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

SEC  
 Mail Processing  
 Section  
 FEB 28 2017

SEC FILE NUMBER
8-45583

FACING PAGE

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

REPORT FOR THE PERIOD BEGINNING 01/01/16 AND ENDING 12/31/16  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER:

Reef Securities, Inc.

OFFICIAL USE ONLY
FIRM ID. NO.

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

1901 N. Central Expressway, Suite 400

(No. and Street)

Richardson

(City)

Texas

(State)

75080

(Zip Code)

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

(Area Code - Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

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

Moss Adams LLP

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

8750 N. Central Expressway, Suite 300

(Address)

Dallas

(City)

TX

(State)

75231

(Zip Code)

CHECK ONE:

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

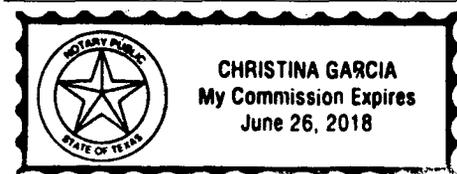
FOR OFFICIAL USE ONLY

\*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).

RMS

OATH OR AFFIRMATION

I, Paul F. Mauceli, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statements and supporting schedules pertaining to the firm of Reef Securities, Inc., 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

President  
Title

Christina Garcia  
Notary Public

This report\*\* contains (check all applicable boxes):

- (a) Facing page.
- (b) Statement of Financial Condition.
- (c) Statement of Operations.
- (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 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.
- (o) Report of Independent Registered Public Accounting Firm on Management's Exemption Report

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

REEF SECURITIES, INC.

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**MOSS ADAMS** LLP  
Certified Public Accountants | Business Consultants

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors  
Reef Securities, Inc.

We have audited the accompanying statement of financial condition of Reef Securities, Inc. (the "Company") as of December 31, 2016, and the related statements of operations, changes in stockholder's 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. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 Reef Securities, Inc. as of December 31, 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 accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 7 to the financial statements, the Company has suffered recurring losses from operations that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 7. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

The information in Schedule I has been subjected to audit procedures performed in conjunction with the audit of the Company's financial statements. The information in Schedule I is the responsibility of the Company's management. Our audit procedures include determining whether the information in Schedule I 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 Schedule I. In forming our opinion on the information in Schedule I, we evaluated whether the information in Schedule I, including its form and content is presented in conformity with 17 C.F.R. § 240.17a-5. In our opinion, the information in Schedule I is fairly stated in all material respects in relation to the financial statements as a whole.



Dallas, Texas  
February 21, 2017

REEF SECURITIES, INC.  
Statement of Financial Condition  
December 31, 2016

ASSETS

Cash	\$ <u>23,562</u>
	<u>\$ 23,562</u>

LIABILITIES AND STOCKHOLDER'S EQUITY

Liabilities	
Accounts payable and accrued expenses	\$ <u>3,495</u>
	<u>3,495</u>
Stockholder's equity	
Common stock, 500,000 shares authorized with \$1 par value, 1,000 shares issued and outstanding	1,000
Additional paid-in capital	107,027
Retained earnings	132,783
Loan to stockholder	<u>(220,743)</u>
Total stockholder's equity	<u>20,067</u>
	<u>\$ 23,562</u>

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

REEF SECURITIES, INC.  
Statement of Operations  
For the Year Ended December 31, 2016

Revenues	
Commissions and other placement fees	\$ 675,731
	<hr/>
Total revenue	<u>675,731</u>
Expenses	
Registration fees	35,632
Salaries	149,788
Professional fees	23,279
Commission expense	410,276
Payroll taxes	35,462
Other expenses	<u>27,765</u>
Total expenses	<u>682,202</u>
Income (loss) before income taxes	(6,471)
Provision (benefit) for income taxes	<u>--</u>
Net income (loss)	<u>\$ (6,471)</u>

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

REEF SECURITIES, INC.  
Statement of Changes in Stockholder's Equity  
For the Year Ended December 31, 2016

	Common Stock	Addition Paid-in Capital	Retained Earnings	Loan to Stockholder	Total
Balances at December 31, 2015	\$ 1,000	\$ 107,027	\$ 139,254	\$ (211,224)	\$ 36,057
Loan to stockholder	--	--	--	(9,519)	(9,519)
Net Income (loss)	--	--	(6,471)	--	(6,471)
Balances at December 31, 2016	<u>\$ 1,000</u>	<u>\$ 107,027</u>	<u>\$ 132,783</u>	<u>\$ (220,743)</u>	<u>\$ 20,067</u>

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

REEF SECURITIES, INC.  
Statement of Cash Flows  
For the Year Ended December 31, 2016

**Cash flows from operating activities**

Net income (loss)		\$ (6,471)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:		
(Increase) decrease in income taxes receivable		5,186
(Increase) decrease) in prepaid commissions		3,325
Increase (decrease) in accrued legal expense		(12,500)
(Increase) decrease in accounts payable and accrued expenses		<u>1,840</u>
Net cash provided (used) by operating activities		<u>(8,620)</u>

**Cash flows from investing activities**

Net cash provided (used) by investing activities		<u>—</u>
--	--	----------

**Cash flows from financing activities**

Change in loan to stockholder		<u>(9,519)</u>
Net cash provided (used) by financing activities		<u>(9,519)</u>

Net increase (decrease) in cash		(18,139)
Cash at beginning of year		<u>41,701</u>
Cash at end of year		<u>\$ 23,562</u>

**Supplemental Disclosures**

Cash paid during the year for:		
Interest		<u>\$ —</u>

Income taxes		<u>\$ —</u>
--------------	--	-------------

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

REEF SECURITIES, INC.  
Notes to Financial Statements  
December 31, 2016

Note 1 - Organization and Significant Accounting Policies

Reef Securities, Inc. (the "Company"), was incorporated on February 18, 1993 in the State of Texas as a direct participation broker-dealer in securities. The Company is registered with the Securities and Exchange Commission ("SEC") and is a member of the Financial Industry Regulatory Authority ("FINRA"). The Company operates under SEC Rule 15c3-3(k)(2)(i).

The Company acts as a selling agent for Reef Exploration, LP, Reef Oil & Gas Partners, LP and REI Energy, LLC ("Reef") in the offering and selling of interests in oil and gas development programs. All of the Company's revenue is derived from this single activity. All of the Company's stock is owned by Paul Mauceli, the brother of Michael Mauceli who serves as the chief executive officer of Reef Exploration, LP, manager of the general partner of Reef Oil & Gas Partners, LP, and sole manager and executive officer of REI Energy LLC.

Under the Sales Agency Agreement (as amended) between the Company and Reef, Reef agreed to pay all overhead expenses relating to the operations of the Company. These expenses include office space, office furniture, computers, telephone services, general and administrative support, insurance, printing, postage and other ordinary administration and overhead expenses of the Company. Reef will also provide the Company all offering materials to be used in conjunction with the offer and sale of interest in Reef programs at no cost. Had this agreement not been in place, the operating results and financial position of the Company might have been significantly different from that if the Company were autonomous.

The Company recognizes revenue from the sale of oil and gas development programs when commissions are available from the escrow agent after certain levels of investment have been reached as specified in the private placement memorandum.

Receivables from employees are generally considered fully collectable. As such, management has not recorded an allowance for doubtful accounts on these receivables. Management records an allowance for bad debts based on a collectability review of specific accounts. Any receivables deemed uncollectable are written off against the allowance.

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 are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes related primarily to temporary differences between financial and income tax reporting. The deferred tax asset or liability, as applicable, represents the future tax return consequences of those differences, which will either be taxable or deductible when the asset or liability is recovered or settled. When applicable, deferred taxes are recognized for operating losses that are available to offset future taxable income.

REEF SECURITIES, INC.  
Notes to Financial Statements  
December 31, 2016

Note 1 - Organization and Significant Accounting Policies, continued

Management has evaluated the income tax positions taken, or expected to be taken, for likelihood of realization, before recording any amounts for such position in the financial statement and has determined that no income tax contingencies need to be reflected or disclosed.

**Commitment and Contingencies**

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, penalties, and other sources are recorded when it is probable that a liability has been incurred and the amount of the assessment and/or remediation can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred.

Note 2 - Net Capital Requirements

Pursuant to the net capital provisions of Rule 15c3-1 of the Securities 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. At December 31, 2016, the Company had net capital of approximately \$20,067 and net capital requirements of \$5,000. The Company's ratio of aggregate indebtedness to net capital was 0.17 to 1. The Securities and Exchange Commission permits a ratio of no greater than 15 to 1.

Note 3 - Income Taxes

Income tax expense (benefit) for 2016 is composed as follows:

Federal income tax expense (benefit)	\$ (2,200)
State income tax expense	--
Valuation allowance	<u>2,200</u>
Total	<u>\$ --</u>
Current	\$ --
Deferred	<u>--</u>
Total	<u>\$ --</u>

As of December 31, 2016, the Company had a net operating loss carryover of approximately \$146,000 available to offset future taxable income through 2035. The benefits available from this carryforward have been fully reserved due to uncertainty as to whether the tax benefits would be utilized.

REEF SECURITIES, INC.  
Notes to Financial Statements  
December 31, 2016

Note 3 - Income Taxes, continued

The following table reflects the changes in the tax benefit:

	Deferred Tax Asset December 31, 2015	Current Period Changes	Deferred Tax Asset December 31, 2016
Federal Tax Benefit	47,600	2,200	49,800
Valuation Allowance	(47,600)	(2,200)	(49,800)
<hr/>			
Amount per balance	\$ --	\$ --	\$ --

Any potential interest and penalty associated with a tax contingency, should one arise, would be included as a component of income tax expense in the period in which the assessment arises.

The Company's federal and state income tax expense returns are subject to examination over various statutes of limitations generally ranging from three to five years.

Note 4 - Concentration Risk

At various times throughout the year, the Company may have had cash balances in excess of federally insured limits.

Note 5 - Related Party Transaction

During the years, the Company's stockholder has withdrawn funds as prepaid commissions. The amount due to the Company at December 31, 2016 was \$220,743. This amount is reflected as a reduction of stockholder equity.

During the year the Company received \$100,000 from Reef under the Sales Agency Agreement. Such amounts are reported in "commissions and other placement fees" on the statement of operations.

Note 6 - Litigation

The Company is involved in lawsuits and claims in which plaintiffs and claimants are seeking recovery of alleged losses and/or punitive damages against the Company and others. Such cases are in the initial stage of discovery and no assessment of the ultimate outcome of such litigation can be made at this time. The Company intends to vigorously defend the lawsuits and claims.

REEF SECURITIES, INC.  
Notes to Financial Statements  
December 31, 2016

Note 7 - Going Concern

For the last several years the Company has incurred losses and negative operating cash flows and this trend is expected to continue. The Company's ability to generate positive cash flows depends on a variety of factors, including the success of the financial markets and the oil and gas industry, as well as ongoing support by Reef under the Sales Agency Agreement. These matters raise substantial doubt about the Company's ability to continue as a going concern. Management has taken steps to reduce certain expenses. The financial statements do not contain any adjustments that might result from the outcome of these uncertainties.

Supplementary Information  
Pursuant to Rule 17a-5 of the  
Securities Exchange Act of 1934  
As of December 31, 2016

Schedule I

REEF SECURITIES, INC.  
Computation of Net Capital Under Rule 15c3-1  
of the Securities and Exchange Commission  
As of December 31, 2016

**COMPUTATION OF NET CAPITAL**

Total ownership equity qualified for net capital		\$	20,067
Add:			
Other deductions or allowable credits			<u>          --</u>
Total capital and allowable subordinated liabilities			20,067
Deductions and/or charges			
Non-allowable assets:			
	\$	--	
		<u>          --</u>	<u>          --</u>
Net capital before haircuts on securities positions			20,067
Haircuts on securities (computed, where applicable, pursuant to Rule 15c3-1(f))			<u>          --</u>
Net capital		\$	<u>20,067</u>

**AGGREGATE INDEBTEDNESS**

Accounts payable and accrued expenses		\$	3,495
			<u>          --</u>
Total aggregate indebtedness		\$	<u>3,495</u>

Schedule I (continued)

REEF SECURITIES, INC.  
Computation of Net Capital Under Rule 15c3-1  
of the Securities and Exchange Commission  
As of December 31, 2016

**COMPUTATION OF BASIC NET CAPITAL REQUIREMENT**

Minimum net capital required (6 2/3% of total aggregate indebtedness)	<u>\$ 233</u>
Minimum dollar net capital requirement of reporting broker or dealer	<u>\$ 5,000</u>
Net capital requirement (greater of above two minimum requirement amounts)	<u>\$ 5,000</u>
Net capital in excess of required minimum	<u>\$ 15,067</u>
Net capital less greater of 10% of aggregate indebtedness or 120% capital requirement	<u>\$ 14,067</u>
Ratio: Aggregate indebtedness to net capital	<u>17 to 1</u>

**RECONCILIATION WITH COMPANY'S COMPUTATION**

There were no differences in the computation of net capital under Rule 15c3-1 from the Company's computation in their unaudited FOCUS IIA Report.

Report of Independent Registered Public Accounting Firm on  
Management's Exemption Report

Required By SEC Rule 17a-5

For the Year Ended

December 31, 2016

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Directors  
Reef Securities, Inc.

We have reviewed management's statements, included in the accompanying Exemption Report, in which (1) Reef Securities, Inc. (the "Company") identified provision 17 C.F.R. §15c3-3(k)(2)(i) (the "exemption provision") under which the Company claimed an exemption from 17 C.F.R. §240.15c3-3 and (2) the Company stated that the Company met the identified exemption provision throughout the most recent fiscal year without exception. The Company's management is responsible for compliance with the exemption provision 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 the Company'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 conditions set forth in paragraph (k)(2)(i) of Rule 15c3-3 under the Securities Exchange Act of 1934.

*Moss Adams LLP*

Dallas, Texas  
February 21, 2017



## Reef Securities, Inc.'s Exemption Report

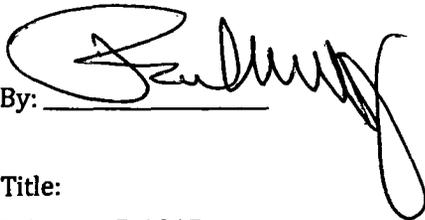
Reef Securities, Inc. (the "Company") is a registered broker-dealer subject to Rule 17a-5 promulgated by the Securities and Exchange Commission (17 C.F.R. §240.17a-5, "Reports to be made by certain brokers and dealers"). This Exemption Report was prepared as required by 17 C.F.R. §240.17a-5(d)(1) and (4). To the best of its knowledge and belief, the Company states the following:

- (1) The Company claimed an exemption from 17 C.F.R. §240.15c3-3 under the following provisions of 17 C.F.R. §240.15c3-3 (k): The Company is exempt from the Customer Protection Rule under Paragraph (k)(2)(i) as the Company is a broker or dealer, who does not carry customer margin accounts and does not hold funds or securities for, or owe money or securities to, customers. Because the Company does not have customers, the Company does not have a bank account designated as "Special Account for the Exclusive Benefit of Customers of Reef Securities, Inc."
- (2) The Company met the identified exemption provisions in 17 C.F.R. §240.15c3-3(k) throughout the most recent fiscal year without exception.

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Reef Securities, Inc.

I, Paul Mauceli, President, swear (or affirm) that, to my best knowledge and belief, this exemption report is true and correct.

By: 

Title:

February 7, 2017

Report of Independent Registered Public Account Firm  
On the SIPC Annual Assessment

Required By SEC Rule 17a-5

Year Ended December 31, 2016

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

To the Board of Directors  
Reef Securities, Inc.

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 Reef Securities, Inc. (the "Company") and the Securities Investor Protection Corporation ("SIPC") with respect to the accompanying General Assessment Reconciliation ("Form SIPC-7") of the Company for the year ended December 31, 2016, solely to assist you and SIPC in evaluating the Company's compliance with the applicable instructions of the 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 amounts reported on the Annual Audited Report Form X-17A-5 Part III 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. 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;
5. We were unable to compare the amount of any overpayment applied to the current assessment with the Form SIPC-7 on which it was originally computed as there was no such overpayment amount stated on Form SIPC-7 and management represented to us that no such overpayment exists.

MOSS-ADAMS<sub>LLP</sub>

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.

*Moss Adams LLP*

Dallas, Texas

February 21, 2017

SIPC-7

(33 REV 7/16)

SECURITIES INVESTOR PROTECTION CORPORATION

P.O. Box 38185 Washington, D.C. 20000-2185

202-371-8300

General Assessment Reconciliation

File for the year ended 12 31 2016

Read carefully the instructions on the 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-3

19\*19\*\*\*\*\*2857\*\*\*\*\*MIXED AADC 220
45583 FINRA DEC
REEF SECURITIES INC
1901 N CENTRAL EXPY STE 400
RICHARDSON TX 75080-3558

Note: If any of the information shown on this filing label requires correction, please e-mail any corrections in form @sipc.org and so indicate on the form filed.

Name and telephone number of person to contact respecting this form

Table with 2 columns: Description and Amount. Rows include: A. General Assessment (item 2e from page 2) \$ 0; B. Less payment made with SIPC-6 filed (exclude interest) 0; C. Less prior overpayment applied 2,394.44; D. Assessment balance due or (overpayment) (2,394.44); E. Interest computed on late payment (see instruction E) for \_\_\_ days at 20% per annum 0; F. Total assessment balance and interest due (or overpayment carried forward) \$(2,394.44); G. PAYMENT: [X] the box, [ ] Check mailed to P.O. Box, [ ] Funds Wired, Total (must be same as F above) \$ 0; H. Overpayment carried forward \$ 2,394.44

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.

Reef Securities, Inc.

[Signature]

Dated this 12 day of January 2017 President

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

Reviewed: \_\_\_\_\_

Checked: \_\_\_\_\_

**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
1a. Total revenue (FOCUS Line 13 Part IA Line 8, Code 400)	\$ <u>675,731</u>
2b. Additions:	
(1) Total revenues from the securities business of closed (or expired) 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 commodity 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(b)(1) of the Act)	_____
(8) Other revenue not related either directly or indirectly to the securities business (See Instruction D)	_____
<b>Dealer Manager offering units on a "best efforts" basis;</b>	<b>675,731</b>
(Deductions in excess of \$100,000 require documentation) <b>Documentation is attached</b>	_____
2d. Deductions:	
(1) Total interest and dividend expense (FOCUS Line 22 PART IA Line 13 Code 4073 plus line 20(4) above) but not in excess of total interest and dividend income	\$ _____
(2) 48% of management or appeal of customer's securities accounts (FOCUS Line 8, Code 199)	\$ _____
Enter the greater of line 2d(1) or (2)	_____
Total deductions	<u>675,731</u>
3. SIPC Net Operating Revenues	<u>0</u>
4. SIPC General Assessment	<u>0</u>