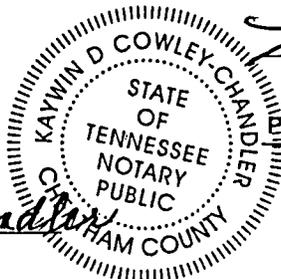


OATH OR AFFIRMATION

I, Thomas P. Allison, swear (or affirm) that, to the best of my knowledge and belief, the accompanying financial statement and supporting schedules pertaining to the firm of Western Equity Group, 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:



[Signature]

Signature
President

Title

Kaywin D. Cowley-Chandler

Notary Public

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).

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THE BAKER GROUP, CPAs, P.C.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders
of Western Equity Group, Inc.

Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of Western Equity Group, Inc. as of December 31, 2018, the related statements of income, changes in shareholders' equity, and cash flows for the year then ended, and the related notes and Schedules I, II, and III (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of Western Equity Group, Inc. as of December 31, 2018 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 Western Equity Group, Inc.'s management. Our responsibility is to express an opinion on Western Equity Group, 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 Western Equity Group, 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 Schedules I, II, and III have been subjected to audit procedures performed in conjunction with the audit of Western Equity Group, Inc.'s financial statements. The supplemental information is the responsibility of Western Equity Group, 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 Schedules I, II, and III are fairly stated, in all material respects, in relation to the financial statements as a whole.

We have served as Western Equity Group, Inc.'s auditor since 2014.

The Baker Group, CPAs, P.C.

Nashville Tennessee
February 27, 2019

WESTERN EQUITY GROUP, INC.
STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2018

ASSETS

Cash	\$157,791
Deposits with clearing organizations	50,000
Receivable from brokers and dealers	91,786
Furniture, fixtures and equipment, at cost (net of accumulated depreciation of \$13,643)	<u>25,561</u>
	<u>\$325,138</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Accounts payable	70,686
Stockholders' equity	<u>254,452</u>
	<u>\$325,138</u>

The accompanying notes are an integral part of these statements.

WESTERN EQUITY GROUP, INC.

STATEMENT OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 2018

Revenues

Commissions and fees	\$ 914,792
Revenue from sale of investment co shares	640,097
Fees for investment Advisory Services	135,018
Other income from the securities business	<u>245</u>

Total Income 1,690,152

Expenses

Commission expense	1,204,021
Regulatory fees	47,760
Advertising expenses	4,164
Auto expenses	5,796
Continuing education	1,170
Service charges	263
Depreciation	3,932
Dues and subscriptions	2,035
Donations	4,271
Insurance	29,152
Licenses and permits	2,010
Telephone	11,548
Payroll expenses	65,964
Recruiting	4,927
Repairs	5,842
Office expenses	24,306
Occupancy	0
Postage	564
Taxes payroll	5,200
Taxes other	5,833
Travel	9,430
Retirement contribution	55,000
Professional fees	15,341
Utilities	<u>3,080</u>

Total expenses 1,511,609

Net income (Loss) for the year \$ 178,543

The accompanying notes are an integral part of these statements.

WESTERN EQUITY GROUP, INC.
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2018

	1,000 Shares of Common <u>Stock</u>	Added Paid in <u>Capital</u>	(Deficit) Retained <u>Earnings</u>	<u>Total</u>
Balances, December 31, 2017	\$10,000	\$115,000	\$ 52,193	\$ 177,193
Distributions			(101,284)	(101,284)
Net Income (Loss) for the year	_____	_____	<u>178,543</u>	<u>178,543</u>
Balances, December 31, 2018	<u>\$10,000</u>	<u>\$115,000</u>	<u>\$ 129,452</u>	<u>\$ 254,452</u>

The accompanying notes are an integral part of these statements.

WESTERN EQUITY GROUP, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018

Cash Flows from Operating Activities	
Net income (loss)	\$178,543
Adjustments to reconcile net income to net cash provided by operations	
Depreciation and amortization	3,932
(Increase) Decrease in:	
Receivable from brokers and dealers	(13,485)
Increase (Decrease) in:	
Accounts Payable	<u>10,896</u>
Net cash provided by operating activities	<u>179,886</u>
Cash Flows from Investing Activities	
Purchase of equipment	<u>(29,493)</u>
Net cash used by investing activities	<u>(29,493)</u>
Cash Flows from Financing Activities	
Distributions to Stockholders'	<u>(101,284)</u>
Net cash used by financing activities	<u>(101,284)</u>
Net increase (decrease) in cash	49,109
Cash at beginning of period	<u>108,682</u>
Cash at end of period	<u>\$ 157,791</u>
Supplemental Disclosures	
Interest Expense Paid	\$ <u> -</u>
Taxes paid	<u>\$ 5,833</u>

The accompanying notes are an integral part of these statements.

WESTERN EQUITY GROUP, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Operations

Western Equity Group, Inc. (the Company) is a broker-dealer registered with the SEC and the Financial Industry Regulatory Authority (FINRA). The Company is a California Corporation formed on January 22, 2004, with offices located in Tennessee.

Reporting Period

The Company's year ends on December 31st.

Property and Depreciation

Office equipment and leasehold improvements are carried at cost and are depreciated using accelerated and straight-line methods over their estimated useful lives.

Retirement Plan

The Company contributes to a SEP IRA Retirement Plan for its employees under the Internal Revenue Code. Company contributions to the SEP IRA were \$55,000 for the current period.

Income Taxes

Federal income taxes are not payable by the S Corporation, or provided for in this financial statement. The S Corporation shareholders are taxed individually on their share of the S Corporation's earnings. State income taxes have not been accrued for 2018. The Company paid \$3,785 in state taxes for 2017. State taxes mainly consist of franchise taxes.

Uncertain Tax Positions

Management has determined that the Company does not have any uncertain tax positions and associated unrecognized benefits or liabilities that materially impact the financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Company's tax returns will not be challenged by the taxing authorities and that the Company or its members will not be subject to additional tax, penalties, and interest as a result of such a challenge. Generally, the Company's tax returns remain open for three years for federal income tax examination.

Cash Flows

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

WESTERN EQUITY GROUP, INC.

NOTES TO FINANCIAL STATEMENTS - continued

DECEMBER 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: - continued

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could differ from those estimates.

Revenue from contracts with customers

Commissions

Brokerage Commissions. The Company buys and sells securities on behalf of its customers. Each time a customer enters into a buy or sell transaction, the Company charges a commission. Commissions and related clearing expenses are recorded on the trade date (the date that the Company fills the trade order by finding and contracting with counterparty and confirms the trade with the customer). The Company believes that the performance obligation is satisfied on the trade date because that is when the underlying financial instrument or purchaser is identified, the pricing is agreed upon and the risks and rewards of ownership have been transferred to/from the customer.

Asset Management

Investment advisory fees. The Company provides investment advisory services on a daily basis. The Company believes the performance obligation for providing advisory services is satisfied over time because the customer is receiving and consuming the benefits as they are provided by the Company. Fee arrangements are based on a percentage applied to the customer's assets under management. Fees are received quarterly and are recognized as revenue at the time as they relate specifically to the services provided in that period, which are distinct from the services provided in other periods.

Revenue from contract with customers by major source

Commissions	
Brokerage commissions	\$1,554,889
Asset management fees	
Investment advisory fees	<u>135,018</u>
Total revenue from contracts with customers	<u>\$1,689,907</u>

WESTERN EQUITY GROUP, INC.

NOTES TO FINANCIAL STATEMENTS - continued

DECEMBER 31, 2018

NOTE 2 - FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK

In the normal course of business the Company purchases and sells securities as both principal and/or agent. If another party to the transaction fails to perform as agreed (for example failure to deliver a security or failure to pay for a security) the Company may incur a loss if the market value of the security is different from the contract amount of the transaction. The risk of default depends on the creditworthiness of the counterparty or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counterparty

NOTE 3 - NET CAPITAL REQUIREMENTS

As a registered broker-dealer, the Company is subject to the requirements of Rule 15c-3-1 under the Securities Exchange Act of 1934. At December 31, 2018, the Company's net capital of \$227,941 was \$222,941 in excess of the minimum requirement of \$5,000.

NOTE 4 - EQUIPMENT, FURNITURE AND FIXTURES

Equipment, furniture and fixtures consist of the following:

Computer and equipment	\$9,711
Vehicle	<u>29,493</u>
	39,204
Less: Accumulated depreciation	(13,643)
Net Assets	<u>25,561</u>
Depreciation and Amortization Expense	<u>\$3,932</u>

NOTE 5 - RELATED PARTY TRANSACTIONS

During the year the Company's offices were located in the Stockholders' home. No rental expense was recorded in these financial statements for the use of the office space, but the company paid a portion of the utilities for the Stockholder's home. The total paid in 2018 was \$3,080.

WESTERN EQUITY GROUP, INC.

NOTES TO FINANCIAL STATEMENTS - continued

DECEMBER 31, 2018

NOTE 6 – CONCENTRATIONS OF CREDIT RISK

The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. Management believes the Company is not exposed to any significant credit risk related to cash

NOTE 7 - ADVERTISING

Advertising costs are expensed as incurred. Advertising expense was \$4,164 for the period ended December 31, 2018.

NOTE 8 – CONTINGENT LIABILITIES

At February 27, 2019, there were no asserted litigation, claims, or assessments against the Company. In the opinion of management, any ultimate liabilities, if any, resulting from any unasserted claims would not materially affect the financial position of the Company.

NOTE 9 – DATE OF MANAGEMENT’S REVIEW

Management has evaluated subsequent events through February 27, 2019 the date on which the financial statements were available to be issued.

WESTERN EQUITY GROUP, INC.

SCHEDULE I

COMPUTATION OF NET CAPITAL
UNDER RULE 15c3-1 OF THE SEC

DECEMBER 31, 2018

Total members' equity from Statement of Financial Condition		\$ 254,452
Total members' equity qualified for net capital		254,452
Deductions and/or charges		
A. Non-allowable assets		
Furniture, equipment & fixtures		
Total non-allowable assets		25,561
D. Other deductions and/or charges		<u> -</u>
Total deductions and/or charges		<u>25,561</u>
Net capital before haircuts		228,891
Haircuts on securities		
Other Securities	<u> 950</u>	
Total haircuts on securities		<u> 950</u>
NET CAPITAL		<u>\$ 227,941</u>

WESTERN EQUITY GROUP, INC.

SCHEDULE II

Reconciliation of Broker's Computation of Net Capital
To Auditor's Computation of Net Capital
Under Rule 15c3-1

	<u>Broker's Computation</u>	<u>Difference</u>	<u>Auditor's Computation</u>
1. Total ownership equity	\$ 254,452	\$ (0)	\$ 254,452
3. Total	254,452	(0)	254,452
5. Total capital	254,452	<u>(0)</u>	254,452
6. A. Non-allowable assets	25,561	(0)	25,561
D. Other deductions and/or charges	<u> -</u>	<u>(0)</u>	<u> -</u>
Total deductions	<u>25,561</u>	<u>(0)</u>	<u>25,561</u>
8. Net capital before haircuts	228,891	(0)	228,891
9. Haircuts on securities:			
Total haircuts	<u> 950</u>	<u>(0)</u>	<u> 950</u>
10. Net capital	<u>\$ 227,941</u>	<u>\$ (0)</u>	<u>\$ 227,941</u>

WESTERN EQUITY GROUP, INC.

SCHEDULE III

COMPUTATION OF BASIC NET CAPITAL REQUIREMENTS

AS OF DECEMBER 31, 2018

Minimum net capital required	\$ <u>4,712</u>
Minimum dollar net capital requirement of reporting broker	\$ <u>5,000</u>
Net capital requirements	\$ <u>5,000</u>
Excess net capital	<u>\$222,941</u>

COMPUTATION OF AGGREGATE INDEBTEDNESS
AND
RATIO TO NET CAPITAL

Aggregate Indebtedness	\$ <u>70,686</u>
------------------------	------------------

Percentage of aggregate indebtedness to net capital

Aggregate indebtedness	\$ <u>70,686</u>	
Net capital	\$ 227,941	31.01%

STATEMENT OF CHANGES IN LIABILITIES
SUBORDINATED TO CLAIMS OF CREDITORS
FOR THE YEAR ENDED DECEMBER 31, 2018

Beginning Balance	\$0.00
Additions	0.00
Deductions	<u>0.00</u>
Ending Balance	<u>\$0.00</u>



THE BAKER GROUP, CPAs, P.C.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders
of Western Equity Group, Inc.

We have reviewed management's statements, included in the accompanying Exemption Report, in which (1) Western Equity Group, Inc. identified the following provisions of 17 C.F.R. §15c3-3(k) under which Western Equity Group, Inc. claimed an exemption from 17 C.F.R. §240.15c3-3:(k)(2)(ii) (the "exemption provisions") and (2) Western Equity Group, Inc. stated that Western Equity Group, Inc. met the identified exemption provisions throughout the most recent fiscal year without exception. Western Equity Group, Inc.'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 Western Equity Group, Inc.'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.

The Baker Group, CPAs, P.C.

Nashville, Tennessee
February 27, 2019

WESTERN EQUITY GROUP, INC.
EXEMPTION REPORT

Western Equity Group, 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:

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).

The Company met the identified exemption provisions in 17 C.F.R. §240.15c3-3(k)(2)(ii) throughout the most recent year without exception.

Western Equity Group, Inc.

I, Thomas Altfillisch swear (or affirm) that, to the best of my knowledge and belief, this Exemption Report is true and correct.

By: 

President

February 27, 2019



THE BAKER GROUP, CPAs, P.C.

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

To the Members of
Western Equity Group, 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 Western Equity Group, Inc. and the SIPC, solely to assist you and SPIC in evaluation Western Equity Group, Inc. compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7) for the year ended December 31, 2018. Western Equity Group, Inc.'s management is responsible for its Form SIPC-7 and for its compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with standards established by 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 amount reported on the Annual Audited Report Form X-17A-5 Part III for the year ended December 31, 2018, with the Total Revenue amount 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 review, the objective of which would be the expression of an opinion or conclusion, respectively, on Western Equity Group Inc.'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 Western Equity Group, Inc.'s and the SIPC and is not intended to be and should not be used by anyone other than these specified parties.

The Baker Group, CPA's, P.C.

Nashville, Tennessee

February 27, 2019

SIPC-7

(36-REV 12/18)

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

General Assessment Reconciliation

SIPC-7

(36-REV 12/18)

For the fiscal year ended 12/31/2018
(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:

10*10*1918-----MIXED AADC 220
66403 FINRA DEC
WESTERN EQUITY GROUP INC
2459 PLEASANT VIEW RD
PLEASANT VIEW, TN 37146-8038

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.

Thomas C. Attilisch
(615) 246-8810

2. A. General Assessment (item 2e from page 2)	\$ <u>521</u>
B. Less payment made with SIPC-6 filed (exclude Interest)	(<u>265</u>)
<u>8/3/2018 CK#8813</u> Date Paid	
C. Less prior overpayment applied	(<u>—</u>)
D. Assessment balance due or (overpayment)	<u>256</u>
E. Interest computed on late payment (see instruction E) for _____ days at 20% per annum	<u>—</u>
F. Total assessment balance and interest due (or overpayment carried forward)	\$ <u>256</u>
G. PAYMENT: <input checked="" type="checkbox"/> the box Check mailed to P.O. Box <input checked="" type="checkbox"/> Funds Wired <input type="checkbox"/> ACH <input type="checkbox"/> Total (must be same as F above)	\$ <u>256</u>
H. Overpayment carried forward	\$(<u> </u>)

3. Subsidiaries (S) and predecessors (P) included in this form (give name and 1934 Act registration number):

N/A

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.

Western Equity Group, Inc.
(Name of Corporation, Partnership or Other organization)
Thomas C. Attilisch
(Authorized Signature)
President
(Title)

Dated the 28th day of Jan, 2019.

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 5 years, the latest 2 years in an easily accessible place.

SIPC REVIEWER
Dates: Postmarked Received Reviewed
Calculations Documentation Forward Copy
Exceptions:
Disposition of exceptions:

