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

|   |              |
|---|--------------|
| OMB APPROVAL  |              |
| OMB Number:   | 3235-0123    |
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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 01/01/16 AND ENDING 12/31/16  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Moreton Capital Markets, LLC

|                   |
|-------------------|
| OFFICIAL USE ONLY |
| FIRM I.D. NO.     |

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

101 S 200 E, Suite 300

(No. and Street)

84111

(City)

(State)

(Zip Code)

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

Andy Robbins - 801-869-4200

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Haynie & Company

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

50 West Broadway, Ste 600 Salt Lake City UT 84101

(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)

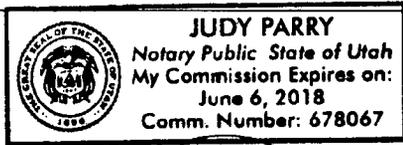
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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AKB

OATH OR AFFIRMATION

I, Andrew Robbins, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Moreton Capital Markets, 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:



[Handwritten Signature]

Signature

Chief Operating Officer

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).

**MORETON CAPITAL MARKETS, LLC  
STATEMENT OF FINANCIAL CONDITION  
DECEMBER 31, 2016**

**ASSETS**

|                               |                   |
|-------------------------------|-------------------|
| <b>Current assets:</b>        |                   |
| Cash                          | \$ 479,321        |
| Commissions receivable        | 70,078            |
| Deposits & prepaid expenses   | <u>10,657</u>     |
| <b>Total current assets</b>   | <u>560,056</u>    |
| <br>                          |                   |
| Restricted Cash Deposit       | <u>50,071</u>     |
| <b>Total long term assets</b> | <u>50,071</u>     |
| <br>                          |                   |
| <b>Total Assets</b>           | <u>\$ 610,127</u> |

**LIABILITIES AND MEMBERS' EQUITY**

|  |                   |
|--|-------------------|
| <b>Current liabilities:</b>                  |                   |
| Accounts payable and accrued expenses        | \$ 73,682         |
| <b>Total current liabilities</b>             | <u>73,682</u>     |
| <br>   |                   |
| <b>Members' equity</b>                       | <u>536,445</u>    |
| <br>   |                   |
| <b>Total Liabilities and Members' Equity</b> | <u>\$ 610,127</u> |

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

# MORETON CAPITAL MARKETS, LLC

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Certified Public Accountants (a professional corporation)  
50 West Broadway, Suite 600 Salt Lake City, UT 84101 (801) 532-7800 Fax (801) 328-4461

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Members  
Moreton Capital Markets, LLC

We have audited the accompanying statement of financial condition of Moreton Capital Markets, LLC as of December 31, 2016, and the related statements of operations, changes in members' equity, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our 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 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 financial statements referred to above present fairly, in all material respects, the financial position of Moreton Capital Markets, LLC as of December 31, 2016, 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.

The supplementary information contained in Schedules I, II, and III has been subjected to audit procedures performed in conjunction with the audit of Moreton Capital Markets, LLC's financial statements. The supplemental information is the responsibility of the Moreton Capital Markets, LLC's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with 17 C.F.R. §240.17a-5. In our opinion, the supplemental information contained in Schedules I, II, and III is fairly stated, in all material respects, in relation to the financial statements as a whole.

*Haynie & Company*

Haynie & Company  
Salt Lake City, Utah  
February 21, 2017

**MORETON CAPITAL MARKETS, LLC**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

|   |                     |
|---|---------------------|
| <b>Revenues:</b>                          |                     |
| Commissions and fees                      | \$ 915,774          |
| Interest income                           | 338                 |
| Reimbursed salaries and benefits          | <u>8,677</u>        |
| <b>Total revenues</b>                     | <u>924,789</u>      |
| <b>Expenses:</b>                          |                     |
| Salaries, commissions and benefit expense | 756,986             |
| Brokerage expense                         | 57,534              |
| Trading platform systems                  | 76,004              |
| Office rent and administrative services   | 21,138              |
| Office equipment and supplies             | 28,385              |
| Professional fees                         | 48,944              |
| Travel and entertainment                  | 22,065              |
| Insurance                                 | 4,228               |
| Regulatory fees                           | 17,626              |
| Education and training                    | 5,933               |
| Service charges                           | 1,637               |
| Miscellaneous                             | <u>2,482</u>        |
| <b>Total expenses</b>                     | <u>1,042,962</u>    |
| <b>Net Loss</b>                           | <u>\$ (118,173)</u> |

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

**MORETON CAPITAL MARKETS, LLC  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

|   |                          |
|---|--------------------------|
| <b>Cash flows from/(to) operating activities:</b>                           |                          |
| Net Loss  | \$ (118,173)             |
| Adjustments to reconcile net loss to net cash used in operating activities: |                          |
| (Increase) decrease in assets:  |                          |
| Commissions receivable  | (70,042)                 |
| Deposits and prepaid expenses   | (8,155)                  |
| Increase (decrease) in liabilities:   |                          |
| Accounts payable and accrued expenses                                       | <u>72,198</u>            |
| <b>Net cash used in operating activities</b>                                | <u>(124,172)</u>         |
| <b>Cash flows from/(to) investing activities:</b>                           |                          |
| Increase (decrease) in restricted cash:                                     | <u>(102)</u>             |
| <b>Net cash provided by investing activities</b>                            | <u>(102)</u>             |
| <b>Cash flows from/(to) financing activities:</b>                           |                          |
| Member contributions  | <u>150,000</u>           |
| <b>Net cash provided by financing activities</b>                            | <u>150,000</u>           |
| <b>Net decrease in cash</b>   | 25,726                   |
| Cash, beginning of year   | <u>453,595</u>           |
| <b>Cash, end of year</b>  | <u><u>\$ 479,321</u></u> |

**SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:**

|                                |                  |
|--------------------------------|------------------|
| Cash paid during the year for: |                  |
| Income taxes                   | \$ <u>    --</u> |
| Interest                       | \$ <u>    --</u> |

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

**MORETON CAPITAL MARKETS, LLC**  
**STATEMENT OF CHANGES IN MEMBERS' EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

|                                    |                   |
|------------------------------------|-------------------|
| Members' equity, December 31, 2015 | \$ 504,618        |
| Member contributions               | 150,000           |
| Net income (loss)                  | <u>(118,173)</u>  |
| Members' equity, December 31, 2016 | <u>\$ 536,445</u> |

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

**MORETON CAPITAL MARKETS, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNT POLICIES**

**a. Business**

Moreton Capital Markets, LLC (a Utah Limited Liability Company) was formed in 2004 under the laws of the state of Utah. The Company is governed by the Operating Agreement of Moreton Capital Markets, LLC dated March 1, 2016. The Operating Agreement provides that the Company is to terminate on December 31, 2054 unless terminated earlier in accordance with the terms of the Operating Agreement.

According to the terms of the Operating Agreement, after the initial contributions are made, members have no further obligation to contribute additional amounts of capital to the Company, unless otherwise approved by the members. In addition, the liability of the members of the Company is limited to the members' equity.

The Company began operations as a securities broker dealer in January 2005. The Company is registered with the Securities and Exchange Commission (SEC) and is a member of the Financial Industry Regulatory Authority (FINRA). The Company's business is principally focused on the purchase and sale of investment grade fixed income securities to institutional clients, the company also has a limited sharing of commissions with two other FINRA member firms for the referral of customers for mutual funds and variable annuity insurance products. In December of 2015 the Company filed a new continuing member application with FINRA and was approved to be a trading broker dealer clearing through RBC correspondent services. The company holds no securities inventory. The Company operates in the state of Utah and has securities transactions with customers within Utah and numerous other states where the Company is registered.

**b. Revenue Recognition**

Commission revenue is recorded in the accounts on a trade date basis, which is the day the transaction is executed. Commission revenue is transferred by RBC to the company operating account every 30 days usually on the third business day of the new month. Fees are recorded when earned and transactions have been fully consummated.

**c. Customer Security Transactions**

The Company does not handle customer funds or securities and is exempt from the provisions of the Customer Protection Rule (Rule 15c3-3).

**d. Cash and Cash Equivalents**

For purposes of reporting cash flows, the Company considers all highly liquid cash investments with an original maturity of three months or less to be cash equivalents. The Company has entered into an agreement with RBC Correspondent Services as a clearing firm for future trading activity. The agreement requires a minimum clearing deposit balance of \$50,000. As of December 31, 2016 a balance of \$50,071 was classified as restricted cash.

**e. Management Estimates**

The preparation of financial statements in conformity with generally accepted accounting

## Notes to the Financial Statements – continued

principles and prevailing industry practices requires management to make estimates and assumptions that affect certain reported amounts and disclosures in the financial statements. Accordingly, actual results could differ from those estimates.

### f. Income Taxes

The Company is taxed as a partnership for federal and state income tax purposes, and therefore no provision for income taxes has been recognized in the financial statements. Income of the Company is allocated to the members based upon their ownership percentage and reported on their respective individual income tax returns. Interest and penalties would also be shared by the members based on their ownership percentage.

Management has evaluated the tax positions by the Company and concluded that the Company has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of ASC 740. With few exceptions, the Company is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for the tax years prior to 2012.

### g. Fair Value of Financial Instruments

The carrying amount reflected in the statement of financial condition for cash and cash equivalents approximate fair value due to the short maturities of those instruments.

## 2. COMMISSIONS RECEIVABLE

Commissions receivable represent amounts due from other broker dealers, for commissions and fees earned through December 31, 2016. Amounts received after year end, for services of the prior year were classified as commissions receivable. Amounts classified as commissions receivable were received in the subsequent month, therefore, an allowance for doubtful accounts was not considered necessary.

## 3. RELATED PARTY TRANSACTIONS

In August of 2004, the Company entered into an *Office and Administrative Services Agreement* with another company with common ownership. Under the terms of this agreement, the Company is provided with office space, furnishings, administrative personnel, and access to the equipment and supplies necessary to operate the business. Office rent and administrative services of \$2,449 was charged to operations during the year ended December 31, 2016. The future minimum payments required by the *Office and Administrative Services Agreement* at December 31, 2016 are \$0 through December 2017.

During the first three months of 2016, an employee of the Company also performed services for Moreton & Company, an affiliate. The Company was reimbursed \$8,677 throughout the year for those services.

## 4. NET CAPITAL REQUIREMENTS

As a broker dealer, the Company is subject to the uniform net capital rule adopted and administered by the Securities and Exchange Commission. The rule requires maintenance of minimum net capital and prohibits a broker dealer from engaging in securities transactions at a time when its net capital is less than the required minimum, as those terms are defined by the rule. At December 31, 2016, the Company's net capital was \$525,789 which was \$500,789 in excess of the \$25,000 minimum required.

**Notes to the Financial Statements - continued**

**5. RISK MANAGEMENT**

Transactions involving financial instruments involve varying degrees of market, credit and operating risk. The Company monitors its exposure to risk on a regular basis.

**Market Risk**

The Company does not invest in securities for its own account and, therefore is not directly subject to market risk.

**Credit Risk**

Concentrations of credit risk that arise from financial instruments exist for groups of counterparties when they have similar economic characteristics that would cause their ability to meet obligations to be similarly affected by economic, industry or geographic factors.

**Operating Risk**

Operating risk focuses on the Company's ability to accumulate, process, and communicate information necessary to conduct its daily operations. Deficiencies in technology, financial systems and controls, and losses attributed to operational problems all pose potential operating risks. In order to mitigate these risks, the Company has established and maintains an internal control environment which incorporates various control mechanisms throughout the organization. In addition, the Company periodically monitors its technological needs and makes changes as deemed appropriate.

**6. CONCENTRATION OF CREDIT RISK**

The Company currently maintains its bank accounts at one financial institution. Accounts at an institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2016, the Company had two accounts that together exceed the FDIC insured amount by \$229,321.

**7. SIGNIFICANT BUSINESS RELATIONSHIPS**

As discussed in note 1d, the Company's has entered into a clearing relationship with RBC correspondent services. The Company also shares commissions with another FINRA member firm for the referral of customers for mutual funds and variable annuity insurance products. Loss or impairment to any of those business relationships may negatively impact the Company's results of operations.

**8. PREFERRED OWNERSHIP**

William R. Moreton has contributed \$150,000 towards the capital of the firm, which is classified as preferred equity. In liquidation event, Mr. Moreton's \$150K contribution has priority over other owners' equity, and no dividends are to be paid to other owners until the \$150,000 preferred equity has been repurchased by the Company. Preferred equity includes a 3.5% annual return on the unreturned capital contribution. The Company has the option to repurchase preferred shares at any time.

**9. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through February 21, 2017, the date on which the financial statements were available to be issued, and has determined there are no additional subsequent events to be reported.

**MORETON CAPITAL MARKETS, LLC**  
**SUPPLEMENTARY INFORMATION**  
**PURSUANT TO RULE 17a-5 OF THE**  
**SECURITIES EXCHANGE ACT OF 1934**  
**AS OF DECEMBER 31, 2016**

**MORETON CAPITAL MARKETS, LLC**  
**SCHEDULE I**  
**COMPUTATION OF NET CAPITAL AND RECONCILIATION**  
**TO RESPONDENT'S UNAUDITED COMPUTATION**  
**DECEMBER 31, 2016**

|  |                   |
|--|-------------------|
| Total members' equity  | \$ 536,445        |
| Deduct: equity not allowable for net capital   | _____ --          |
| Total members' equity qualified for net capital  | 536,445           |
| Liabilities subordinated to claims of general creditors allowable<br>in computation of net capital | _____ --          |
| Total capital and allowable subordinated liabilities   | <u>536,445</u>    |
| Total non-allowable assets from the Statement of Financial Condition                               | (10,656)          |
| Total other deductions   | _____ --          |
| Total deductions and/or charges  | <u>(10,656)</u>   |
| Net capital before haircuts on securities positions  | <u>525,789</u>    |
| Haircuts on securities   | _____ --          |
| Net capital per audit  | <u>\$ 525,789</u> |

**RECONCILIATION TO RESPONDENT'S UNAUDITED COMPUTATION**

|  |                   |
|--|-------------------|
| Net capital per respondent's unaudited computation | \$ 525,789        |
| Net increase in members' equity                    | _____ --          |
| Net (increase) in non-allowable assets             | _____ --          |
| Net capital per audit                              | <u>\$ 525,789</u> |

**MORETON CAPITAL MARKETS, LLC**  
**SCHEDULE II**  
**COMPUTATION OF AGGREGATE INDEBTEDNESS**  
**DECEMBER 31, 2016**

Total Aggregate Indebtedness \$ 73,682

Ratio of aggregate indebtedness to net capital .1401 : 1

**MORETON CAPITAL MARKETS, LLC**  
**SCHEDULE III**  
**EXEMPTIVE PROVISION UNDER RULE 15c3-3**  
**DECEMBER 31, 2016**

25. If an exemption from Rule 15c3-3 is claimed, identify below the section upon which such exemption is based (check one only)

- A. \$2,500 capital category; as per Rule 15c3-1 \_\_\_\_\_
- B. "Special Account for the Exclusive Benefit of Customers" maintained       X
- C. All customer transactions cleared through another broker-dealer on a fully disclosed basis: Name of clearing firm \_\_\_\_\_
- D. Exempted by order of the Commission \_\_\_\_\_

## EXEMPTION REPORT

Moreton Capital Markets, LLC (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. The Company claimed an exemption from 17 C.F.R. § 240.15c3-3 under the following provision of 17 C.F.R. § 240.15c3-3(k): (2)(i).
2. The Company met the identified exemption provision in 17 C.F.R. 240.15c3-3(k) throughout the most recent fiscal year without exception.

I, Andrew Robbins, swear (or affirm) that, to my best knowledge and belief, this Exemption Report is true and correct.



---

Andrew Robbins  
Managing Member  
Moreton Capital Markets, LLC  
February 21, 2017



Certified Public Accountants (a professional corporation)  
50 West Broadway, Suite 600 Salt Lake City, UT 84101 (801) 532-7800 Fax (801) 328-4461

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Members  
Moreton Capital Markets, LLC

We have reviewed management's statements, included in the accompanying Exemption Report, in which (1) Moreton Capital Markets, LLC identified the following provisions of 17 C.F.R. §15c3-3(k) under which Moreton Capital Markets claimed an exemption from 17 C.F.R. §240.15c3-3: (2)(i) (the "exemption provisions") and (2) Moreton Capital Markets, LLC stated that Moreton Capital Markets, LLC met the identified exemption provisions throughout the most recent fiscal year without exception. Moreton Capital Markets, LLC'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 Moreton Capital Markets, LLC'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)(i) of Rule 15c3-3 under the Securities Exchange Act of 1934.

*Haynie & Company*  
Haynie & Company  
Salt Lake City, Utah  
February 21, 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:

20\*20\*\*\*\*\*2907\*\*\*\*\*MIXED AADC 220  
66620 FINRA DEC  
MORETON CAPITAL MARKETS LLC  
101 S 200 E STE 300  
SALT LAKE CITY UT 84111-3107

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) \$ 1,689
- B. Less payment made with SIPC-6 filed (exclude interest) ( 838 )  
7/28/16  
Date Paid
- C. Less prior overpayment applied ( \_\_\_\_\_ )
- D. Assessment balance due or (overpayment) 851
- 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) \$ 851
- G. PAYMENT:  the box  
Check mailed to P.O. Box  Funds Wired   
Total (must be same as F above) \$ 851
- 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.

Moreton Capital Markets LLC  
(Name of Corporation, Partnership or other organization)

[Signature]  
(Authorized Signature)

Dated the 2<sup>nd</sup> day of February, 2017.

FINOP  
(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.  | Eliminate cents   |
|---|-------------------|
| 2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)  | \$ <u>924,790</u> |
| 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. | _____788          |
| (2) Revenues from commodity transactions.   | _____             |
| (3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.   | _____57,534       |
| (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.  | _____182,197      |
| (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.<br>(See Instruction C):   | _____             |
| <u>Reimbursed salaries &amp; benefits</u><br>(Deductions in excess of \$100,000 require documentation)  | _____8,677        |
| (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).   | \$ _____          |
| Enter the greater of line (i) or (ii)   | _____             |
| Total deductions  | _____249,196      |
| 2d. SIPC Net Operating Revenues   | \$ <u>675,594</u> |
| 2e. General Assessment @ .0025  | \$ <u>1,689</u>   |

(to page 1, line 2.A.)



Certified Public Accountants (a professional corporation)  
50 West Broadway, Suite 600 Salt Lake City, UT 84101 (801) 532-7300 Fax (801) 328-4461

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON APPLYING AGREED-UPON PROCEDURES

To the Members  
Moreton Capital Markets, LLC

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 with respect to the accompanying General Assessment Reconciliation (Form SIPC-7) to the Securities Investor Protection Corporation (SIPC) for the year ended December 31, 2016, which were agreed to by Moreton Capital Markets, LLC, Securities and Exchange Commission, the Financial Industry Regulatory Authority, Inc, and SIPC, solely to assist you and the other specified parties in evaluating the Company's compliance with the applicable instructions of Form SIPC-7. The Company's 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 amounts reported on the audited Form X-17A-5 (FOCUS Report) for the year ended December 31, 2016 with the amounts reported in Form SIPC-7 for the year ended December 31, 2016, noting no differences;
- 3) Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers, noting no differences; and
- 4) Proved 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.
- 5) No overpayments were applied to the current assessment from the Form SIPC-7 on which it was originally computed.

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.

*Haynie & Company*

Haynie & Company  
Salt Lake City, Utah  
February 21, 2017