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

Processing Section  
 MAR 01 2018  
 Washington DC

SEC FILE NUMBER
8-36916

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: **Vaughan and Company Securities, Inc.**

OFFICIAL USE ONLY
FIRM I.D. NO.

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

(No. and Street)

**Ridgewood**

**NJ**

**07450**

(City)

(State)

(Zip Code)

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

James D Vaughan, III

201-444-1361

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

**BDG-CPAS, PC**

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

**76 North Walnut Street**

**Ridgewood**

**NJ**

**07450**

(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)

BW

OATH OR AFFIRMATION

I, James D. Vaughan, III, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Vaughan and Company Securities, Inc. 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, except as follows:

James Vaughan
Signature

President and CEO

Title

Notary Public

JAMES D. VAUGHAN IV
Notary Public, State of New Jersey
My Commission Expires
December 31, 2019

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).

**VAUGHAN & COMPANY SECURITIES, INC.**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2017**

**VAUGHAN & COMPANY SECURITIES, INC.**  
**FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION**  
**DECEMBER 31, 2017**

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76 North Walnut Street  
Ridgewood, New Jersey 07450  
201-652-4040  
fax: 201-652-0401  
www.bdgcpa.com

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

To the Board of Directors and Stockholders of  
Vaughan & Company Securities, Inc. :

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

We have audited the accompanying statement of financial condition of Vaughan & Company Securities, Inc. as of December 31, 2017, the related statements of income, changes in stockholders' 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 Vaughan & Company Securities, Inc. as of December 31, 2017, 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 of America.

### **Basis for Opinion**

These financial statements are the responsibility of Vaughan & Company Securities, Inc. 's management. Our responsibility is to express an opinion on Vaughan & Company Securities, Inc. 's 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 Vaughan & Company Securities, 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 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 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.

## Supplemental Information

The supplemental information contained in Schedules I, II, and III has been subjected to audit procedures performed in conjunction with the audit of Vaughan & Company Securities, Inc. 's financial statements. The supplemental information is the responsibility of Vaughan & Company Securities, Inc. '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 is fairly stated, in all material respects, in relation to the financial statements as a whole.

*Becher, Della Torre, Gitto & Company*

We have served as Vaughan & Company Securities, Inc. 's auditor since 2016.

Becher, Della Torre, Gitto & Company, PC  
(d/b/a BDG-CPAs)  
Ridgewood, New Jersey  
February 28, 2018

**VAUGHAN & COMPANY SECURITIES, INC.**

**STATEMENT OF FINANCIAL CONDITION**

**December 31, 2017**

**ASSETS**

<b>ASSETS</b>		
Cash	\$	44,527
Deposits with clearing organization		61,912
Fees receivable		227,243
Prepaid expenses		8,505
<b>TOTAL CURRENT ASSETS</b>		<u>342,187</u>
<b>TOTAL ASSETS</b>	<b>\$</b>	<u><b>342,187</b></u>

**LIABILITIES AND STOCKHOLDERS' EQUITY**

**LIABILITIES**

**CURRENT LIABILITIES**

Accounts payable and other accrued expenses	\$	47,246
Accrued manager fees		55,849
Accrued payroll and payroll taxes		67,555
<b>TOTAL CURRENT LIABILITIES</b>		<u>170,650</u>
<b>TOTAL LIABILITIES</b>	<b>\$</b>	<u><b>170,650</b></u>

**STOCKHOLDERS' EQUITY**

Common stock		
Class A, voting, \$3 par value - 100 shares authorized, 100 shares issued and outstanding	\$	300
Class B, voting, \$3 par value - 9,900 shares authorized, 9,900 shares issued and outstanding		29,700
Retained earnings		141,537
<b>TOTAL STOCKHOLDERS' EQUITY</b>		<u>171,537</u>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$</b>	<u><b>342,187</b></u>

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

**VAUGHAN & COMPANY SECURITIES, INC.**

**STATEMENT OF INCOME**

**For the Year Ending December 31, 2017**

<b>REVENUES</b>	
Asset Management Fees	\$ 1,757,347
Mutual fund fees	175,762
Interest income	<u>10,471</u>
<b>TOTAL REVENUES</b>	<u><b>1,943,580</b></u>
<b>EXPENSES</b>	
Employee compensation and benefits	1,429,509
Travel and selling	131,729
Commissions and fees	73,349
Technology and communications	22,910
Securities fees	18,877
Rent and occupancy	70,047
Professional fees	39,772
Office and other expenses	139,075
Auto lease expense	<u>13,458</u>
<b>TOTAL EXPENSES</b>	<u><b>1,938,726</b></u>
<b>INCOME BEFORE TAXES</b>	<b>4,854</b>
<b>PROVISION FOR INCOME TAXES</b>	<u><b>1,500</b></u>
<b>NET INCOME</b>	<u><u><b>\$ 3,354</b></u></u>

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

**VAUGHAN & COMPANY SECURITIES, INC.**

**STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY**

**For the Year Ended December 31, 2017**

	<u>Class A</u>	<u>Class B</u>	<u>Retained</u>	<u>Total</u>
	<u>Common Stock</u>	<u>Common Stock</u>	<u>Earnings</u>	
Balance at December 31, 2016	\$ 300	\$ 29,700	\$ 148,183	\$ 178,183
Net income			3,354	3,354
Distribution			(10,000)	(10,000)
Balance at December 31, 2017	<u>\$ 300</u>	<u>29,700</u>	<u>141,537</u>	<u>171,537</u>

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

**VAUGHAN & COMPANY SECURITIES, INC.**

**STATEMENT OF CASH FLOWS**

**For the Year Ended December 31, 2017**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Net income	\$ 3,354
Change in:	
Fees receivable	(27,530)
Prepaid expenses	(140)
Accounts payable, accrued expenses and other current liabilities	<u>23,910</u>
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	<u>(406)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Dividends Paid	<u>(10,000)</u>
<b>Net Cash Flow from Financing Activities</b>	<u>(10,000)</u>
<b>NET (DECREASE) IN CASH</b>	(10,406)
CASH - beginning	<u>54,933</u>
<b>CASH - ending</b>	<u>\$ 44,527</u>
<b>SUPPLEMENTAL DISCLOSURES:</b>	
Cash paid for:	
Income Taxes	\$ 1,500
Interest	-

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

**VAUGHAN & COMPANY SECURITIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Business**

Vaughan & Company Securities, Inc. (the Company) is engaged in the sale of publicly traded securities, provides investment advice and is a member of the Financial Industry Regulatory Authority (FINRA). The Company's office is located in Ridgewood, New Jersey. The Company was incorporated in New Jersey in November 1986. The business commenced in March 1987.

**Cash**

In addition to its operating account, the Company maintains seven separate accounts with Pershing, LLC (Pershing) in order to execute securities transactions.

**Restricted Cash**

Restricted cash balance is the mandated deposit account with Pershing \$ 61,635 as of December 31, 2017.

**Commissions Receivable**

Commission revenue and related clearance expenses are recorded when earned, on a settlement date basis, within the related brokerage account. Commissions receivable are stated without provision for doubtful accounts. Management believes all amounts are collectible in full.

**Investment Advisory Fees**

Fee revenue is recognized in an amount that reflects the consideration to which the Company expects to be entitled in exchange for advisory services provided net of fees paid to third party investment advisors.

**Income Taxes**

The Company has elected to be taxed as an "S" corporation under the Internal Revenue Code and applicable New Jersey statutes. The stockholders of the corporation are taxed on their proportionate share of the Company's taxable income on their personal tax returns. The portion of the New Jersey income tax that is the responsibility of the Company is provided for, using statutory rates.

**Management Estimates**

Management uses estimates and assumptions in preparing the financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Estimates used in preparing these financial statements include those assumed in computing commissions receivable, and those used in accruing liabilities for certain expenses. Actual results could differ from those estimates.

**VAUGHAN & COMPANY SECURITIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2017**

**2. RETIREMENT PLAN**

The Company adopted a 401(K) plan in the fiscal year ended September 30, 1988 for all full time employees. Any Company contributions are elective. The Company's expense for the year ended December 31, 2017 was \$27,524.

**3. RELATED PARTY TRANSACTIONS**

Vaughan & Company Securities, Inc., Pension Administrators, Inc., and Lois M. Vaughan, Esq. are controlled under common ownership.

The Company rents office space from Lois Vaughan, spouse of the principal shareholder of the related companies. No long-term lease agreements exist. Rent expense paid to related party for the year ended December 31, 2017 was \$65,000. Vaughan & Co. Securities, Inc. pays all occupancy expense except property taxes.

Related party transactions are summarized as follows:

	<u>2017</u>
Expenses	
Rent	\$65,000

**4. FUTURE LEASE COMMITMENTS**

On July 23, 2015 the company entered into a 60 month lease agreement with Xerox Financial Services LLC. Monthly payments are \$440 per month. As of December 31, 2017 there are 30 months remaining on the lease, with future minimum payments as follows :

December 31,	Amount
2018	\$ 5,280
2019	5,280
2020	2,640

**5. NET CAPITAL REQUIREMENTS**

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (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, 2016, the Company had net capital of \$163,032 which was \$158,032 in excess of its required net capital of \$ 5,000.

The ratio of aggregate indebtedness to net capital is 1.0467 to 1.

**6. INCOME TAXES**

The provision for income taxes consists of:	<u>2017</u>
Total Provision (Only State of New Jersey)	<u>\$1,500</u>

**VAUGHAN & COMPANY SECURITIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2017**

**7. CONCENTRATION OF CREDIT RISK**

Financial instruments that potentially subject the Company to credit risk consist principally of commissions receivable and cash. The Company earns commissions entirely from financial institutions and investment management firms. Historically, the Company has not incurred any credit related losses. Cash, which consists primarily of cash held in brokerage accounts, is not subject to FDIC insurance protection.

**8. STOCKHOLDERS' EQUITY**

Stockholders' equity is as follows:

	<u>2017</u>
Common stock	
Class A, voting, \$3 par value — 100 shares authorized, 100 shares issued and outstanding	\$ 300
Class B, nonvoting, \$3 par value — 9,900 shares authorized, 9,900 shares issued and outstanding	29,700
Retained earnings	<u>\$ 141,537</u>
Total Stockholders' Equity	<u>\$ 171,537</u>

**9. SUBSEQUENT EVENTS**

These financial statements considered subsequent events through February 28, 2018 which was the date the financial statements were available to be issued. There were no reportable subsequent events through the date this report is filed.

**SUPPLEMENTARY INFORMATION**

**VAUGHAN & COMPANY SECURITIES, INC.**

**SCHEDULE I**

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

**December 31, 2017**

Total stockholders' equity	\$	171,537
Less ineligible assets:		
Advances to Affiliate		-
Securities Haircut		-
Prepaid Expenses		8,505
Prepaid Taxes		-
Total		<u>8,505</u>
Net Capital	\$	<u>163,032</u>
Less: Minimum net capital requirement		5,000
Remainder: Net capital in excess of all requirements:		<u><u>158,032</u></u>
Capital Ratio (Maximum allowance of 15 to 1)		
Aggregate Indebtedness		<u>170,650</u>
Divided by: Net Capital		<u><u>163,032</u></u>
Percentage of Aggregate Indebtedness to Net Capital		1.0467

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

**VAUGHAN & COMPANY SECURITIES, INC.**

**SCHEDULE II**

**Reconciliation Pursuant To Rule 17a-5(d)(4) of the  
Securities and Exchange Commission**

**December 31, 2017**

Net capital as reported in company's part II FOCUS Report	\$	183,893
Audit adjustments (net)		<u>(20,861)</u>
Net capital per computation of net capital	\$	<u>163,032</u>

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

**VAUGHAN & COMPANY SECURITIES, INC.**

**SCHEDULE III**

**Reconciliation of FOCUS Report to Audit Report**

**December 31, 2017**

<b>Assets</b>			
	Total Assets per FOCUS Report	\$	339,500
	Increase in Current Assets		2,687
	Total Assets per Audit Report	\$	<u>342,187</u>
<b>Liabilities</b>			
	Total Liabilities per FOCUS report	\$	152,592
	Increase in Accrued Expenses		18,058
	Total Liabilities per Audit Report	\$	<u>170,650</u>
<b>Equity</b>			
	Total Equity per FOCUS Report	\$	186,908
	Decrease in Retained Earnings		(15,371)
	Total Equity per Audit Report	\$	<u>171,537</u>
<b>Revenue</b>			
	Revenue per FOCUS Report	\$	1,943,580
	Total Revenue per Audit Report	\$	<u>1,943,580</u>

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



76 North Walnut Street  
Ridgewood, New Jersey 07450  
201-652-4040  
fax: 201-652-0401  
www.bdgcpa.com

## Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of  
Vaughan & Company Securities, Inc. :

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

*Becher, Della Torre, Gitto & Company*

Becher, Della Torre, Gitto & Company, PC  
(d/b/a BDG-CPAs)  
Ridgewood, New Jersey  
February 28, 2018





# VAUGHAN & CO. SECURITIES, INC.

*Financial Services To Small Business Owners, Professionals, and their Families for Generations*

68 PASSAIC STREET • RIDGEWOOD, NEW JERSEY 07450

1-201-444-1361 • FAX 1-201-670-1352

E-MAIL: MAIN@VAUGHANANDCO.COM

WEBSITE: WWW.VAUGHANANDCO.COM

Re: Vaughan & Co. Securities, Inc. / CRD# 18826

## EXEMPTION REPORT – Schedule IV

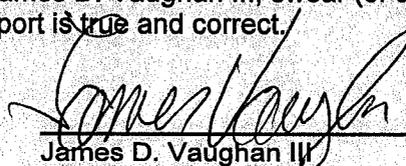
Vaughan & Co. Securities, Inc. (the "Company") is a registered broker-dealer subject to Rule 17a-5 promulgated by the Securities and Exchange Commission (17 C.F.R. §240.17a-5, "Reports to be made by certain brokers and dealers"). This Exemption Report was prepared as required by 17 C.F.R. §240.17a-5(d)(1) 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)(2)(ii): All customer transactions cleared through another broker-dealer, specifically Pershing, LLC, on a fully disclosed basis.
- (2) The Company met the identified exemption provisions in 17 C.F.R. §240.15c3-3(k)(2)(ii) throughout the most recent fiscal year without exception.

### Vaughan & Co. Securities, Inc.

I, James D. Vaughan III, swear (or affirm) that, to my best knowledge and belief, this Exemption Report is true and correct.

By: \_\_\_\_\_

  
James D. Vaughan III

Title: CEO

February 28, 2018



76 North Walnut Street  
Ridgewood, New Jersey 07450  
201-652-4040  
fax: 201-652-0401  
www.bdgcpa.com

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

To the Board of Directors and Stockholders of  
Vaughan & Company 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 Vaughan & Company Securities, Inc. and the Securities Investor Protection Corporation (SIPC) with respect to the accompanying General Assessment Reconciliation (Form SIPC-7) of Vaughan & Company Securities, Inc. for the year ended December 31, 2017, solely to assist you and SIPC in evaluating Vaughan & Company Securities, Inc.'s compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). Vaughan & Company Securities, Inc.'s management is responsible for Vaughan & Company Securities, Inc.'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 Total Revenue amount reported on the Annual Audited Report Form X-17A-5 Part III for the year ended December 31, 2017 with the Total Revenue amount 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.

*Becher, Della Torre, Gitto & Company*

Becher, Della Torre, Gitto & Company, PC  
(d/b/a BDG-CPAs)  
Ridgewood, NJ  
February 28, 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:

89-1387.....MIXED AADC 220  
36916 FINRA DEC  
VAUGHAN & COMPANY SECURITIES INC  
68 PASSAIC ST  
RIDGEWOOD, NJ 07450-4310

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)

\$ 2,900  
1,464

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

7/25/17  
Date Paid

C. Less prior overpayment applied

(\_\_\_\_\_)

D. Assessment balance due or (overpayment)

\_\_\_\_\_

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

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

TVS ~~1,464~~ 1,436

G. PAID WITH THIS FORM:  
Check enclosed, payable to SIPC  
Total (must be same as F above)

\$ 1,436

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.

Vaughan & Co. Securities  
(Name of Corporation, Partnership or other organization)

James Lough  
(Authorized Signature)

Dated the 13 day of February, 2018.

CEO  
(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

Item No.

2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)

Eliminate cents  
\$ 1,933,109

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.

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\_\_\_\_\_  
\_\_\_\_\_ 0

Total additions

2c. Deductions:

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

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(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. \$ \_\_\_\_\_

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

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

Total deductions

2d. SIPC Net Operating Revenues

2e. General Assessment @ .0015

\_\_\_\_\_ 0  
\$ 1,933,109  
\$ 2,900  
(to page 1, line 2.A.)