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

SEC FILE NUMBER  
a- 52490

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 01/01/17 AND ENDING 12/31/17  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: WELLS NELSON & ASSOCIATES, LLC

OFFICIAL USE ONLY  
FIRM I.D. NO.

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

TWO LEADERSHIP SQUARE, 211 N. ROBINSON, STE. 1600  
(No. and Street)

OKLAHOMA CITY OK 73102  
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
EDWARD F. WELLS 405-239-9000  
(Area Code - Telephone Number)

**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, STE 300 DALLAS TX 75231  
(Address) (City) (State) (Zip Code)

CHECK ONE:

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

**FOR OFFICIAL USE ONLY**

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

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SEC 1410 (06-02)

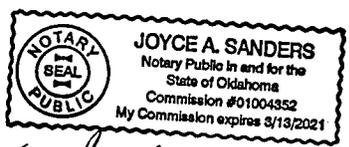
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OATH OR AFFIRMATION

I, EDWARD F WELLS, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of WELLS NELSON & ASSOCIATES, LLC, as of DECEMBER 31, 20 17, 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:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*Joyce A Sanders*  
Notary Public



*Edward F. Wells*  
Signature  
*Chairman*  
Title

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).



MOSSADAMS

## **Report of Independent Registered Public Accounting Firm**

To the Board of Directors  
Wells Nelson & Associates, LLC

### ***Opinion on the Financial Statements***

We have audited the accompanying consolidated statement of financial condition of Wells Nelson & Associates, LLC and Subsidiary (the Companies) as of December 31, 2017, the related consolidated statements of income, changes in members' equity, and cash flows for the year then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Companies as of December 31, 2017, and the results of their operations and their cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

These financial statements are the responsibility of the Companies' management. Our responsibility is to express an opinion on the Companies' financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures to respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

***Opinion on the Supplemental Information***

The information in Schedule I has been subjected to audit procedures performed in conjunction with the audit of the Companies' financial statements. The information in Schedule I is the responsibility of the Companies' 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.

*Moss Adams LLP*

Dallas, Texas  
February 26, 2018

We have served as the Companies' auditor since 2016.

WELLS NELSON & ASSOCIATES, LLC AND SUBSIDIARY  
Consolidated Statement of Financial Condition  
December 31, 2017

ASSETS

Cash and cash equivalents	\$ 691,922
Deposits with clearing broker-dealer	1,237,857
Receivable from clearing broker-dealer	8,873
Receivable from other broker-dealers	79,174
Other receivables	56,315
Interest receivable	362
Securities owned at fair value	141,814
Furniture, equipment and leasehold improvements, net	106,346
Other assets	13,365
Goodwill	201,580
	<hr/>
	\$ 2,537,608
	<hr/> <hr/>

LIABILITIES AND MEMBERS' EQUITY

Liabilities:	
Accounts payable	\$ 41,381
Accrued expenses	360,168
Payable to clearing broker-dealer	139,264
	<hr/>
Total liabilities	540,813
Members' equity	<hr/>
	1,996,795
	<hr/> <hr/>
	\$ 2,537,608
	<hr/> <hr/>

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

WELLS NELSON & ASSOCIATES, LLC AND SUBSIDIARY  
Consolidated Statement of Income  
For the Year Ended December 31, 2017

Revenues:

Commissions	\$ 1,826,042
Trading and investment gains	1,521,979
Underwriting and municipal advisory fees	1,509,128
Interest	65,339
Advisory Fees	180,917
Mutual Funds	43,546
Other	150,682
	<hr/>
	5,297,633
	<hr/>

Expenses:

Employee compensation and benefits	3,525,385
Brokerage and clearance fees	171,001
Communications	168,363
Occupancy and equipment costs	338,589
Promotional costs	140,327
Interest	28,032
Data processing costs	39,918
Regulatory fees and expenses	115,677
Errors and bad debt	10,261
Other	240,298
	<hr/>
	4,777,851
	<hr/>

Net income	<u>\$ 519,782</u>
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The accompanying notes are an integral part of these financial statements.

WELLS NELSON & ASSOCIATES, LLC AND SUBSIDIARY  
Consolidated Statement of Changes in Members' Equity  
For the Year Ended December 31, 2017

	<u>Number of Units</u>	<u>Members' Equity</u>
Balance, January 1, 2017	1,367	\$ 2,103,518
Distributions		(626,505)
Net income		519,782
Balance, December 31, 2017	<u>1,367</u>	<u>\$ 1,996,795</u>

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

WELLS NELSON & ASSOCIATES, LLC AND SUBSIDIARY

Consolidated Statement of Cash Flows

For the Year Ended December 31, 2017

**Cash flows from operating activities**

Net income	\$ 519,782
Adjustments to reconcile net income to net cash provided (used) by operating activities:	
Depreciation and amortization	31,802
Changes in operating assets and liabilities:	
Decrease in deposits with clearing broker-dealer	666,228
Decrease in receivable from clearing broker-dealer	33
Increase in receivable from other broker-dealers	(79,174)
Increase in other receivables	(56,315)
Decrease in interest receivable	5,357
Decrease in securities owned	300,268
Decrease in other assets	3,108
Increase in accounts payable	24,119
Increase in accrued expenses	129,574
Decrease in payable to clearing broker-dealer	(313,682)
	<hr/>
Net cash provided (used) by operating activities	1,231,100

**Cash flows from investing activities**

Purchase of furniture, equipment and leasehold improvements	(52,810)
Acquisition of subsidiary	(201,580)
	<hr/>
Net cash provided (used) by investing activities	(254,390)

**Cash flows from financing activities**

Distributions	(626,505)
	<hr/>
Net cash provided (used) by financing activities	(626,505)

Net change in cash and cash equivalents	350,205
Beginning cash and cash equivalents	341,717
	<hr/>
Ending cash and cash equivalents	\$ 691,922

**Supplemental Disclosures**

Cash paid for:	
Interest	\$ 28,395
	<hr/> <hr/>

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

WELLS NELSON & ASSOCIATES, LLC AND SUBSIDIARY  
Notes to Financial Statements  
December 31, 2017

Note 1 - Summary of Significant Accounting Policies

**Basis of Financial Statement Presentation**

The Consolidated Financial Statements include the accounts of Wells, Nelson & Associates, LLC and its wholly owned subsidiary, Taylor Stephens, Inc., in which the firm acquired a 100% ownership. Taylor Stephens, Inc., is a Texas corporation. All material intercompany balances and transactions have been eliminated.

Wells Nelson & Associates, LLC is an Oklahoma limited liability company, formed on February 7, 2000. Two individuals who are members of management and/or employees of the Company, own the majority of the membership interests. The Company shall terminate on February 28, 2050, unless earlier terminated. Profit and loss are allocated and distributions are made to members in accordance with their percentage ownership of outstanding units. The number of membership units authorized must be approved by the majority of the board of members. Each member's liability is limited to its capital account balance. The Company generally makes distributions to its members around March of each year.

**Business Combination**

Wells, Nelson & Associates, LLC entered into an agreement, effective May 15, 2017, for net consideration of \$201,580 in cash whereby it purchased 100% of the outstanding common stock of Taylor Stephens, Inc., a registered investment advisor, in a transaction accounted for as a business combination under accounting principles generally accepted in the United State of America (U.S. GAAP). Net consideration was all allocated to goodwill.

**Parent Business Operations**

The Company is a broker-dealer in securities registered with the Securities and Exchange Commission ("SEC") under Rule 15c3-3(k)(2)(ii) which provides that all the funds and securities belonging to the Company's customers would be handled by a clearing broker-dealer. In accordance with the provisions of this rule, the Company executes all of its customers' transactions on a fully-disclosed basis, through an unaffiliated clearing broker-dealer, located in Dallas, Texas, which carries the accounts and securities of the Company's customers. Principal business activities are conducting principal and agency transactions and providing underwriting and advisory services for customers primarily located in Oklahoma.

**Subsidiary Business Operations**

The wholly owned subsidiary of the Company is an Investment Advisor registered with the Texas State Securities Board and other state's regulators.

**Underwriting and Advisory Fees**

Underwriting and advisory fees include gains, losses, and fees, net of syndicate expenses, arising from securities offerings in which the Company acts as an underwriter or agent. Underwriting and advisory fees also include fees earned from providing municipal advisory services. Underwriting and advisory fees are recorded at the time the underwriting is completed and the income is reasonably determinable.

**Investment Advisory Fees**

Advisory fees are those fees charged to the clients of the subsidiary of the company for financial advisory services. Some fees are billed in advance and some are billed in arrears.

WELLS NELSON & ASSOCIATES, LLC AND SUBSIDIARY  
Notes to Financial Statements  
December 31, 2017

Note 1 - Summary of Significant Accounting Policies -continued

**Securities Transactions**

Profit and loss arising from all securities transactions entered into for the account and risk of the Company are determined using the specific identification method and are recorded on a trade date basis. Customer's securities transactions are reported on a settlement date basis with related commission income and expense reported on a settlement date basis. The amounts recorded for commission income and expense for customers' securities transactions approximate the amounts that would be recorded on a trade date basis.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Company has defined cash equivalents as highly liquid investments, with original maturities of less than ninety days, not held for sale in the ordinary course of business.

**Furniture, Equipment and Leasehold Improvements**

Furniture, equipment and leasehold improvements are stated at cost less accumulated depreciation. Depreciation is provided principally by accelerated and straight-line methods using estimated useful lives of five to seven years. Leasehold improvements are amortized over the lesser of the economic useful life of the improvement or the term of the lease.

**Income Taxes**

The Company is treated and taxed as a partnership for federal income tax purposes. Accordingly, any tax liability is the responsibility of the individual members.

The Company applies FASB ASC 740-10 relating to accounting for uncertain tax positions. ASC 740-10 prescribes a recognition threshold and measurement process for accounting for uncertain tax positions and also provides guidance on various related matters such as derecognition, interest, penalties, and disclosures required. The Company does not have any uncertain tax positions.

The Company's income tax returns are subject to examination over the statutes of limitations, generally three years from the date of filing.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires the Company 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. Actual results could differ from those estimates.

**Goodwill**

Goodwill represents the excess of the purchase price over the fair value of net assets acquired in the business combination discussed above. The Company has one reporting unit based on guidance in U.S. GAAP. Goodwill is expected to be deductible for tax purposes.

WELLS NELSON & ASSOCIATES, LLC AND SUBSIDIARY  
Notes to Financial Statements  
December 31, 2017

Note 1 - Summary of Significant Accounting Policies -continued

Goodwill impairment is assessed at least annually or more often upon the occurrence of an indicator of impairment. In evaluating goodwill for impairment, the Company has the option to make a qualitative evaluation about the likelihood of goodwill impairment to determine whether it should calculate the fair value of a reporting unit. If fair value of the reporting unit is calculated and it is less than its carrying value, the Company is required to go to the second step. The second step involves allocating the calculated fair value to all of the assets and liabilities of the reporting unit as if the calculated fair value was the purchase price in a business combination. This allocation would include assigning value to any previously unrecognized intangible assets. The impairment is measured by comparing the implied fair value of the Company's goodwill with its carrying amount and an impairment loss may be recognized up to that excess. Based on the results of a qualitative evaluation, the Company determined that no impairment existed at December 31, 2017.

Note 2 - Deposits with and Receivable from Clearing Broker-Dealer

Deposits with clearing broker-dealer include cash required to be maintained at the clearing broker-dealer for clearing and trading activities. Receivable from clearing broker-dealer is comprised of commissions, trading profits, and other items. Such amounts are normally collected between five and thirty-five days after month end.

Note 3 - Receivable from Other Broker-Dealer

Receivable from other broker-dealers include underwriting fees from securities offerings in which the Company acts as an underwriter. Such amounts are normally collected within thirty days after month end. There were no such receivables at December 31, 2017.

Note 4 - Securities Owned

Securities owned at fair value as of December 31, 2017 are considered trading securities and consist of state and municipal obligations. In accordance with U.S. GAAP, the Company categorizes its financial instruments recorded at fair value into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Financial assets and liabilities recorded on the Statement of Financial Condition are categorized based on the inputs to the valuation techniques as follows:

Level 1 - Valuations based on quoted prices in active markets for identical assets or liabilities that the Company has the ability to access.

Level 2 - Financial assets and liabilities whose value are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

WELLS NELSON & ASSOCIATES, LLC AND SUBSIDIARY  
Notes to Financial Statements  
December 31, 2017

Note 4 - Securities Owned - continued

Level 3 - Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management's judgment about the assumptions a market participant would use in pricing the asset or liability.

State and municipal obligations consist of debt securities that are valued based on quotations received from dealers who make markets in such securities or by independent pricing services. These pricing services generally utilize matrix pricing which considers yield or price of bonds of comparable quality, coupon, maturity and type as well as dealer supplied prices.

The following table presents the fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of December 31, 2017.

	Securities Owned		
	Level 1	Level 2	Level 3
State and municipal obligations	\$ 0	\$141,814	\$ 0
Total	\$ 0	\$ 141,814	\$ 0

The Company did not hold any financial liabilities at fair value at December 31, 2017.

Note 5 - Furniture, Equipment and Leasehold Improvements

A summary of furniture, equipment and leasehold improvements at December 31, 2017 is as follows:

Furniture and fixtures	\$ 347,220
Equipment	238,378
Leasehold improvements	125,353
	\$ 710,951
Less: accumulated depreciation and amortization	604,605
	\$ 106,346

WELLS NELSON & ASSOCIATES, LLC AND SUBSIDIARY  
Notes to Financial Statements  
December 31, 2017

Note 6 - Leases

The Company's facilities and certain equipment are leased under various operating leases with initial noncancelable terms in excess of one year. Rental expense related to facilities and equipment amounted to \$208,624 during 2017.

The following are the minimum lease payments that will have to be made in each of the years indicated based on operating leases in effect as of December 31, 2017:

<u>Year Ending</u> <u>December 31,</u>	
2018	\$ 225,601
2019	179,500
2020	114,526
2021	116,052
2022	<u>111,408</u>
Total minimum lease payments	<u>\$ 747,087</u>

Note 7 - Net Capital Requirements and Exemptive Provisions

The Company is subject to the SEC Uniform Net Capital Rule (SEC Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. At December 31, 2017, the Company had net capital of \$1,605,579, which was \$1,505,579 in excess of its required net capital of \$100,000. The Company's ratio of aggregate indebtedness to net capital ratio was 0.25 to 1.

The Company is exempt from the Securities and Exchange Commission Customer Protection Rules (SEC Rule 15c3-3), which relate to reserves and custody of securities, under section (k)(2)(ii) of this rule.

Note 8 - Defined Contribution Plan

The Company adopted a 401(k) profit sharing plan covering all eligible employees, effective January 1, 2003. Participants may make deferral contributions up to the annual maximum amount allowed by the Internal Revenue Code. The Company may also make discretionary contributions and safe harbor matching contributions. The Company paid administrative costs of \$1,220 and made matching contributions of \$107,997.

Note 9 - Commitments and Contingent Liabilities

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

WELLS NELSON & ASSOCIATES, LLC AND SUBSIDIARY  
Notes to Financial Statements  
December 31, 2017

Note 9 - Commitments and Contingent Liabilities-continued

The Company is required to indemnify its clearing broker/dealer if a customer fails to settle a securities transaction, according to its clearing agreement. Management was neither aware, nor had it been notified of any potentially material indemnification loss at December 31, 2017.

Note 10 - Commitments and Contingent Liabilities-continued

The Company maintains its cash in bank deposit accounts that, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts and does not believe it is exposed to any significant risk.

Supplemental Information Pursuant to Rule 17a-5  
of the Securities Exchange Act of 1934, as of  
December 31, 2017

**Schedule I**

WELLS NELSON & ASSOCIATES, LLC AND SUBSIDIARY

Computation of Net Capital Under Rule 15c3-1 of the Securities and Exchange Commission

As of December 31, 2017

**Computation of Net Capital**

Total members' equity qualified for net capital		\$ 1,996,795
Deductions and/or charges		
Non-allowable assets:		
Furniture, equipment and leasehold improvements	\$ 106,346	
Cash held in subsidiary	4,392	
Other receivables	56,315	
Goodwill	201,580	
Other assets	13,365	(381,998)
Net capital before haircuts on securities positions		1,614,797
Haircuts on securities (computed, where applicable, pursuant to Rule 15c3-1(f)):		
Debt securities		(9,218)
Net capital		<u>\$ 1,605,579</u>

**Aggregate Indebtedness**

Items included in statement of financial condition		
Accounts payable		\$ 41,381
Accrued expenses		360,168
Total aggregate indebtedness		<u>\$ 401,549</u>

Schedule I (continued)

WELLS NELSON & ASSOCIATES, LLC AND SUBSIDIARY  
Computation of Net Capital Under Rule 15c3-1 of the Securities and Exchange Commission  
As of December 31, 2017

**Computation of Basic Net Capital Requirement**

Minimum net capital required (6 2/3% of total aggregate indebtedness)	<u>\$ 26,770</u>
Minimum dollar net capital requirement of reporting broker or dealer	<u>\$ 100,000</u>
Minimum net capital requirement (greater of two minimum requirement amounts)	<u>\$ 100,000</u>
Net capital in excess of minimum required	<u>\$ 1,505,579</u>
Net capital less greater of 10% of aggregate indebtedness or 120% of minimum net capital	<u>\$ 1,485,579</u>
Ratio: Aggregate indebtedness to net capital	<u>0.25 to 1</u>

**Reconciliation with Company's Computation**

There were no material differences in this computation of net capital and the corresponding computation prepared by the Company and included in the unaudited Form X-17A-5 Part II FOCUS Report filing as of the same date



MOSSADAMS

## **Report of Independent Registered Public Accounting Firm**

To the Board of Directors  
Wells Nelson & Associates, LLC

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

*Moss Adams LLP*

Dallas, Texas  
February 26, 2018

**WELLS NELSON & ASSOCIATES**  
INVESTMENT BANKING

**EXEMPTION REPORT**

**DECEMBER 31, 2017**

Comes now the firm and makes the following statements that we believe are true and accurate to the best of our knowledge and belief:

1. The firm is exempt from Rule 15c3-3 under Section (k)(2)(ii), in which all transactions are cleared through another broker-dealer on a fully disclosed basis.
2. The firm met the identified exemption provision throughout the most recent fiscal year without exception.



Edward Wells  
Chairman

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING  
AGREED-UPON PROCEDURES  
DECEMBER 31, 2017



MOSSADAMS

## **Report of Independent Registered Public Accounting Firm on Applying Agreed-Upon Procedures**

To the Board Members  
Wells Nelson & Associates, 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, which were agreed to by Wells Nelson & Associates, LLC and the Securities Investor Protection Corporation (SIPC) with respect to the accompanying General Assessment Reconciliation (Form SIPC-7) of Wells Nelson & Associates, LLC (the Company) for the year ended December 31, 2017, solely to assist you and the SIPC in evaluating Wells Nelson & Associates, LLC's compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). Management is responsible for the Company's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the Public Company Accounting Oversight Board (United States). The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our findings are as follows:

1. Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records entries noting no differences noting no differences;
2. Compared the total revenue amounts reported on the Annual Audited Report Form X-17A-5 Part III for the year ended December 31, 2017 with the total revenue amounts reported in Form SIPC-7 for the year ended December 31, 2017, noting no differences;
3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers noting no differences;
4. Recalculated the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting the adjustments noting no differences; and,
5. Compared the amount of any overpayment applied to the current assessment with the Form SIPC-7 on which it was originally computed noting no differences.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the applicable instructions of the Form SIPC-7. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

*Moss Adams LLP*

Dallas, Texas  
February 26, 2018

**SIPC-7**

(35-REV 6/17)

SECURITIES INVESTOR PROTECTION CORPORATION  
P.O. Box 92185 Washington, D.C. 20090-2185  
202-371-8300  
**General Assessment Reconciliation**

**SIPC-7**

(35-REV 6/17)

For the fiscal year ended 12/31/2017

(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:

13\*13\*\*\*\*\*2549\*\*\*\*\*MIXED AADC 220  
52490 FINRA DEC  
WELLS NELSON & ASSOCIATES LLC  
TWO LEADERSHIP SQ  
211 N ROBINSON AVE STE S1600  
OKLAHOMA CITY, OK 73102-7175

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.

**Edward F. Wells, Chairman**

**(405) 239-9000**

- 2. A. General Assessment (item 2e from page 2) \$ 7,332
- B. Less payment made with SIPC-6 filed (exclude interest): ( (3,294) )  
07/25/2017  
Date Paid
- C. Less prior overpayment applied ( \_\_\_\_\_ )
- D. Assessment balance due or (overpayment): 4,038
- 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) \$ 4,038
- G. PAID WITH THIS FORM:  
Check enclosed, payable to SIPC  
Total (must be same as F above) \$ 4,038
- 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

**Wells Nelson & Associates, LLC**

(Name of Corporation, Partnership or other organization)

Dated the 22 day of Feb, 2018.

**Chairman**

(Authorized 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 1/1/2017  
and ending 12/31/2017

Eliminate cents

Item No.		
2a.	Total revenue (FOCUS Line 12-Part IIA Line 9, Code 4030)	\$ <u>5,297,633</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.	<u>238,257</u>
	(2) Revenues from commodity transactions.	_____
	(3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.	<u>143,107</u>
	(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.	\$ <u>28,032</u>
	(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)	<u>28,032</u>
	Total deductions	<u>409,396</u>
2d.	SIPC Net Operating Revenues	\$ <u>4,888,237</u>
2e.	General Assessment @ .0015	\$ <u>7,332</u>

(to page 1, line 2 A.)

**WELLSNELSON&ASSOCIATES**  
I N V E S T M E N T B A N K I N G

Via FedEx

February 27, 2018

SEC  
Mail Processing  
Section

FEB 28 2018

Securities & Exchange Commission Headquarters  
Registrations Branch, Mail Stop 8031  
100 F Street N.E.  
Washington, DC 20549-0213

Re: Firm CRD 104030

Gentlemen:

Enclosed are two (2) copies of our audited financial statement for period ending December 31, 2017.

Sincerely,



Joyce A. Sanders  
Office Manager

Enclosures