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

SEC FILE NUMBER
8-67510

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 01/01/18 AND ENDING 12/31/18
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: **Bowen Advisors, Inc.**

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
34 Main Street Extension, Suite LL01

OFFICIAL USE ONLY
FIRM I.D. NO.

(No. and Street)

Plymouth **MA** **02360**
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Ranjit Survanshi **617.245.1676**
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Wolf & Company, P.C.

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

99 High Street **Boston** **MA** **02110**
(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

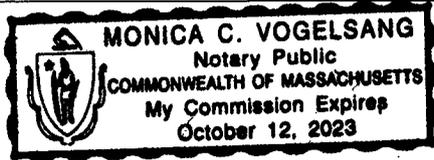
*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

yw

OATH OR AFFIRMATION

I, Paul I. Bowen, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Bowen Advisors, Inc. as of December 31, 2018, 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:

None



Paul I. Bowen

Signature

President

Title

Monica C. Vogelsang
Notary Public

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

- (a) Facing Page.
(b) Statement of Financial Condition.
(c) Statement of Income (Loss) or, if there is other comprehensive income in the period(s) presented, a Statement of Comprehensive Income (as defined in §210.1-02 of Regulation S-X).
(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).

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Report of Independent Registered Public Accounting Firm

To the Shareholder of Bowen Advisors, Inc.:

Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of Bowen Advisors, Inc. (the "Company") as of December 31, 2018, and the related statements of income, changes in shareholder's 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 Company, 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 the Company's management. Our responsibility is to express an opinion on the Company'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 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. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting, 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.

Our audit included performing procedures to assess the risk 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.

Supplementary Information

The Computation of Net Capital Pursuant to Rule 15c3-1 (“supplementary information”) has been subjected to audit procedures performed in conjunction with the audit of the Company’s financial statements. The supplemental information is the responsibility of the Company’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 supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

We have served as the Company’s auditor since 2007.

Wolf & Company, P.C.

Boston, Massachusetts
February 18, 2019

Bowen Advisors, Inc.
Statement of Financial Condition
December 31, 2018

Assets

Cash and cash equivalents	\$	671,593
Accounts receivable, net		107,509
Prepaid expenses		107,847
Property and equipment, net		<u>29,670</u>
Total assets	\$	<u>916,619</u>

Liabilities and Shareholder's Equity

Accounts payable	\$	5,631
Accrued retirement plan contribution		60,000
Accrued compensation		25,814
Deferred revenue		64,027
Other liabilities		<u>24,557</u>
Total liabilities		<u>180,029</u>
Shareholder's equity:		
Common stock, \$0.0001 par value, 10,000,000 shares authorized, 8,000,000 shares issued and outstanding		800
Additional paid-in-capital		13,492
Retained earnings		<u>722,298</u>
Total shareholder's equity		<u>736,590</u>
Total liabilities and shareholder's equity	\$	<u>916,619</u>

See accompanying notes to financial statements.

Bowen Advisors, Inc.

Statement of Income

Year Ended December 31, 2018

Revenue:	
Success fees	\$ 4,149,441
Consulting services	1,215,335
Reimbursed expenses	<u>67,982</u>
Total revenue	<u>5,432,758</u>
Expenses:	
Shareholder's compensation	1,380,775
Salaries, bonuses and commissions	2,694,885
Professional and consulting fees	275,344
Payroll taxes	166,634
Reimbursable travel and other direct expenses	72,610
Insurance	74,794
Rent and other office costs	138,711
Employee benefits	51,773
Travel and entertainment	126,104
Retirement plan contribution	125,005
Marketing	78,029
Computer-related expenses	62,599
Research subscriptions	74,299
Depreciation	14,446
Telephone	3,236
Other expenses	<u>25,338</u>
Total expenses	<u>5,364,582</u>
Other income:	
Interest and dividend income	<u>5,357</u>
Total other income	<u>5,357</u>
Net income	<u>\$ 73,533</u>

See accompanying notes to financial statements.

Bowen Advisors, Inc.

Statement of Changes in Shareholder's Equity

Year Ended December 31, 2018

	<u>Common Stock</u>	<u>Additional Paid-in Capital</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance at December 31, 2017	\$ 800	\$ 13,492	\$ 777,356	\$ 791,648
Net income	-	-	73,533	73,533
Shareholder distributions	-	-	(128,591)	(128,591)
Balance at December 31, 2018	<u>\$ 800</u>	<u>\$ 13,492</u>	<u>\$ 722,298</u>	<u>\$ 736,590</u>

See accompanying notes to financial statements.

Bowen Advisors, Inc.

Statement of Cash Flows

Year Ended December 31, 2018

Cash flows from operating activities:	
Net income	\$ 73,533
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	14,446
Provision for bad debts	(68)
Changes in operating assets and liabilities:	
Accounts receivable	(69,745)
Prepaid expenses	44,463
Accounts payable	(1,957)
Accrued compensation	7,130
Deferred revenue	(47,877)
Other liabilities	5,175
Net cash provided by operating activities	<u>25,100</u>
Cash flows from investing activities:	
Purchases of property and equipment	<u>(15,496)</u>
Net cash used by investing activities	<u>(15,496)</u>
Cash flows from financing activities:	
Shareholder distributions	<u>(128,591)</u>
Net cash used by financing activities	<u>(128,591)</u>
Net decrease in cash and cash equivalents	(118,987)
Cash and cash equivalents at beginning of year	<u>790,580</u>
Cash and cash equivalents at end of year	<u>\$ 671,593</u>

See accompanying notes to financial statements.

Bowen Advisors, Inc.

Notes to Financial Statements

Year Ended December 31, 2018

1. ORGANIZATION AND NATURE OF BUSINESS

Bowen Advisors, Inc. (the "Company") was organized on January 2, 2004 under the laws of the State of Delaware. Paul I. Bowen, III is the Company's sole owner. The Company's registration as a broker-dealer with the Securities and Exchange Commission ("SEC") and as a member of the Financial Industry Regulatory Authority ("FINRA") were approved on June 5, 2007. The Company provides consulting, private placement and other services for its clients in the United States and internationally. The Company's clients are primarily emerging or established technology companies.

Revenue associated with transactions which closed during the year and which is non-recurring in nature represents approximately 76% of total revenue for the year ended December 31, 2018. Revenue from a single customer represents approximately 13% of total revenue for the year ended December 31, 2018. Revenue from two other customers each represent 10% of total revenue for the year ended December 31, 2018.

The Company claims exemption from the requirements of Rule 15c3-3 under Section (k)(2)(i) of Rule 15c3-3.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"). Items of income and expense are accounted for on the accrual basis.

Cash and Cash Equivalents

Cash and cash equivalents include cash and highly liquid investments with an original maturity of three months or less. Cash and cash equivalents exclude amounts segregated under federal or other regulations. The Company maintains balances in financial institutions which may at times exceed federally insured limits.

Use of Estimates

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 the 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.

Bowen Advisors, Inc.

Notes to Financial Statements (Continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

In 2018, the Company adopted ASC 606 – Revenue from Contracts with Customers. The Company adopted the accounting standard using the modified retrospective approach. The Company provides advisory services on mergers and acquisitions (M&A). Revenue for advisory arrangements (success fees) is generally recognized at the point in time that performance under the arrangement is completed (the closing date of the transaction) or the contract is cancelled. Consulting services revenue is recognized over time in which the performance obligations are simultaneously provided by the Company and consumed by the customer. Significant judgements primarily include the identification of performance obligations as well as the pattern of the delivery of those services. The portion of consulting service revenue contracts that are uncompleted as of the reporting period is recognized as deferred revenue. The adoption of this standard did not have a material impact on the Company's revenue recognition and there was no cumulative adjustments as of January 1, 2018 as a result of the adoption of ASC Topic 606.

Accounts Receivable

Accounts receivable represent amounts invoiced by the Company. Management assesses the need for any allowance for doubtful accounts based on information regarding individual accounts and historical collection experience. An allowance for doubtful accounts is determined based on management's best estimate of probable losses. There is an allowance of \$13,647 for doubtful accounts at December 31, 2018.

Property and Equipment

Property and equipment, consisting primarily of computer and other office equipment and furniture, are recorded at cost. Depreciation is computed based on estimated useful lives (ranging from three to seven years) using the straight-line method.

Bowen Advisors, Inc.

Notes to Financial Statements (Continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

The Company, with the consent of its sole shareholder, has elected to be taxed in accordance with Subchapter S of the Internal Revenue Code. As a Subchapter S corporation, the Company's taxable income and any separately reportable items are reported on the shareholder's individual income tax returns. The Company is subject to state income taxes and state excise taxes in accordance with statutory requirements. If material, the Company recognizes deferred tax assets and liabilities for the expected future state tax consequences of differences between the financial statement carrying amounts and the tax bases of existing assets and liabilities. No deferred taxes are recognized at December 31, 2018.

Tax positions taken or expected to be taken in the course of preparing the Company's tax returns, including the position that the Company qualifies as a pass-through entity, are required to be evaluated to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authorities. The resulting tax impact of these tax positions are recognized in the financial statements based on the result of this evaluation. The financial statements include no provision for uncertain tax positions.

The Company records any interest and penalties as part of general and administrative expenses. No interest or penalties were recorded for the year ended December 31, 2018.

The Company is currently open to federal and state tax examinations for years beginning after December 31, 2014.

Commissions

Commissions and non-discretionary bonuses associated with success fees are earned by non-shareholder employees when the related success fee is recognized by the Company, therefore there are no contract liabilities recorded by the Company upon the signing of a contract. Commissions and bonuses associated with success fee revenue and payable to the sole shareholder are deemed discretionary and are recognized when paid.

Bowen Advisors, Inc.

Notes to Financial Statements (Continued)

3. PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of December 31, 2018:

Furniture and fixtures	\$ 44,590
Office equipment	98,517
Less accumulated depreciation	<u>(113,437)</u>
	<u>\$ 29,670</u>

4. RETIREMENT PLAN

The Company has a 401(k)/Profit-Sharing Plan (“the Plan”) which covers all full-time employees meeting the service requirements of the Plan.

Under the 401(k) component of the Plan, employees can elect to contribute up to statutory limits. Under the profit sharing component of the Plan, the Company is required to contribute a minimum amount equal to 3% of all eligible employees’ annual compensation. At the sole discretion of the equity owner of the Company, the profit sharing component may exceed the 3% Safe Harbor amount up to the maximum contributions as allowed by IRS regulations.

Employees are 100% vested in contributions made on their behalf under the 3% Safe Harbor provision. Vesting on profit sharing amounts exceeding the 3% occurs upon an eligible employee’s 2-year anniversary with the Company.

The Company has recorded contribution expense to the plan of \$125,005 for the year ended December 31, 2018.

Bowen Advisors, Inc.

Notes to Financial Statements (Concluded)

5. COMMITMENTS

The Company entered into an operating lease for office space located in Plymouth, Massachusetts in March 2017. The Plymouth operating lease is a non-cancelable operating lease which expires February 2020. The Company has the option to extend the lease for an additional three years subject to an adjustment of base rent to the then fair value, as defined. In July 2018, the Company entered into a new operating lease for office space in Boston, Massachusetts, and terminated an existing leasing arrangement with a separate party. The Boston operating lease is a non-cancelable operating lease which expires June 2019. In September 2016, the Company entered into an operating lease for office space in San Diego, California. The San Diego operating lease is on a month-to-month basis and requires monthly payments of \$1,500. Rent expense under these lease agreements totaled \$78,496 for the year ended December 31, 2018.

Future minimum non-cancelable lease payments, excluding provisions for operating costs and tax escalation charges, are as follows:

<u>Years Ending December 31,</u>	<u>Amount</u>
2019	68,312
2020	<u>2,974</u>
	<u>\$ 71,286</u>

7. REGULATORY NET CAPITAL REQUIREMENTS

As a broker-dealer, the Company is subject to the Securities and Exchange Commission's ("SEC") regulations and operating guidelines which require the Company to maintain a minimum amount of net capital, as defined, and a ratio of aggregate indebtedness to net capital, as defined, not to exceed 15:1. Net capital and the related ratio of aggregate indebtedness to net capital may fluctuate on a daily basis. At December 31, 2018, the Company had net capital of \$486,709 which is \$474,706 in excess of its required net capital of \$12,003. At December 31, 2018, the Company's ratio of aggregate indebtedness to capital was 0.37 to 1.

Bowen Advisors, Inc.

Supplementary Information:
Computation of Net Capital Pursuant to Rule 15c3-1 of the Securities and Exchange
Commission

December 31, 2018

Computation of net capital:

Total shareholder's equity from statement of financial condition	<u>\$ 736,590</u>
Less: non-allowable assets:	
Accounts receivable	107,509
Prepaid expenses	107,847
Property and equipment, net	<u>29,670</u>
Total non-allowable assets	<u>245,026</u>
Less: hair cuts on money market	<u>(4,855)</u>
Net capital	<u>\$ 486,709</u>

Computation of basic net capital requirement:

Net capital requirement of reporting broker-dealer	<u>\$ 12,003</u>
Excess net capital	<u>\$ 474,706</u>
Aggregate indebtedness	<u>\$ 180,028</u>
Percentage of aggregate indebtedness to net capital	<u>37%</u>

There were no material differences between the above computation of net capital and the Company's computation as reported in the unaudited Part II of Form-17A-5 as of December 31, 2018.

See independent auditors' report.



Report of Independent Registered Public Accounting Firm

To the Shareholder of Bowen Advisors, Inc.:

We have reviewed management's statements, included in the accompanying Exemption Report, in which (a) Bowen Advisors, Inc. (the "Company") identified the following provisions under 17 C.F.R. § 240.15c3-3(k) under which the Company claimed an exemption from 17 C.F.R. § 240.15c3-3: (2)(i) (the "exemption provisions") and (b) the Company stated that it 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, includes inquiries and other review 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)(i) of Rule 15c3-3 under the Securities Exchange Act of 1934.

Wolf & Company, P.C.

Boston, Massachusetts

February 18, 2019



EXEMPTION REPORT

Bowen Advisors, 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)(i).
- (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.

Bowen Advisors, Inc.

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

By:

A handwritten signature in black ink, appearing to read "Paul Bowen".

Title: President

February 10, 2019



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

To the Shareholder of Bowen Advisors, Inc.:

We have performed the procedures included in Rule 17a-5(e)(4) under the Securities Exchange Act of 1934 and in the Securities Investor Protection Corporation (SIPC) Series 600 Rules, which are enumerated below, and were agreed to by Bowen Advisors, Inc. (the "Company") and the SIPC, solely to assist you and the SIPC in evaluating the Company's compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7) for the year ended December 31, 2018. Management of the Company is responsible for its Form SIPC-7 and for its compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and in accordance with attestation standards established by the American Institute of Certified Public Accountants. 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 amounts reported on the Annual Audited Report Form X-17A-5 Part III for the year ended December 31, 2018, with the Total Revenue amounts reported in Form SIPC-7 for the year ended December 31, 2018 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 or a review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Company's compliance with the applicable instructions of the Form SIPC-7 for the year ended December 31, 2018. Accordingly, we do not express such an opinion or conclusion. 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 Company and the SIPC and is not intended to be and should not be used by anyone other than these specified parties.

Wolf & Company, P.C.

Boston, Massachusetts
February 18, 2019

DETERMINATION OF "SIPC NET OPERATING REVENUES" AND GENERAL ASSESSMENT

Amounts for the fiscal period
beginning 1/1/18
and ending 12/31/18

Item No.

Eliminate cents

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

\$ 5,430,115

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

0

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).

Dollar for dollar reimbursement for client travel

67,982

(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 3950). \$ _____

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

Total deductions

67,982

2d. SIPC Net Operating Revenues

\$ 5,370,133

2e. General Assessment @ .0015

\$ 9,055

(to page 1, line 2.A.)