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<b>OMB APPROVAL</b>
OMB Number: 3235-0123 Expires: August 31, 2020 Estimated average burden Hours per response...12.00

SEC  
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Section

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

<b>SEC FILE NUMBER</b>
<b>8-24792</b>

JUN 14 2019

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Washington Securities Exchange Act of 1934 and Rule 17a-5 Thereunder  
413

REPORT FOR THE PERIOD BEGINNING April 1, 2018 AND ENDING March 31, 2019  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER:

**KW SECUREITIES CORPORATION**  
**100 LARKSPUR LANDING CIRCLE, STE 200**

OFFICIAL USE ONLY
_____
FIRM ID NO.

<b>LARKSPUR</b>	(No. and Street) <b>CA</b>	<b>94939</b>
(City)	(State)	(Zip Code)

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

**LAWRENCE A. KRAUSE** **415-925-4310**  
(Area Code - Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

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

**Cropper Accountancy Corporation**

<b>2700 Ygnatio Valley Rd, Ste 270</b>	(Name - if individual, state, last, first, middle name) <b>Walnut Creek</b>	<b>CA</b>	<b>94598</b>
(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).

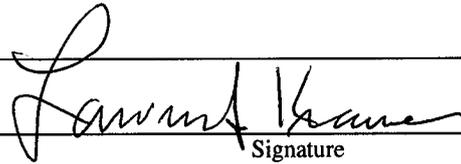
SEC 1410 (06-02) Potential persons who are to respond to the collection of information contained in this form are not required to respond unless this form displays a currently valid OMB control number.

RMS

# OATH OR AFFIRMATION

I, Lawrence A. Krause, swear (or affirm) that, to the best of my knowledge and belief, the accompanying financial statements and supporting schedules pertain to the firm of KW Securities Corporation, as of March 31, 2019, and 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:

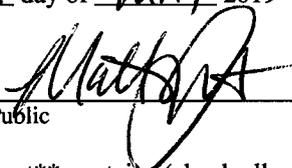
NONE

  
Signature

PRESIDENT

Title

Subscribed and sworn to before me  
this 16 day of MAY 2019

  
Notary Public

**See Attached Notary  
Certificate**

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

- (a) Facing page.
- (b) Statement of Financial Condition.
- (c) Statement of Operations.
- (d) Statement of Cash Flows.
- (e) Statement of Changes in Stockholders' Equity or Partners' Equity or Members' Equity or Sole Proprietor's Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital for brokers and dealers pursuant to Rule 15c3-1.
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or control Requirements for broker and dealers 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.
- (o) Independent auditor's report on internal control.
- (p) Schedule of segregation requirements and funds in segregation-customers' regulated commodity futures account pursuant to Rule 171-5.

\*\* For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

# CALIFORNIA JURAT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA }

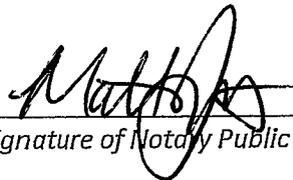
COUNTY OF MARIN }

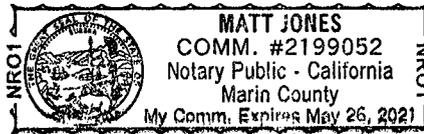
Subscribed and sworn to (or affirmed) before me on this 16 day of MAY, 2019  
Date Month Year

by Lawrence A. Krause

Name of Signers

proved to me on the basis of satisfactory evidence to be the person(s)  who appeared before me.

Signature:   
Signature of Notary Public



Seal  
Place Notary Seal Above

## OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent attachment of this form to an unintended document.

### Description of Attached Document

Title or Type of Document: Annual Audited Report

Document Date: 5/16/2019

Number of Pages: \_\_\_\_\_

Signer(s) Other Than Named Above: \_\_\_\_\_

**KW SECURITIES CORPORATION**

**FINANCIAL STATEMENTS**  
**TOGETHER WITH SUPPORTING**  
**SCHEDULES AND AUDITORS' REPORT**

**MARCH 31, 2019**

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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders  
of KW Securities, Inc.

### Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of KW Securities Corporation (the "Company") as of March 31, 2019, and the related statements of income, changes in stockholder's equity, and cash flows for the year then ended, and the related notes and schedules (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 as of March 31, 2019, 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 (GAAP).

### 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 risks of material misstatement of the financial statements, whether due to fraud or error, 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 financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

### Other Information

The supplemental information contained in Schedule I – Supplementary Schedules Pursuant to SEA Rule 17a-5 of the Securities and Exchange Act of 1934 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 supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

*Cropper Accountancy Corporation*  
CROPPER ACCOUNTANCY CORPORATION

Cropper Accountancy Corporation has served as the Company's auditor since 2018  
Walnut Creek, California  
May 29, 2019

KW Securities Corporation  
Statement of Financial Condition  
March 31, 2019

Assets

Cash	\$ 21,578
Deposit with clearing-broker	50,000
Prepaid expenses	7,435
Commissions receivable	<u>23,820</u>
 Total assets	 <u>\$ 102,833</u>

Liabilities and Stockholder's Equity

Liabilities:

Accounts payable and accrued expenses	10,269
Payable to parent	<u>12,485</u>
 Total liabilities	 <u>22,754</u>

Stockholder's equity:

Common stock, \$1 par value:	
Authorized: 500,000 shares;	
Issued and outstanding: 4,500 shares	4,500
Retained earnings	<u>75,579</u>
 Total stockholder's equity	 <u>80,079</u>
 Total liabilities and stockholder's equity	 <u>\$ 102,833</u>

See Accompanying Notes to Financial Statements

KW Securities Corporation  
Statement of Income  
Year Ended March 31, 2019

Revenues:

Commissions	\$ 304,687
Interest and dividends	17,289
Other	<u>3,599</u>
 Total revenues	 <u>325,575</u>

Expenses:

Professional fees	53,684
Clearing and brokerage	19,208
Payroll and Commissions	187,841
Rent	6,480
Licenses, fees and other	<u>15,345</u>
 Total expenses	 <u>282,558</u>
 Income before provision for income taxes	 <u>43,017</u>
 Provision for income taxes	 <u>12,485</u>
 Net income	 <u><u>\$ 30,532</u></u>

See Accompanying Notes to Financial Statements

KW Securities Corporation  
Statement of Changes in Stockholder's Equity  
Year Ended March 31, 2019

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	Capital Stock		Retained Earnings	Total Stockholder's Equity
	Common Stock			
	Shares	Amount		
Balances, March 31, 2018	4,500	\$ 4,500	\$ 71,012	\$ 75,512
Distributions	-	-	(25,965)	\$ (25,965)
Net income	-	-	30,532	30,532
Balances, March 31, 2019	4,500	\$ 4,500	\$ 75,579	\$ 80,079

See Accompanying Notes to Financial Statements

KW Securities Corporation  
Statement of Cash Flows  
Year Ended March 31, 2019

Cash flows from operating activities:

Net income	\$ 30,532
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Adjustments to reconcile net income to net cash  
provided by operating activities:

Increase in commissions receivable	(6,201)
Increase in prepaid expenses	(7,435)
Increase in accounts payable and accrued expenses	<u>11,390</u>
Total adjustments	<u>(2,246)</u>

Net cash provided by operating activities	28,286
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Cash flows from financing activities:

Distribution to parent	<u>(25,965)</u>
Net cash used in financing activities	<u>(25,965)</u>

Net increase in cash	2,321
Cash, beginning of year	<u>19,257</u>

Cash, end of year	<u>\$ 21,578</u>
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See Accompanying Notes to Financial Statements

KW Securities Corporation  
Notes to the Financial Statements  
March 31, 2019

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1. Summary of Business and Significant Accounting Policies

Business

KW Securities Corporation (the "Company") is a California corporation formed in 1980. The Company is registered with the Securities and Exchange Commission ("SEC") as a securities broker-dealer and is a member of the Financial Industry Regulatory Authority, Inc. ("FINRA"). It transacts trades in equity securities through other brokers on a "fully disclosed" basis and receives commissions therefrom.

In addition, commissions are earned on sales of limited partnership interests, mutual funds and other interests. Certain operating expenses are partially reimbursed by commissioned representatives, such as regulatory fees, insurance and telephone and communication expense. RBC Dain Correspondent Services (the "Clearing Broker") provides clearing services to the Company.

Method of Accounting

The Company has prepared these financial statements in conformity with accounting principles generally accepted in the United States, and uses the cash method of accounting for income tax purposes.

Cash

The Company maintains its cash in bank deposit accounts which did not exceed the federally insured limit of \$250,000 at March 31, 2019. The Company has not experienced any losses in such accounts.

Commissions Receivable

The Company clears securities transactions through the Clearing Broker who collects commissions earned and remits to the Company its share of commissions collected. Commission receivable represent amounts due from the Clearing Broker.

Revenue Recognition

Commission revenue and related expenses arising from securities transactions are recorded on a trade-date basis as reported by the Clearing Broker or the mutual fund or the variable annuity sponsor. Commission revenues primarily include commissions from customer securities transactions executed and cleared through the Clearing Broker and commissions and fees earned from registered investment companies and life insurance companies for sales of mutual fund shares and variable annuities.

A new accounting pronouncement, ASC 606, was adopted during the year. The pronouncement had no impact on operations during the year.

KW Securities Corporation  
Notes to the Financial Statements  
March 31, 2019

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1. Summary of Significant Accounting Policies (continued)

Income Taxes

The Company is a wholly-owned subsidiary of KW Financial Services, Inc. and is included in the consolidated income tax returns filed by its parent company. A portion of the consolidated income tax liability is allocated to the Company, as if the Company had filed separate income tax returns. If the Company filed its own income tax returns, separate from the parent company, it would incur a liability of \$12,485 for federal and state taxes. See Note 4-Related Party Transactions for additional information.

The Company believes that it does not have unrecognized tax benefits in accordance with FASB ASC 740, "Income Taxes". Under that guidance, the Company assesses the likelihood, based on their technical merit, that tax positions will be sustained upon examination based on the facts, circumstances and information available at the end of each year. The measurement of unrecognized tax benefits is adjusted when new information is available, or when an event occurs that requires a change. With few exceptions, the Company is no longer subject to examination by tax authorities for years before 2013.

Use of Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Subsequent Event

The Company has evaluated events subsequent to the Statement of Financial Condition date for items requiring recording or disclosure in the financial statements. The evaluation was performed through the date of the Report of Independent Registered Public Accounting Firm. Based upon this review, the Company has determined that there were no events which took place that would have a material impact on its financial statements.

2. Indemnifications

The Company enters into contracts that contain a variety of indemnifications for which the maximum exposure is unknown. The Company has no current claims or losses pursuant such contracts.

KW Securities Corporation  
Notes to the Financial Statements  
March 31, 2019

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3. Net Capital Requirements

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. At March 31, 2019, the Company had net capital of \$50,361 which was \$25,361 in excess of its required net capital of \$25,000. The Company's aggregate indebtedness to net capital ratio was 45.18 to 1.

4. Related Party Transactions

The Company is a wholly-owned subsidiary of KW Financial Services, Inc. (the "Parent") and has entered into an expense-sharing agreement with the Parent whereby the Company reimburses the Parent for a pro-rata share of overhead expenses allocable to its operations. During the year ended March 31, 2019, the Company distributed to the parent a net of \$25,965. The company paid \$62,697 to the parent and incurred \$36,732 in shared expenses.

The Company owes the parent \$12,485 at March 31, 2019, for its share of the consolidated tax liability. See Note 1 for additional details.

5. Deposit with Clearing-Broker

Under the Company's clearing agreement, a good faith deposit of \$50,000 is required to be held at the Clearing Broker. As of March 31, 2019, the Company had \$50,000 on deposit with the Clearing Broker.

6. SIPC Reconciliation

SEA Rule 17a-5(e)(4) requires a registered broker-dealer to file a supplemental report which includes procedures related to the broker-dealers SIPC annual general assessment reconciliation or exclusion-from-membership forms. In circumstances where the broker-dealer reports \$500,000 or less in gross revenues, they are not required to file the supplemental SIPC report. The Company is exempt from filing the supplemental report under SEA Rule 17a-5(e)(4) because it is reporting less than \$500,000 in gross revenues.

**SUPPLEMENTARY INFORMATION**

SCHEDULE I

KW Securities Corporation  
 Supplementary Schedules Pursuant to SEA Rule 17a-5  
 Of the Securities and Exchange Act of 1934  
 As of and for the Year-Ended March 31, 2019

**Computation of Net Capital**

Stockholder's Equity	\$ 80,079
Non-allowable:	
Prepaid expenses	( 7,435)
Commissions Receivable	( 22,283)
 Net Allowable Capital	 \$ 50,361

**Computation of Net Capital Requirement**

Minimum Net Capital Required as a Percentage of Aggregate Indebtedness	\$ 1,518
Minimum Dollar Net Capital Requirement of Reporting Broker-Dealer	25,000
Net Capital Requirement	25,000
Excess Net Capital	25,361

**Computation of Aggregate Indebtedness**

Total Aggregate Indebtedness	22,754
Percentage of Aggregate Indebtedness to Net Capital	45.18 %

**Computation of Reconciliation of Net Capital**

Net Capital Computed on FOCUS IIA as of March 31, 2019	\$ 73,115
Adjustments:	
Liabilities	(22,754)
 Net Capital per financial statements	 \$ 50,361





2700 Ygnacio Valley Road, Ste 270  
Walnut Creek, CA 94598  
(925) 932-3860 tel  
(925) 476-9930 efax  
[www.cropperaccountancy.com](http://www.cropperaccountancy.com)

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders  
of KW Securities Corporation

We have reviewed management's statements, included in the accompanying exemption report, in which (1) KW Securities Corporation identified the following provisions of 17 C.F.R. §15c3-3(k) under which KW Securities Corporation claimed an exemption from 17 C.F.R. §240.15c3-3: (k)(2)(i) and (k)(2)(ii) (exemption provisions) and (2) KW Securities Corporation stated that KW Securities Corporation met the identified exemption provisions throughout the period of April 1, 2018 through March 31, 2019, without exception. KW Securities Corporation'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 KW Securities Corporation'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) and (k)(2)(ii) of Rule 15c3-3 under the Securities Exchange Act of 1934.

*Cropper Accountancy Corporation*  
CROPPER ACCOUNTANCY CORPORATION  
Walnut Creek, California  
May 29, 2019

# KW Securities Corporation

100 Larkspur Landing Circle, Suite 200  
Larkspur, CA 94939

Phone (415) 925-4310 Fax (415) 925-4315

Lkrause@kwsecurities.com

Glake@kwsecurities.com

May 23, 2019

Cropper Accountancy, Inc.

RE: Exemption Statement Rule 15c3-3 (k) (2) (i) and Exemption Statement Rule 15c-3-3 (k) (2) (ii) for FYE March 31, 2018

Please be advised that KW Securities Corporation has complied with Exemption Rule 15c3-3 (k) (2) (i) as noted in the FINRA membership agreement and Exemption Rule 15c-3(k) (2) (ii), for the period of April 1, 2018 through March 31, 2019. KW Securities Corporation did not hold customer securities or funds at any time during this period and does business on a limited basis. KW Securities Corporation's past business has been of similar nature and has complied to this exemption since its inception, 1980.

Lawrence A. Krause, the president of KW Securities Corporation, has made available to Cropper Accountancy, Inc. all records and information including all communication from regulatory agencies received through the date of this review May 23, 2019.

Lawrence A. Krause has been responsible for compliance with the exemption provision throughout the fiscal year. Also, there were not any known events or other factors that might have affected KW Securities Corporation's compliance with this exemption.

If you would like additional information or have any questions, feel free to call me directly at (415) 925-4310.

Very truly yours,



Lawrence A. Krause, CFP®, President  
KW Securities Corporation

-11-

Member of FINRA/SIPC



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Walnut Creek, CA 94598  
(925) 932-3860 tel  
(925) 476-9930 efax  
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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON  
APPLYING AGREED-UPON PROCEDURES

To the Stockholders  
of KW Securities Corporation

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 KW Securities Corporation and the Securities Investor Protection Corporation (SIPC) with respect to the accompanying General Assessment Reconciliation (Form SIPC-7) of KW Securities Corporation for the year ended March 31, 2019, solely to assist you and SIPC in evaluating KW Securities Corporation's compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). KW Securities Corporation's management is responsible for KW Securities Corporation'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 March 31, 2019 with the Total Revenue amount reported in Form SIPC-7 for the year ended March 31, 2019, 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.

*Cropper Accountancy Corporation*  
CROPPER ACCOUNTANCY CORPORATION  
Walnut Creek, California  
May 29, 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 9-30-19  
(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:

24792 FINRA MAR  
KW SECURITIES CORPORATION  
100 LARKSPUR LANDING CIR STE 200  
LARKSPUR CA 94939-1741

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.  
John Burden (925) 447-7660

- 2. A. General Assessment (item 2e from page 2) \$ 14.88
- B. Less payment made with SIPC-6 filed (exclude interest) (196.13)  
10-29-18  
Date Paid
- C. Less prior overpayment applied (        )
- D. Assessment balance due or (overpayment) < 181.25 >
- 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) \$ < 181.25 >
- G. PAYMENT:  the box  
Check mailed to P.O. Box  Funds Wired  ACH   
Total (must be same as F above) \$ 0
- H. Overpayment carried forward \$( 181.25 )

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.

KW Securities Corp  
(Name of Corporation, Partnership or other organization)  
[Signature]  
(Authorized Signature)  
Financial Principal  
(Title)

Dated the 18 day of April, 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 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 4-1-18  
and ending 3-31-19

Eliminate cents

**Item No.**

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

\$ 309,532

**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):

Reimbursed expenses 3599  
(Deductions in excess of \$100,000 require documentation)

\_\_\_\_\_ 270,804  
\_\_\_\_\_  
\_\_\_\_\_ 19,208  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ 3599

- (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

\_\_\_\_\_ 293,611  
\_\_\_\_\_ 9921  
\_\_\_\_\_ 14,88

2d. SIPC Net Operating Revenues

\$ \_\_\_\_\_

2e. General Assessment @ .0015

\$ \_\_\_\_\_

(to page 1, line 2.A.)