Mail Processing  
Section

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

NOV 30 2016

SEC FILE NUMBER
8- 34473

**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 10/01/2015 AND ENDING 09/30/2016  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: **McClurg Capital Corp.**

OFFICIAL USE ONLY
FIRM I.D. NO.

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

**950 Northgate Drive Suite 301**

(No. and Street)

**San Rafael**

**California**

**94903**

(City)

(State)

(Zip Code)

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

DAVID G. McCLURG

(415) 472-1445

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

**Breard & Associates, Inc., Certified Public Accountants**

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

**9221 Corbin Avenue, Suite 170**

**Northridge**

**CA**

**91324**

(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)

OATH OR AFFIRMATION

I, DAVID G. McCLURG, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of McCLURG CAPITAL CORPORATION, as of SEPTEMBER 30, 2016, 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:

California All-Purpose Acknowledgment Attached

Signature: [Handwritten Signature]
PRESIDENT
Title

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).

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )
County of Marin )

On Nov 29th 2016 before me, Michael D. Forster, Notary Public
Date Here Insert Name and Title of the Officer
personally appeared David Granville McClurg
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature [Handwritten Signature]
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Document Date:

Number of Pages: Signer(s) Other Than Named Above:

Capacity(ies) Claimed by Signer(s)

Signer's Name:

- Corporate Officer -- Title(s):
Partner -- Limited General
Individual Attorney in Fact
Trustee Guardian or Conservator
Other:

Signer Is Representing:

Signer's Name: MR

- Corporate Officer -- Title(s):
Partner -- Limited General
Individual Attorney in Fact
Trustee Guardian or Conservator
Other:

Signer Is Representing:



Report of Independent Registered Public Accounting Firm

Board of Directors  
McClurg Capital Corporation

We have audited the accompanying statement of financial condition of McClurg Capital Corporation as of September 30, 2016, and the related statement of income, changes in stockholder's equity, and cash flows for the year then ended. These financial statements are the responsibility of McClurg Capital Corporation'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 also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of McClurg Capital Corporation as of September 30, 2016, and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States.

The information contained in Schedule I and II (supplemental information) has been subjected to audit procedures performed in conjunction with the audit of McClurg Capital Corporation's financial statements. The supplemental information is the responsibility of McClurg Capital Corporation'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, Schedules I and II are fairly stated, in all material respects, in relation to the financial statements taken as a whole.

*Breard & Associates, Inc.*

Breard & Associates, Inc.  
Certified Public Accountants

Oakland, California  
November 28, 2016

**McClurg Capital Corporation**  
**Statement of Financial Condition**  
**September 30, 2016**

**Assets**

Cash and cash equivalents	\$ 184,970
Investments, at fair market value	284,532
Deposit with clearing organization	99,439
Equipment & furniture, net	39,552
Prepaid expenses	<u>30,597</u>
<b>Total assets</b>	<b><u>\$ 639,090</u></b>

**Liabilities and Stockholder's Equity**

**Liabilities**

Commissions payable	\$ 50,958
Employee compensation and benefits payable	<u>42,917</u>
<b>Total liabilities</b>	<b>93,875</b>

---

Commitments and Contingencies

**Stockholder's equity**

Common stock, no par value, 1,000,000 shares authorized, 822,000 shares issued and outstanding	16,063
Retained earnings	<u>529,152</u>
<b>Total stockholder's equity</b>	<b><u>545,215</u></b>
<b>Total liabilities and stockholder's equity</b>	<b><u>\$ 639,090</u></b>

*The accompanying notes are an integral part of these financial statements.*

**McClurg Capital Corporation**  
**Statement of Income**  
**For the Year Ended September 30, 2016**

**Revenues**

Commission income	\$ 990,592
Fee based income	491,094
Insurance income	108,649
Consulting fees	4,147
Interest income	1,888
Net investment gains (losses)	28,356
Other income	<u>13,599</u>

**Total revenues** 1,638,325

**Expenses**

Employee compensation & benefits	156,976
Commissions & floor brokerage	1,258,431
Communications	19,080
Occupancy and equipment rental	64,008
Other operating expenses	<u>106,631</u>

---

**Total expenses** 1,605,126

**Net income (loss) before income tax provision** 33,199

**Income tax provision** 3,632

**Net income (loss)** \$ 29,567

*The accompanying notes are an integral part of these financial statements.*

**McClurg Capital Corporation**  
**Statement of Changes in Stockholder's Equity**  
**For the Year Ended September 30, 2016**

	<u>Common Stock</u>	<u>Retained Earnings</u>	<u>Total</u>
<b>Balance at September 30, 2015</b>	\$ 16,063	\$ 499,585	\$ 515,648
Net income (loss)	<u>-</u>	<u>29,567</u>	<u>29,567</u>
<b>Balance at September 30, 2016</b>	<u>\$ 16,063</u>	<u>\$ 529,152</u>	<u>\$ 545,215</u>

---

*The accompanying notes are an integral part of these financial statements.*

**McClurg Capital Corporation**  
**Statement of Cash Flows**  
**For the Year Ended September 30, 2016**

**Cash flow from operating activities:**

Net income (loss)		\$ 29,567
Adjustments to reconcile net income (loss) to net cash and cash equivalents provided by (used in) operating activities:		
Depreciation expense	\$ 14,831	
(Increase) decrease in:		
Deposit with clearing organization	(60,071)	
Investments, at fair market value	44,794	
Prepaid expenses	(9,343)	
(Decrease) increase in:		
Commissions payable	(18,626)	
Income taxes payable	(2,259)	
Employee compensation and benefits payable	<u>3,566</u>	
Total adjustments		<u>(27,108)</u>
<b>Net cash and cash equivalents provided by (used in) operating activities</b>		<b>2,459</b>

---

**Cash flow from investing activities:**

Net cash and cash equivalents provided by (used in) investing activities		<u>-</u>
Net increase (decrease) in cash and cash equivalents		2,459
Cash and cash equivalents at beginning of year		<u>182,511</u>
Cash and cash equivalents at end of year		<u>\$ 184,970</u>

**Supplemental disclosure of cash flow information:**

Cash paid during the year for:

Interest	\$	78
Income taxes	\$	13,036

*The accompanying notes are an integral part of these financial statements.*

McClurg Capital Corporation  
Notes to Financial Statements  
September 30, 2016

**Note 1: GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*General*

McClurg Capital Corporation (the "Company") was incorporated in the State of California on June 26, 1985. The Company is a registered broker-dealer in securities under the Securities and Exchange Act of 1934, a member of the Financial Industry Regulatory Authority ("FINRA"), and the Securities Investor Protection Corporation ("SIPC").

The Company is engaged in business as a securities broker-dealer, that provides several classes of services, including those of a mutual fund retailer.

Under its membership agreement with FINRA and pursuant to Rule 15c3-3(k)(2)(ii), the Company conducts business on a fully disclosed basis and does not execute or clear securities transactions for customers. Accordingly, the Company is exempt from the requirement of Rule 15c3-3 under the Securities Exchange Act of 1934 pertaining to the possession or control of customer assets and reserve requirements.

*Summary of Significant Accounting Policies*

---

The presentation 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 at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

For purposes relating to the statement of cash flows, the Company has defined cash equivalents as highly liquid investments, with original maturities of less than three months, that are not held for sale in the ordinary course of business.

Securities transactions are recorded on a trade date basis with related commission income and expenses also recorded on a trade date basis.

Advertising costs for the year ending September 30, 2016 was \$7,416.

Property, plant & equipment, net are stated at cost. Repairs and maintenance to these assets are charged to expense as incurred; major improvements enhancing the function and/or useful life are capitalized. When items are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gains or losses arising from such transactions are recognized.

McClurg Capital Corporation  
Notes to Financial Statements  
September 30, 2016

**Note 1: GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
(Continued)

The Company establishes a deferred tax asset or liability to recognize the future tax effects of transactions that have not been recognized for tax purposes, including taxable and deductible temporary differences as well as net operating loss and tax credit carryforwards. Deferred tax expenses or benefits are recognized as a result of changes in the tax basis of an asset or liability when measured against its reported amount in the financial statements. Deferred tax assets and benefits are fully reserved due to the uncertainty of realization.

**Note 2: DEPOSIT WITH CLEARING ORGANIZATION**

The Company has a brokerage agreement with its clearing firm to carry its accounts and the accounts of its client as customers of the clearing firm. The clearing firm has custody of the Company's cash balances which serve as collateral for any amounts due to the clearing firm as well as collateral for securities sold short or securities purchased on margin. Interest is paid monthly on these cash deposits at the average overnight repurchase rate. The balance at September 30, 2016 was \$39,368.

**Note 3: EQUIPMENT AND FURNITURE, NET**

Equipment and furniture are recorded net of accumulated depreciation and summarized by major classification as follows:

		Useful Life
Auto	\$ <u>74,159</u>	5
Total cost of equipment and furniture	74,159	
Less: accumulated depreciation	<u>(34,607)</u>	
Equipment and furniture, net	<u><u>39,552</u></u>	

Depreciation expense for the year ended September 30, 2016 was \$14,831

**Note 4: INCOME TAXES**

The provision for income tax expense (benefit) is composed of the following:

	Current	Deferred	Total
Federal	\$ 311	\$ -	\$ 311
State	<u>3,321</u>	<u>-</u>	<u>3,321</u>
Total income tax expense (benefit)	<u><u>\$ 3,632</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,632</u></u>

A 100% valuation allowance has been established against this asset since management cannot determine if it is more likely than not that the asset will be realized.

McClurg Capital Corporation  
Notes to Financial Statements  
September 30, 2016

**Note 5: INVESTMENTS AT FAIR MARKET VALUE**

Investments at fair market value consist of common stocks, corporate bonds, and closed end mutual funds. As discussed in Note 1, marketable securities held by the Company are classified as trading securities and stated at their fair market value based on quoted market prices. At September 30, 2016, these securities are carried at their fair market value of \$284,532. The accounting for the mark-to-market on proprietary account is included in the Statement of Income as net investment gains of \$28,356.

**Note 6: FAIR VALUE MEASUREMENT- ACCOUNTING PRONOUNCEMENT**

On January 1, 2009, the Company adopted FASB ASC 820, Fair Value Measurements and Disclosures, which 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, income, or cost approach, as specified by FASB ASC 820, are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level 1 - Quoted prices in an active market for identical assets or liabilities;

Level 2 - Observable inputs other than Level 1, quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, and model derived prices whose inputs are observable or whose significant value drivers are observable;

Level 3 - Assets and liabilities whose significant value drivers are unobservable.

The following table presents the Company's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of September 30, 2016:

<b>Assets</b>	<b>Fair Value</b>	<b>Level 1 Inputs</b>	<b>Level 2 Inputs</b>	<b>Level 3 Inputs</b>
Investment in securities	\$ 284,532	\$ 284,532	\$ -	\$ -
<b>Total</b>	<b>\$ 284,532</b>	<b>\$ 284,532</b>	<b>\$ -</b>	<b>\$ -</b>

McClurg Capital Corporation  
Notes to Financial Statements  
September 30, 2016

**Note 7: OCCUPANCY**

The Company had a one (1) year lease for its current office space which expired during the year. Rent expense under this agreement for the year ended September 30, 2016, was \$64,007.

**Note 8: PENSION PLAN**

The Company provides certain retirement benefits to its eligible employees. In accordance with Accounting Standards Codification No. 712, such costs are to be accounted for on the accrual basis. Pursuant to its commitment to provide retirement benefits to its eligible employees, the Company has a Salary Reduction Simplified Employee Pension Plan (SARSEP). Employees are eligible to participate in the plan after having performed service for the employer during at least one of the preceding five plan years. Employer contributions to the plan are discretionary. Employee and employer contributions vest 100% immediately. A contribution based upon the current year's earnings will be made to the plan in 2016. The amount of that contribution is expected to be \$30,795 and has been reflected in the accompanying statement of income.

**Note 9: CONCENTRATIONS OF CREDIT RISK**

The Company is engaged in various trading and brokerage activities in which counter-parties primarily include broker-dealers, banks, and other financial institutions. In the event counter-parties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counter-party or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counter-party.

**Note 10: COMMITMENTS AND CONTINGENCIES**

The Company maintains several bank accounts at financial institutions. These accounts are insured either by the Federal Deposit Insurance Commission ("FDIC"), up to \$250,000, or the Securities Investor Protection Corporation ("SIPC"), up to \$500,000. At times during the year ended September 30, 2016, cash balances held in financial institutions were in excess of the FDIC and SIPC's insured limits. The Company has not experienced any losses in such accounts and management believes that it has placed its cash on deposit with financial institutions which are financially stable. The Company had no commitments, no contingent liabilities and had not been named as defendant in any lawsuit at September 30, 2016 or during the year then ended.

McClurg Capital Corporation  
Notes to Financial Statements  
September 30, 2016

**Note 11: RECENTLY ISSUED ACCOUNTING STANDARDS**

For the year ending September 30, 2016, various ASUs issued by the FASB were either newly issued or had effective implementation dates that would require their provisions to be reflected in the financial statements for the year then ended. The Company has either evaluated or is currently evaluating the implications, if any, of each of these pronouncements and the possible impact they may have on the Company's financial statements. In most cases, management has determined that the pronouncement has either limited or no application to the Company and, in all cases, implementation would not have a material impact on the financial statements taken as a whole.

**Note 12: GUARANTEES**

FASB ASC 460, Guarantees, requires the Company to disclose information about its obligations under

The Company has issued no guarantees at September 30, 2016 or during the year then ended.

**Note 13: SUBSEQUENT EVENTS**

The Company has evaluated events subsequent to the balance sheet date for items requiring recording or disclosure in the financial statements. The evaluation was performed through the date the financial statements were available to be issued. Based upon this review, the Company has determined that there were no events which took place that would have a material impact on its financial statements.

---

**Note 14: NET CAPITAL REQUIREMENTS**

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. Rule 15c3-1 also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1. Net capital and aggregate indebtedness change day to day, but on September 30, 2016, the Company had net capital of \$430,823 which was \$330,823 in excess of its required net capital of \$100,000; and the Company's ratio of aggregate indebtedness (\$6,258) to net capital was 0.22 to 1, which is less than the 15 to 1 maximum allowed.

McClurg Capital Corporation  
Notes to Financial Statements  
September 30, 2016

**Note 15: RECONCILIATION OF AUDITED NET CAPITAL TO UNAUDITED FOCUS**

There is a difference of \$33,057 between the computation of net capital under net capital SEC Rule 15c3-1 and the corresponding unaudited FOCUS part IIA.

Net capital per unaudited schedule		\$ 463,880
Adjustments:		
Retained earnings	\$ (25,820)	
Non-allowable assets	\$ (7,243)	
Haircuts & undue concentration	<u>6</u>	
Total adjustments		<u>(33,057)</u>
Net capital per audited statements		<u>\$ 430,823</u>

---

**McClurg Capital Corporation**  
**Schedule I - Computation of Net Capital Requirements**  
**Pursuant to Rule 15c3-1**  
**As of September 30, 2016**

**Computation of net capital**

Common stock	\$	16,063
Retained earnings		<u>529,152</u>
<b>Total stockholder's equity</b>	<b>\$</b>	<b>545,215</b>
Less: Non-allowable assets		
Prepaid expenses		(30,597)
Property and equipment		<u>(39,552)</u>
<b>Total non-allowable assets</b>		<u>(70,149)</u>
<b>Net capital before haircuts</b>		<b>475,066</b>
Less: Haircuts and undue concentration		
Haircut on equity securities		(41,947)
Haircut on bond mutual funds		(342)
Haircut on money market funds		<u>(1,954)</u>
<b>Total haircuts &amp; undue concentration</b>		<u>(44,243)</u>
<b>Net Capital</b>		<b>430,823</b>

**Computation of net capital requirements**

Minimum net capital requirements		
6 2/3 percent of net aggregate indebtedness	\$	6,258
Minimum dollar net capital required	\$	<u>100,000</u>
Net capital required (greater of above)		<u>(100,000)</u>
<b>Excess net capital</b>	<b>\$</b>	<b><u>330,823</u></b>
Aggregate indebtedness	\$	<u>93,875</u>
Ratio of aggregate indebtedness to net capital		0.22 : 1

There was a difference of \$33,057 between net capital computation shown here and the net capital computation shown on the Company's unaudited Form X-17A-5 report dated September 30, 2016 (See Note 15).

*See independent auditor's report*

**McClurg Capital Corporation**  
**Schedule II - Computation for Determination of the Reserve Requirements and Information**  
**Relating to Possession or Control Requirements For Brokers and Dealers Pursuant to SEC Rule**  
**15c3-3**  
**As of September 30, 2016**

The Company is exempt from the provisions of Rule 15c3-3 under paragraph (k)(2)(ii) in that the Company carries no accounts, does not hold funds or securities for, or owe money or securities to customers. Accordingly, there are no items to report under the requirements of this Rule.

---

*See independent auditor's report*

**McClurg Capital Corporation**  
**Report on Exemption Provisions**  
**Report Pursuant to Provisions of 17 C.F.R. § 15c3-3(k)**  
**For the Year Ended September 30, 2016**

---



**BREARD & ASSOCIATES, INC.**  
CERTIFIED PUBLIC ACCOUNTANTS

**Report of Independent Registered Public Accounting Firm**

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

*Breard & Associates, Inc.*

Breard & Associates, Inc.  
Certified Public Accountants

Oakland, California  
November 28, 2016



**MCCLURG CAPITAL  
CORPORATION**

Investments & Asset Management

---

950 Northgate Drive, Suite 301 • San Rafael, CA 94903 • (415) 472-1445 • (888) 472-1430 • Fax: (415) 472-1427 • Email: invest@mcclurgcapital.com  
www.mcclurgcapital.com

## **Assertions Regarding Exemption Provisions**

We, as members of management of McClurg Capital Corporation ("the Company"), are responsible for compliance with the annual reporting requirements under Rule 17a-5 of the Securities Exchange Act of 1934. Those requirements compel a broker or dealer to file annual reports with the Securities Exchange Commission (SEC) and the broker or dealer's designated examining authority (DEA). One of the reports to be included in the annual filing is an exemption report prepared by an independent public accountant based upon a review of assertions provided by the broker or dealer. Pursuant to that requirement, the management of the Company hereby makes the following assertions:

### **Identified Exemption Provision:**

The Company claims exemption from the custody and reserve provisions of Rule 15c3-3 by operating under the exemption provided by Rule 15c3-3, Paragraph (k)(2)(ii).

### **Statement Regarding Meeting Exemption Provision:**

The Company met the identified exemption provision without exception for the year ended September 30, 2016.

McClurg Capital Corporation

By:

David G. McClurg, President

October 24, 2016

**McClurg Capital Corporation**  
**Report on the SIPC Annual Assessment**  
**Pursuant to Rule 17a-5(e)4**  
**For the Year Ended September 30, 2016**

---



**BREARD & ASSOCIATES, INC.**  
CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors  
McClurg Capital Corporation

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934 and with the SIPC Series 600 Rules, we have performed the procedures enumerated below, which were agreed to by McClurg Capital Corporation and the Securities Investor Protection Corporation ("SIPC") with respect to the accompanying General Assessment Reconciliation (Form SIPC-7) of McClurg Capital Corporation (the "Company") for the year ended September 30, 2016, solely to assist you and SIPC in evaluating McClurg Capital Corporation's compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). Management is responsible for the Company's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the Public Company Accounting Oversight Board (United States). The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our findings are as follows:

1. Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records entries noting no differences;

---

2. Compared the Total Revenue amounts reported on the Annual Audited Report Form X-17A-5 Part III for the year ended September 30, 2016, with the Total Revenue amounts reported in Form SIPC-7 for the year ended September 30, 2016, noting no differences;
3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers noting no differences;
4. Recalculated the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting the adjustments noting no differences; and
5. Compared the amount of any overpayment applied to the current assessment with the Form SIPC-7 on which it was originally computed noting no differences.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the applicable instructions of the Form SIPC-7. 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.

*Breard & Associates, Inc.*

Breard & Associates, Inc.  
Certified Public Accountants

Oakland, California  
November 28, 2016

---

**McClurg Capital Corporation**  
**Schedule of Securities Investor Protection Corporation**  
**Assessments and Payments**  
**For the Year Ended September 30, 2016**

<b>Total assessment</b>	<b>\$ 3,379.00</b>
SIPC-6 general assessment Payment made on April 29, 2016	(1,672)
SIPC-7 general assessment Payment made on October 25, 2016	<u>(1,707)</u>
<b>Total assessment balance</b> <b>(overpayment carried forward)</b>	<u><u>\$ -</u></u>

---