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

SEC  
Mail Processing  
Section

SEC  
Mail Processing  
Section

SEC FILE NUMBER
8-53276

FEB 28 2017  
Information required of Brokers and Dealers Pursuant to Section 17 of the  
Washington DC  
406  
Washington DC  
406

REPORT FOR THE PERIOD BEGINNING 1/1/16 AND ENDING 12/31/16  
mm/dd/yy mm/dd/yy

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: **Stinson Securities, LLC**  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

OFFICIAL USE ONLY
FIRM I.D. NO.

220 Sansome Street, Suite 1330  
(No. and Street)

San Francisco California 94104  
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
**Lonnie Odom** 415-981-3345  
(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Edward Richardson Jr., CPA  
(Name - if individual, state last, first, middle name)

15565 Northland Drive, Suite 508 Southfield MI 48075  
(Address) (City) (State) (Zip Code)

**CHECK ONE:**

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

<b>FOR OFFICIAL USE ONLY</b>

\*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).

SEC 1410 (06-02) 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

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**OATH OR AFFIRMATION**

I, **Lonnie Odom**, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of **Stinson Securities, LLC**, as of **December 31, 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:

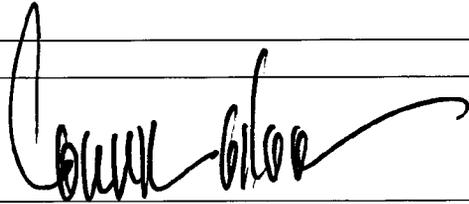
NONE

**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 San Francisco  
 Subscribed and sworn to before me this 27<sup>th</sup>  
 Day of February, 2017, by  
Lonnie Odom  
 proved to me on  
 the basis of satisfactory evidence to be the  
 person(s) who appeared before me.

  
 Notary Public, California

Notary Public



Signature

President

Title



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 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 Requirement 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)

*Edward Richardson Jr., CPA  
15565 Northland Dr W Ste 508  
Southfield, MI 48075  
248-559-4514*

Independent Auditor's Report

Board of Directors  
Stinson Securities, LLC  
220 Sansome Street  
San Francisco, CA 94104

**Report on the Financial Statements**

I have audited the accompanying statement of financial condition of Stinson Securities, LLC as of December 31, 2016 and the related statements of income, changes in stockholder's equity, changes in liabilities to claims of general creditors, and cash flows for the year ended. These financial statements are the responsibility of Stinson Securities, LLC management. My responsibility is to express an opinion on these financial statements based on my audit.

**Auditor's Responsibility**

I conducted this audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

**Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Stinson Securities, LLC as of December 31, 2016, and results of its operations and its cash flows to the year then ended in conformity with accounting principles generally accepted in the United States.

**Other Matters**

The Supplemental Information has been subjected to audit procedures performed with audit of Stinson Securities, LLC financial statements. Supplemental Information is the responsibility of Stinson Securities, LLC's management. My 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 my opinion on the Supplemental Information, I evaluated whether the Net Capital Computation, including its

form and content is presented in conformity 17 C.F.R. # 240 17a-5. In my opinion, the Net Capital Computation is fairly stated, in all material respects, in relation to the financial statements as a whole.

*Edward Richardson Jr. CPA*

Edward Richardson Jr., CPA  
Southfield, MI. 48075  
February 10, 2017

STINSON SECURITIES, LLC

STATEMENT OF FINANCIAL CONDITION

December 31, 2016

ASSETS

Cash	\$ 41,722
Deposits with clearing organization	391,308
Prepaid Assets	<u>2,000</u>
Total assets	<u>\$ 435,030</u>

LIABILITIES AND MEMBER'S CAPITAL

Liabilities:	
Accounts payable and accrued liabilities	\$ 46,183
Income taxes payable	6,200
Lines of credit payable	<u>19,503</u>
Total liabilities	71,886
Member's Equity	<u>363,144</u>
Total liabilities and member's equity	<u>\$ 435,030</u>

Stinson Securities, LLC

STINSON SECURITIES, LLC

STATEMENT OF OPERATIONS

for the year ended December 31, 2016

<b>Revenue</b>	
Underwriting Fees	\$1,416,245
Interest and other income	122
<b>Total Revenue</b>	<u>1,416,367</u>
<b>Expenses</b>	
Commissions	\$ 720,827
Employee compensation and benefits	7,715
Professional fees	44,690
Underwriting expenses	144,718
Communication and data processing	36,037
Interest expense	4,327
Clearing fees	12,912
Occupancy expense	34,010
Operating expenses	<u>281,674</u>
<b>Total Expenses</b>	1,286,910
<b>Net Income</b>	<u><u>\$ 129,457</u></u>

**STINSON SECURITIES, LLC**  
**STATEMENT OF CHANGES IN MEMBER'S EQUITY**  
for the year ended December 31, 2016

Member's equity, beginning of year	\$ 274,346
Contributions	-
Distributions	(40,659)
Net income	129,457
	<hr/>
Member's equity, end of year	<u>\$ 363,144</u>

STINSON SECURITIES, LLC

STATEMENT OF CASH FLOWS

for the year ended December 31, 2016

Cash flows from operating activities:	
Net income	\$ 129,457
Change in operating assets and liabilities:	
Prepaid assets	(62)
Accounts receivable	6,300
Commissions receivable	232,525
Accounts payable and accrued expenses	8,273
Commission payable	(156,116)
Taxes payable	5,287
Line of credit payable	53
	<hr/>
Net cash provided by operating activities	225,717
Cash flows from investing activities	
Cash flows from financing activities:	
Contributions	-
Distributions	(40,659)
	<hr/>
Net cash used by financing activities	(40,659)
	<hr/>
Net increase in cash	185,058
Cash, beginning of year	247,972
	<hr/>
Cash, end of year	\$ 433,030
	<hr/> <hr/>
Supplemental information:	
Income taxes paid	\$ 10,885
	<hr/> <hr/>

# Stinson Securities, LLC

## Stinson Securities, LLC

### Notes to the Financial Statements

December 31, 2016

#### NOTE A – SUMMARY OF ACCOUNTING POLICIES

Accounting principles followed Stinson Securities, LLC (the Company) and the methods of applying those principles which materially affect the determination of financial position, results of operation and cash flows are summarized below:

##### Organization

The Company) was formed as a California Limited Liability Company in July 19, 2001. The National Association of Securities Dealers, Inc. (NASD) approved the Company's application to provide broker-dealer services for the sale of corporate equity and debt securities, U.S. government and municipal securities, mutual funds and variable life insurance products. The Company has adopted a calendar year.

##### Description of Business

The Company, located in San Francisco, CA is a broker-dealer in securities registered with the Securities and Exchanges Commission ("SEC") and is a member of FINRA. The Company operates under SEC Rule 15c3-3(k)(ii), which provides "All customers transactions are cleared through another broker-dealer on a fully disclosed basis." The Company participates in municipal and corporate debt securities underwriting, and brokers U.S. government municipal and corporate debt securities, and the sale of private placements of securities.

##### Basis of Accounting

The financial statements of the Corporation have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

##### Cash and Cash Equivalents

The Company considers as cash all short-term investments with an original maturity of three months or less to be cash equivalents.

##### Accounts Receivable – Recognition of Bad Debt

The Corporation considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

# Stinson Securities, LLC

## Revenue Recognition

Commission revenues are recorded by the Company on the trade date reported by the clearing broker with whom it does business. The Company underwrites municipal bond offerings by contracting to purchase and then sell offerings on a best effort basis. The difference between the price paid and the issue price, the gross underwriting spread, is recognized as underwriting income on the trade date of the sale.

## Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents. All of the Company's cash and cash equivalents are held at high credit quality financial institutions.

## Fair Value of Financial Instruments

Financial instruments that are subject to fair value disclosure requirements are carried in the financial statements at an amount that approximates fair value and include cash and cash equivalents. Fair values are based on quoted market prices and assumptions concerning the amount and timing of estimated future cash flows and assumed discount rates reflecting varying degrees of perceived risk.

## Comprehensive Income

Statement of Financial Accounting Standards (SFAS) No. 130, Reporting Comprehensive Income, establishes requirements for disclosure of comprehensive income that includes certain items previously not included in the statement of income, including unrealized gains and losses on available-for-sales securities and foreign currency translation adjustment among others. During the year ended December 31, 2016, the Company did not have any components of comprehensive income to report.

## Estimates

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

## Income Taxes

For federal income tax purposes, Stinson Securities, LLC, a limited liability company has elected to be taxed as corporation. Current provisions or benefits for income taxes are recorded based on estimates of actual income taxes or refunds thereof, as reported in federal and state tax returns.

The Company accounts for deferred income taxes using the asset liability method. Under this method, deferred tax assets and liabilities are recognized for the future tax consequence attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measure using tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on

## Stinson Securities, LLC

deferred tax assets and liabilities of a change in tax rates is recognized in income during the period that includes the enactment date. Additionally, deferred tax assets may be reduced by a valuation allowance to reflect benefits that may not be realized.

### Concentrations

The company has revenue concentrations; the company specializes in sales of municipal and corporate debt securities underwriting, U.S. government municipal and corporate debt securities.

### Subsequent Event

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 February 10, 2017, which is the date the financial statement 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 B – NET CAPITAL REQUIREMENTS

Pursuant to the net capital provisions of Rule 15c3-3 of the Securities and Exchange Act of 1934, the Company is required to maintain a minimum net capital, as defined under such provisions. Net capital and the related net capital ratio may fluctuate on a daily basis.

There were no material differences in the net amount reported as Net Capital in the audited Computation of Net Capital and the broker-dealer's corresponding unaudited Part IIA of the FOCUS report required under Rule 15c3-1.

### NOTE C – POSSESSION OR CONTROL REQUIREMENTS

The Company does not have any possession or control of customer's funds or securities. There were no material inadequacies in the procedures followed in adhering to the exemptive provisions of SEC Rule 15c-3-3(k)(ii).

### NOTE D – CAPITALIZATION AND DISTRIBUTION

The Company has three classes of members. Class B members have priority over Class A and Class C members with the respect to return of capital and distributions. Class B members are entitled to distributions of 1% of gross revenue for every \$10,000 invested as capital. Class C members are entitled to a distribution of .5% for each \$10,000 invested as capital. The Class A Members are entitled to the remaining profit or loss. A members' liability is equal to their respective capital contribution.

Under the Company's amended Operating Agreement, no Class C member is either required or permitted to make additional capital contributions.

Stinson Securities, LLC

NOTE E – RENT

The amount of rent for 2016 was \$34,010.

NOTE F – LINES OF CREDIT

The balance of the line of credit of credit was. 19,504, the interest rate was 10%.

## Stinson Securities, LLC

### NOTE G – OTHER COMMITMENTS AND CONTINGENCIES

Included in the Company's clearing agreement with its clearing broker-dealer is an indemnification clause. This clause relates to instances where the Company's customers fail to settle security transactions. In the event this occurs, the Company will indemnify the clearing broker-dealer to the extent of the net loss on the unsettled trade. At December 31, 2016, management of the Company had not been notified by the clearing broker-dealer, nor were they otherwise aware of any potential losses relating to this indemnification.

**Stinson Securities, LLC**  
**Schedule I**

**SUPPLEMENTAL INFORMATION**

**STINSON SECURITIES, LLC**

**COMPUTATION OF NET CAPITAL FOR BROKERS AND DEALERS PURSUANT  
TO RULE 15c3-1 UNDER THE SECURITIES EXCHANGE ACT OF 1934**

for the year ended December 31, 2016.

Net capital:		
Total member's equity		\$ 363,144
Less: Non-allowable assets		
Prepaid assets		2,000
Total non-allowable assets		<u>2,000</u>
<b>Net Capital</b>		<b>361,144</b>
Aggregate indebtedness:		
Items included in statement of financial condition:		
Accounts payable and accrued liabilities	\$ 71,886	
Total aggregate indebtedness (A.I.)		<u><u>\$ 71,886</u></u>
Computation of basic net capital requirement, greater of: 50,000		
Minimum net capital required or 6-2/3% of A.I.		\$ 4,792
Minimum dollar requirement		<u>\$ 50,000</u>
Excess net capital		<u>\$ 311,144</u>
Net capital less greater of 10% of A.I. or 120% of minimum dollar requirement		<u><u>\$ 301,144</u></u>
		<u><u>19.9%</u></u>
Ratio: Aggregate indebtedness to net capital		

The above computation of net capital pursuant to SEC Rule 15c3-1 does not differ materially from the computation as of December 31, 2016 included in the Company's unaudited Form X-17a5, Part IIA.

**Stinson Securities, LLC**  
**Schedule II**

**Computation for Determination of Reserve Requirements Under  
Rule 15c3-3 of the Securities and Exchange Commission**

**For the Year Ended December 31, 2016**

An exemption from Rule 15c3-3 is claimed, based upon section (k)(2)(i). The Company does not accept or handle customer funds or securities.

February 10, 2017

Edward Richardson, Jr. CPA  
15565 Northland Drive  
Suite 508 West  
Southfield, MI 48075

RE: Exemption Statement Rule 15c3-3 (k) (2) (i) for FYE December 31, 2016

Dear Mr. Richardson Jr.,

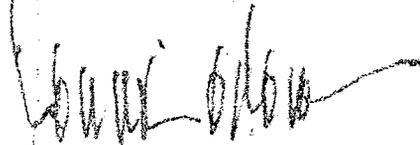
Please be advised that Stinson Securities, LLC has complied with Exemption Rule 15c3-3 (k) (2) (i), for the period of January 1, 2016 through December 31, 2016. Stinson Securities, LLC did not hold customer securities or funds at any time during this period and does business on a limited basis (private placements of securities as a placement agent and as an intermediary between buyers and sellers of private equity funds in the secondary market). Stinson Securities, LLC's past business has been of similar nature and has complied to this exemption since its inception, July 19, 2001.

Lonnie Odom, the president of Stinson Securities, LLC has made available to Edward Richardson all records and information including all communications from regulatory agencies received through the date of this review December 31, 2016.

Lonnie Odom has been responsible for compliance with the exemption provision throughout the fiscal year. Also, there were not any know events or other factors that might have affected Stinson Securities, LLC's compliance with this exemption.

If you would like additional information or have any questions, feel free to call me directly at (415) 981-3345.

Very truly yours,  
Stinson Securities, LLC



Lonnie Odom  
President

**REPORT ON SIPC ASSESSMENT RECONCILIATION**

**For the year ended December 31, 2016**

Edward Richardson Jr., CPA  
15565 Northland Drive  
Suite 508 West  
Southfield, MI 48075

Board of Directors  
Stinson Securities, LLC  
55 Francisco Street Suite 800  
San Francisco, CA 94133

INDEPENDENT ACCOUNTANT'S AGREED-UPON PROCEDURES REPORT ON SCHEDULE OF  
ASSESSMENT AND PAYMENTS

In accordance with Rule 17a-5© (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 [Transitional Assessment Reconciliation (Form SIPC-7) to the Securities Investor Protection Corporation (SIPC) for the period January 1, 2016 to December 31, 2016, which were agreed to by Stinson Securities, LLC and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc. and the SIPC, solely to assist you and other specified parties in evaluating Stinson Securities, LLC's compliance with the applicable instructions of the Transitional Assessment Reconciliation (Form SIPC-7). Stinson Securities, LLC's management is responsible for Stinson Securities, LLC compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the Public Company Accounting Oversight Board. 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 were performed and our findings are as follows:

1. Compared the listed assessment payments represented on Form SIPC-7 with the respective cash disbursements record entries; the amount paid is \$3,345.00.
2. Compared audited Total Revenue for the period of January 01, 2016 through the December 31, 2016 (fiscal year-end) with the amounts reported on Form SIPC-7 for the same period noting no reportable reconciliation differences.
3. Compared any adjustments reported Form SIPC-7 with supporting schedules and work papers, to the extent such exists, noting no differences.
4. Proved the arithmetical accuracy of the calculations reflected on Form SIPC-7 noting no differences.
5. If applicable, compared the amount of any overpayment applied to the current assessment with the Form SIPC-7 on which it was originally computed. According to our findings, Stinson Securities, LLC had no reportable differences.

I was not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my 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.

*Edward R. Richardson Jr. CR*

February 10, 2017

**SIPC-7**

(33-REV 7/10)

**SECURITIES INVESTOR PROTECTION CORPORATION**

P.O. Box 92185 Washington, D.C. 20090-2185  
202-371-8300

**General Assessment Reconciliation**

**SIPC-7**

(33-REV 7/10)

For the fiscal year ended 12-31/2016

(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 SEC Rule 17a-5:

12'12'\*\*\*\*\*1166\*\*\*\*\*ALL FOR AADC 940  
 53276 FINRA DEC  
 STINSON SECURITIES LLC  
 220 SANSOME ST STE 1330  
 SAN FRANCISCO CA 94104-2728

Note: if any of the information shown on the mailing label requires correction, please e-mail any corrections to form@sipc.org and so indicate on the form filed.

Name and telephone number of person to contact respecting this form.

2. A. General Assessment (Item 2e from page 2) \$ 3508

B. Less payment made with SIPC-6 filed (exclude interest) 81

2/21/2016  
Date Paid

C. Less prior overpayment applied 3427

D. Assessment balance due or (overpayment)

E. Interest computed on late payment (see instruction E) for \_\_\_\_\_ days at 20% per annum

F. Total assessment balance and interest due (or overpayment carried forward) \$ \_\_\_\_\_

G. PAYMENT:  the box  
 Check mailed to P.O. Box  Funds Wired   
 Total (must be same as F above) \$ 3427

H. Overpayment carried forward \$ \_\_\_\_\_

3. Subsidiaries (S) and predecessors (P) included in this form (give name and 1934 Act registration number):

The SIPC member submitting this form and the person by whom it is executed represent thereby that all information contained herein is true, correct and complete.

STINSON SECURITIES LLC  
(Name of Corporation, Partnership or other organization)

[Signature]  
(Authorized Signature)

Dated the 15 day of February, 2017

[Signature]  
(Title)

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

**SIPC REVIEWER**

Dates: \_\_\_\_\_  
 Postmarked \_\_\_\_\_ Received \_\_\_\_\_ Reviewed \_\_\_\_\_

Calculations \_\_\_\_\_ Documentation \_\_\_\_\_ Forward Copy \_\_\_\_\_

Exceptions: \_\_\_\_\_

Disposition of exceptions: \_\_\_\_\_

## DETERMINATION OF "SIPC NET OPERATING REVENUES" AND GENERAL ASSESSMENT

Amounts for the fiscal period  
beginning 1/1/2016  
and ending 12/31/2016

Item No.

2a Total revenue (FOCUS Line 12; Part IIA Line 9, Code 4036)

Eliminate cents  
\$ 1,416,367

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 investment trust, from the sale of variable annuities, from the business of insurance, from investment advisory services rendered to registered investment companies or insurance company separate accounts, and from transactions in security futures products.
- (2) Revenues from commodity transactions.
- (3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.
- (4) Reimbursements for postage in connection with proxy solicitation.
- (5) Net gain from securities in investment accounts.
- (6) 100% of commissions and markups earned from transactions in (i) certificates of deposit and (ii) Treasury bills, bankers acceptances or commercial paper that mature nine months or less from issuance date.
- (7) Direct expenses of printing advertising and legal fees incurred in connection with other revenue related to the securities business (revenue defined by Section 16(9)(L) of the Act).
- (8) Other revenue not related either directly or indirectly to the securities business.  
(See Instruction C).

(Deductions in excess of \$100,000 require documentation)

(9) (i) Total interest and dividend expense (FOCUS Line 22; PART IIA Line 13, Code 4075 plus line 2b(4) above) but not in excess of total interest and dividend income.

\$ 122

(ii) 40% of margin interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960).

\$ \_\_\_\_\_

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

Total deductions

2d SIPC Net Operating Revenues

122  
13,034  
\$ 1,403,333

2e Date of Assessment: @ 0025

\$ 3500

(Go page 1, line 2, 4.)