

SEC

18005643

OMB APPROVAL RMS  
 OMB Number: 3235-0123  
 Expires: August 31, 2020  
 Estimated average burden  
 hours per response..... 12.00

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

Received  
 FEB 27 2018

SEC FILE NUMBER  
 8-23604

FACING PAGE WASH, D.C.  
**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 01/01/2017 AND ENDING 12/31/2017  
 MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: J. D. Seibert & Company, Inc.

OFFICIAL USE ONLY  
 FIRM I.D. NO.

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

20 West 9th Street

(No. and Street)

Cincinnati

OH

45202

(City)

(State)

(Zip Code)

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

Scott W. Seibert

(513) 241-8888

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Clark, Schaefer, Hackett & Co.

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

One East 4th St., Suite 1200

Cincinnati

OH

45202

(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)

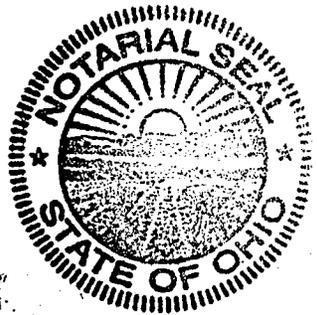
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OATH OR AFFIRMATION

I, Scott W. Seibert, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statements and supporting schedules pertaining to the firm of J.D. Seibert & Company, Inc., as of December 31, 2017, 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.

Scott W. Seibert  
Signature  
PRESIDENT  
Title

Shirley L. Jones  
Notary Public  
2-16-18



SHIRLEY L. JONES  
Notary Public, State of Ohio  
My Commission Expires 10-10-2021

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

- (a) Facing page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Cash Flows
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or control Requirements Pursuant to 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) Independent Auditor's Supplemental Report on Internal Control Structure.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240. 17a-5(e)(3).

**J.D. SEIBERT & COMPANY, INC.**

**Statement of Financial Condition**

**December 31, 2017 with  
Report of Independent Auditors**



## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholder  
J. D. Seibert & Company, Inc.

Cincinnati, Ohio

### Opinion on the Financial Statement

We have audited the accompanying statement of financial condition of J. D. Seibert & Company, Inc. (an Ohio S-Corporation) as of December 31, 2017 and the related notes (collectively referred to as the financial statement). In our opinion, the statement of financial condition presents fairly, in all material respects, the financial position of J.D. Seibert & Company, Inc. as of December 31, 2017 in conformity with accounting principles generally accepted in the United States of America.

### Basis for Opinion

This financial statement is the responsibility of J.D. Seibert & Company's management. Our responsibility is to express an opinion on J.D. Seibert and Company's financial statement 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 J.D. Seibert & Company, Inc. 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 statement is 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 statement, whether due to error or fraud, and performing procedures that 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.

*Clark, Schaefer, Hackett & Co.*

Cincinnati, Ohio

February 16, 2018

“Public”

**J.D. SEIBERT & COMPANY, INC.**

**Statement of Financial Condition**

December 31, 2017

**Assets**

Cash and cash equivalents	\$ 224,137
Marketable securities, at market value	534,339
Receivable from clearing broker	41,157
Prepaid expenses and other assets	4,923
Furniture, equipment, and leasehold improvements, at cost less accumulated depreciation of \$150,966	<u>16,174</u>
	<u>\$ 820,730</u>

**Liabilities and Shareholder's Equity**

Liabilities:

Accounts payable and accrued liabilities	\$ 1,105
Note payable to former shareholder	<u>170,000</u>

Total liabilities 171,105

Shareholder's equity:

Voting common stock, no par value, 500 shares authorized, one share issued and outstanding	1
Non-voting common stock, no par value, 2000 shares authorized, 400 shares issued and outstanding	400
Additional paid-in capital	10,000
Retained earnings	<u>639,224</u>
Total shareholder's equity	<u>749,625</u>
	<u>\$ 820,730</u>

**J.D. SEIBERT & COMPANY, INC.**

**Notes to Financial Statement**

December 31, 2017

**1. Summary of significant accounting policies and nature of business**

**Nature of business** - J.D. Seibert & Company, Inc. (the Company) is registered as a broker-dealer under the examining authority of the Financial Industry Regulatory Authority. The Company, on a fully disclosed basis, clears customer transactions through an unaffiliated broker-dealer which also maintains the customer accounts.

**Concentrations of credit risk** - The Company has a retail and institutional customer base located generally in Ohio, Indiana and Kentucky. Under the correspondent agreement with its clearing broker, the Company has agreed to indemnify the clearing broker from damages or losses resulting from customer transactions. The Company is therefore exposed to off-balance sheet risk of loss in the event customers are unable to fulfill contractual obligations. In addition, the Company has a concentration in one stock it holds. A downturn in the market could have a significant impact on the Company.

**Use of estimates** - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Management believes that the estimates utilized in preparing its financial statements are reasonable and prudent. Actual results could differ from these estimates.

**Cash equivalents** - For purposes of the statement of cash flows, the Company considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents.

**Depreciation** - Furniture, equipment and leasehold improvements are recorded at cost and depreciated on principally accelerated methods over the estimated lives of five to thirty-nine years.

**Revenue recognition** - The Company records revenues and expenses (commissions and brokerage expenses) directly related to security transactions on a settlement date basis, which approximates trade date basis.

**Advertising expense** - The Company expenses advertising costs when incurred.

**Deposits with Clearing Broker** – The Company is required to maintain a good faith deposit in cash and/or securities with its Clearing Broker. At December 31, 2017 the required minimum deposit was \$250,000.

**.D. SEIBERT & COMPANY, INC.**

**Notes to Financial Statement**

December 31, 2017

**1. Summary of significant accounting policies and nature of business (continued)**

**Income taxes** - The Company has elected, by consent of its shareholders, to be taxed as an S Corporation under the related provisions of the Internal Revenue Code. Accordingly, no provision for federal or state income taxes has been made in the accompanying financial statements since the tax liability is that of the Company's shareholders and not of the Company. However, the Company is located in a city in which income is taxed at the corporate level.

**Subsequent events** - The Company evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through February 16, 2018, the date on which the financial statements were available to be issued.

**2. Fair value measurements**

Generally accepted accounting principles define fair value, establish a framework for measuring fair value, and establish a fair value hierarchy that prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach are used to measure fair value. The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Company has the ability to access.
- Level 2 inputs are inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly or indirectly.
- Level 3 are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability.

**J.D. SEIBERT & COMPANY, INC.**

**Notes to Financial Statement**

December 31, 2017

**2. Fair value measurements (continued)**

The carrying amounts of financial instruments including cash, accounts receivable, accounts payable and accrued liabilities approximated fair value as of December 31, 2017 because of the relatively short maturity of these instruments.

The following tables present the company’s fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of December 31, 2017:

Fair Value Measurements at Reporting Date Using

<u>December 31, 2017</u>	<u>Fair Value</u>	<u>Level 1</u>
US Treasury Notes	\$ 66,639	\$ 66,639
Available-for-sale stocks	<u>467,700</u>	<u>467,700</u>
	<u>\$ 534,339</u>	<u>\$ 534,339</u>

**3. Note payable to former shareholder**

During 2017 the Company redeemed and retired 99 shares of Voting Common Stock for \$250,000. In connection with this purchase, a Promissory Note in the amount of \$170,000 was issued to the former shareholder. The Note bears interest at the Applicable Federal Rate as published by the IRS effective as of June 30, 2017 and is payable in two installments. \$80,000 is payable on or before June 30, 2018 and the remaining \$90,000 along with all accrued interest on or before June 30, 2019. Prepayment of this obligation shall be at the sole discretion of the Company.

**4. Lease commitment**

The Company leases its office facility under a month-to-month arrangement requiring current monthly rent at \$2,000. The Company is not responsible for any other expense related to the facility.

**5. Employee benefit plans**

The Company has a qualified defined contribution profit sharing plan covering all of its full-time employees. Contributions are determined annually by the Board of Directors.

**J.D. SEIBERT & COMPANY, INC.**

**Notes to Financial Statement**

December 31, 2017

**6. Net capital requirements**

The Company is subject to the uniform net capital rule of the Securities and Exchange Commission (Rule 15c3-1), which requires the maintenance of minimum net capital and that the ratio of aggregate indebtedness to net capital not exceed 15 to 1 (as those terms are defined by the Rule). In addition, equity capital may not be withdrawn if the resulting net capital ratio would exceed 10 to 1. At December 31, 2017, the Company had net capital of \$491,206 which was \$441,206 greater than its required net capital of \$50,000.