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

SEC FILE NUMBER
8-50270

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 05/01/18 AND ENDING 04/30/19  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: **FERGHANA SECURITIES, INC.**

OFFICIAL USE ONLY
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
**420 LEXINGTON AVENUE SUITE 2740**

(No. and Street)  
**NEW YORK NY 10170**  
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
**WILLIAM J. KRIDEL JR** **212-986-7900**  
(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

**ALVAREZ & ASSOCIATES, INC.**

(Name - if individual, state last, first, middle name)  
**9221 CORBIN AVENUE NORTHRIDGE CA 91324**  
(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 (11-05)

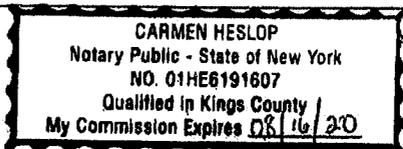
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*RMS*

OATH OR AFFIRMATION

I, WILLIAM J. KRIDEL JR, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of FERGHANA SECURITIES, INC., as of APRIL 30, 2019, 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:

NO EXCEPTIONS NOTED



William J. Kridel Jr. Signature

PRESIDENT

Title

Carmen Heslop 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).



**ALVAREZ & ASSOCIATES, INC**  
**CERTIFIED PUBLIC ACCOUNTANTS**

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Directors and Equity Owners of Ferghana Securities, Inc.:

**Opinion on the Financial Statements**

We have audited the accompanying statement of financial condition of Ferghana Securities, Inc., (the "Company") as of April 30, 2019, the related statements of operations, changes in stockholder'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 as of April 30, 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.

**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. 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 information contained in Schedules I and II ("Supplemental 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, Schedules I and II are fairly stated, in all material respects, in relation to the financial statements taken as a whole.

*Alvarez & Associates, Inc.*

Alvarez & Associates, Inc.

We have served as the Company's auditor since 2019.  
Northridge, California  
June 27, 2019

☎ 818-451-4661

9221 Corbin Avenue Suite 165  
Northridge, California 91324  
www.AAICPAs.com





**ALVAREZ & ASSOCIATES, INC**  
**CERTIFIED PUBLIC ACCOUNTANTS**

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Directors and Equity Owners of Ferghana Securities, Inc.:

We have reviewed management's statements, included in the accompanying Assertions Regarding Exemption Provisions, in which (1) Ferghana Securities, Inc., identified the following provisions of 17 C.F.R. § 15c3-3(k) under which Ferghana Securities, Inc., claimed an exemption from 17 C.F.R. § 240.15c3-3:(k)(2)(i) (the "exemption provisions") and (2) Ferghana Securities, Inc., stated that Ferghana Securities, Inc., met the identified exemption provisions throughout the most recent fiscal year ended April 30, 2019, without exception. Ferghana Securities, 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 Ferghana Securities, 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)(i) of Rule 15c3-3 under the Securities Exchange Act of 1934.

Alvarez & Associates, Inc.

Northridge, California

June 27, 2019

FERGHANA SECURITIES, INC.  
STATEMENT OF FINANCIAL CONDITION  
APRIL 30, 2019

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<u>ASSETS</u>		
Cash	\$171,977	
Due from Parent	293,100	
Accounts receivable	<u>60,000</u>	
<b>TOTAL ASSETS</b>		<u>\$525,077</u>
<u>LIABILITIES AND STOCKHOLDER'S EQUITY</u>		
<b>LIABILITIES:</b>		
Accounts payable & Accrued expenses	<u>\$10,243</u>	
<b>TOTAL LIABILITIES</b>		\$ 10,243
<b>STOCKHOLDER'S EQUITY:</b>		
Common stock \$1 par value; authorized 1,000 shares; 1 share issued and outstanding	1	
Additional paid in capital	13,950	
Retained earnings	<u>500,883</u>	
<b>TOTAL STOCKHOLDER'S EQUITY</b>		<u>514,834</u>
<b>TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY</b>		<u>\$525,077</u>

See Accompanying Notes to Financial Statements

FERGHANA SECURITIES, INC.

STATEMENT OF OPERATIONS

YEAR ENDED APRIL 30, 2019

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REVENUES:

Fee income	\$859,833
Interest income	<u>11</u>
TOTAL REVENUES	\$859,844

EXPENSES:

Salaries, including benefits	612,000
Rent	120,000
Professional fees	270,040
Office	62,638
Telephone	120,000
Regulatory charges and fees	<u>8,824</u>
TOTAL EXPENSES	<u>1,193,502</u>
LOSS BEFORE INCOME TAXES	(333,658)
INCOME TAXES	<u>0</u>
NET LOSS	<u>\$ (333,658)</u>

See Accompanying Notes to Financial Statements

FERGHANA SECURITIES, INC.

STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY

YEAR ENDED APRIL 30, 2019

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	<u>COMMON STOCK</u>	<u>ADDITIONAL PAID IN CAPITAL</u>	<u>RETAINED EARNINGS</u>	<u>TOTAL</u>
Balance - Beginning of year	\$ 1	\$ 13,950	\$ 834,541	\$ 848,492
Net loss	<u>-</u>	<u>-</u>	<u>(333,658)</u>	<u>(333,658)</u>
Balance - End of year	<u>\$ 1</u>	<u>\$ 13,950</u>	<u>\$ 500,883</u>	<u>\$ 514,834</u>

See Accompanying Notes to Financial Statements

FERGHANA SECURITIES, INC.

STATEMENT OF CASH FLOWS

YEAR ENDED APRIL 30, 2019

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CASH FLOWS FROM OPERATING ACTIVITIES:

Net loss	\$ (333,658)
Adjustments to reconcile net loss to net cash used in operating activities:	
(Increase) Decrease in Assets:	
Due from Parent	75,851
Accounts receivable	214,650
Prepaid expenses	1,288
Increase (Decrease) in liabilities:	
Accounts payable	8,931
Accrued expenses	<u>(14,848)</u>
 NET CASH USED IN OPERATING ACTIVITIES	 (47,786)
 CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	 <u>219,763</u>
 CASH AND CASH EQUIVALENTS - END OF YEAR	 <u>\$ 171,977</u>

SUPPLEMENTAL DISCLOSURES:

CASH PAID DURING THE YEAR FOR:

Income taxes	\$ 0
Interest	\$ 0

See Accompanying Notes to Financial Statements

FERGHANA SECURITIES, INC.

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2019

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1. ORGANIZATION:

Ferghana Securities, Inc. (the "Company"), was formed in Delaware on April 22, 1997. (A) The Company's main office is located in New York, NY. It is a wholly owned subsidiary of Ferghana Partners Inc ("Parent"), and operates within an affiliated group. The Company is a Broker Dealer registered with Financial Industry Regulatory Authority (FINRA), the Securities Investor Protection Corporation (SIPC) and the Securities Exchange Commission (SEC).

The Company provides investment banking services to the global Healthcare and Chemicals Sectors for equity and debt offering transactions.

The Company is exempt from the reserve and possession or control of customer assets requirements of SEC Rule 15c3-3 under its membership agreement with FINRA and pursuant to the exemption provisions of paragraph (k) (2) (i).

2. SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION:

The Company follows accounting standards established by the Financial Accounting Standards Board (the FASB) to ensure consistent reporting of financial condition results of operations and cash flows. References to accounting principles generally accepted in the United States of America (GAAP) in these notes are to the FASB Accounting Standards Codification sometimes referred to as the "Codification" or "ASC"

USE OF ESTIMATES:

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

FERGHANA SECURITIES, INC.

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2019

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INCOME TAXES:

The Company and its Parent file consolidated Federal, State and City income tax returns. The Company calculates federal, state and local income taxes as if the companies filed on a separate return basis and the amounts of current tax or benefit calculated is either remitted to or received from the Parent. The amount of current taxes payable or refundable is recognized as of the date of the financial statements utilizing current enacted tax laws and rates.

The Company's income tax returns for the current year and the last three years are subject to examination by the Internal Revenue Service and the State of New York. Management believes it is no longer subject to income tax examinations for the years prior to April 30, 2015.

The Company has available at December 31, 2018, unused operating loss carry-forwards, which may be applied against future taxable income, resulting in a net deferred tax asset of approximately \$82,817, that expires in 2038. A 100% valuation allowance has been established against this benefit since management cannot determine if it is more likely than not that the asset will be realized.

SUBSEQUENT EVENTS:

The Company has reviewed transactions and events from its year-end April 30, 2019 through the date the financial statements were available to be issued for matters which require recording and/or disclosure in the financial statements.

FERGHANA SECURITIES, INC.

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2019

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3. ACCOUNTS RECEIVABLE:

Accounts receivable represents amounts receivable by the Company from various clients for investment banking services. On a periodic basis, management evaluates its receivables and determines whether to provide an allowance or if any accounts should be written off based on experience and current conditions. For the year ended April 30, 2019, uncollectible accounts receivable amounting to \$159,500 were written off. No allowance for uncollectible accounts receivable was required as of April 30, 2019.

4. REVENUE RECOGNITION:

Effective May 1, 2018, the Company adopted the revenue recognition accounting pronouncement: Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2014-09, Revenue from Contracts with Customers (Topic 606), also referred to as Accounting Standards Codification Topic 606 ("ASC Topic 606"). The core principle of the new standard is to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the associated consideration for those goods or services.

Adoption of ASC Topic 606 did not have a material impact on the Company's financial statements.

Fee income totaled \$859,833 for the year ended April 30, 2019, consisting of retainer fees of \$403,500 and success placement fees of \$456,333. The Company earns these investment banking services fees under private placement contracts for equity and debt offerings conducted by the Company's clients.

Retainer fees are billed on a periodic basis for engagement services performed in accordance with the contractual agreement. Revenue is recognized in the period billed and nonrefundable, reflecting the Company's completion of its related performance obligations.

FERGHANA SECURITIES, INC.

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2019

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Success fees are billed upon completion of the engagement in accordance with the contractual agreement, typically the closing of the underlying client offering transaction. At this point, the parties have been identified, the revenue amount is known or is determinable, and the Company's performance obligations have been completed in accordance with the client agreement terms.

In all cases, revenue recognition is subject to collection being probable. Reimbursable out of pocket expenses are recorded as incurred. Transaction-related costs are recorded as expenses in the same reporting period as the associated revenue, when the actual costs are known or estimable. Transaction-related costs are expensed in the case that client engagements are terminated for other reasons.

5. RELATED PARTY TRANSACTIONS

The Company and Parent share personnel, administrative, general overhead and office space costs. All costs incurred for such shared expenses are paid by the Parent and reimbursed by the Company in accordance with an Office and Administrative Services Agreement. For the year ended April 30, 2019, these expenses amounted to \$1,152,000 of which \$0 was payable as of April 30, 2019.

The Company has a receivable Due from Parent of \$293,100 as of April 30, 2019. This represents the balance due of a revenue transaction in the amount of \$535,000, net of income taxes of \$357,000, recorded as of April 30, 2011. The receivable is non-interest bearing. Repayment terms are unwritten subject to the Parent's determination.

It is possible that the terms of certain of the related party transactions are not the same as those that would result for transactions among wholly unrelated parties.

6. CONCENTRATION OF CREDIT RISK

The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. Accounts in the United States are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At April 30, 2019, the Company's account did not exceed FDIC insured limits.

FERGHANA SECURITIES, INC.

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2019

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At April 30, 2019 and for the year ended three clients accounted for 100% of the Company's accounts receivable.

7. ANNUAL REPORT

Pursuant to the Securities & Exchange Commission Rule 17a-5, the Statement of Financial Condition is available for examination at the Company's principal place of business, 420 Lexington Avenue, New York, N.Y. 10170 and at the regional office of the Securities & Exchange Commission located at 3 World Financial Center, Room 4300, New York, NY 10281.

8. NET CAPITAL REQUIREMENTS

The Company is subject to the Securities & Exchange Commission's Uniform Net Capital Rule 15c3-1, which requires maintenance of minimum net capital, of the greater of \$5,000 or 6 2/3% of its aggregate indebtedness, and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. At April 30, 2019 the Company had net capital and aggregate indebtedness of \$161,734 and \$10,243 respectively. The net capital ratio was 6.33 to 1 or .0633% compared to a maximum allowable percentage of 1500%. Net capital exceeded requirements by \$156,734.

FERGHANA SECURITIES, INC.

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2019

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9. RECONCILIATION OF AUDITED NET CAPITAL TO UNAUDITED FOCUS

There is a difference of \$932 between the computation of net capital under net capital SEC Rule 15c3-1 and the corresponding unaudited FOCUS part IIA reported on Schedule 1 attached as of April 30, 2019.

Net capital per unaudited schedule	\$162,666
Adjustments:	
Retained earnings	<u>(932)</u>
	<u>\$ (932)</u>
Net Capital per audited statements	<u>\$161,734</u>

10. NEW ACCOUNTING AND AUTHORITATIVE GUIDANCE:

The Financial Accounting Standards Board (the "FASB") has established the Accounting Standards Codification ("Codification" or "ASC") as the authoritative source of generally accepted accounting principles ("GAAP") recognized by the FASB. The principles embodied in the Codification are to be applied by nongovernmental entities in the preparation of financial statements in accordance with GAAP in the United States. New accounting pronouncements are incorporated into the ASC through the issuance of Accounting Standards Updates ("ASUs").

FERGHANA SECURITIES, INC.

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2019

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Leases

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842), the core principle of which is that a lessee should recognize in the statement of financial position a right-of-use asset representing its right to use the underlying asset for the lease term and recognize a liability to make lease payments. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. If a lessee makes this election, it should recognize lease expense for such leases generally on a straight-line basis over the lease term. The new guidance, under ASU No. 2016-02, is effective for non-public entities with annual reporting periods beginning after December 15, 2018, and interim reporting periods within annual reporting periods beginning after December 15, 2019.

The Company is currently analyzing the effect that ASU No. 2016-02 will have on its future financial position and results of operation.

FERGHANA SECURITIES, INC.

SUPPLEMENTARY INFORMATION

APRIL 30, 2019

FERGHANA SECURITIES, INC.

SCHEDULE I - COMPUTATION OF NET CAPITAL AND AGGREGATE INDEBTEDNESS

PURSUANT TO SEC RULE 15C3-1

APRIL 30, 2019

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NET CAPITAL:	
Stockholder's equity	\$ 514,834
Deductions and charges:	
Non-allowable assets	<u>\$353,100</u>
NET CAPITAL BEFORE HAIRCUTS	\$ 161,734
Haircuts	<u>-</u>
NET CAPITAL	<u>\$ 161,734</u>
AGGREGATE INDEBTEDNESS:	
Accounts Payable and accrued expenses	<u>\$ 10,243</u>
COMPUTATION OF BASIC NET CAPITAL REQUIREMENT:	
Minimum net capital required	<u>\$ 5,000</u>
Excess net capital	<u>\$ 156,734</u>
Excess net capital at 120%	<u>\$ 155,734</u>
Ratio: Aggregate indebtedness to net capital (6.33 to 1)	<u>.06333%</u>

There was a difference of \$932 between net capital computation shown here and net capital computation shown on the Company's unaudited Form X-17A-5, Part IIA report dated April 30, 2019. (See Note 9)

See Report of Independent Registered Public Accounting Firm

FERGHANA SECURITIES, INC.

SCHEDULE II - COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS AND  
INFORMATION RELATING TO THE POSSESSION OR CONTROL REQUIREMENTS UNDER SEC  
RULE 15C3-3

APRIL 30, 2019

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The Company is exempt from reserve requirements and information relating to the possession or control requirements for Broker-Dealers under Rule 15c3-3 sub-paragraph (k)2(i) as it carries no margin or other securities accounts and meets all other requirements of the Rule.

See Report of Independent Registered Public Accounting Firm



**ferghana**

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New York, NY 10170

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**Ferghana Securities, Inc.**

**Annual Exemption Report**

**Year Ended April 30, 2019**

Ferghana 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 may file an exemption report because the Company had no obligations under 17 C.F.R. §240.15c3-3.

(2) The Company met the identified exemption provisions in 17 C.F.R. §240.15c3-3(k) throughout the most recent fiscal year ended April 30, 2019 without exception.

**Ferghana Securities, Inc.**

I, William J. Kridel, Jr., swear (or affirm) that, to my best knowledge and belief, this exemption report is true and correct.

By:

Title: Chief Financial Officer and Chief Compliance Officer

**Ferghana Securities, Inc.**  
**Report on the SIPC Annual Assessment**  
**Pursuant to Rule 17a-5(e)4**  
**For the Year Ended April 30, 2019**



**ALVAREZ & ASSOCIATES, INC**  
**CERTIFIED PUBLIC ACCOUNTANTS**

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

To the Directors and Equity Owners of Ferghana 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 Ferghana Securities, Inc., and the Securities Investor Protection Corporation (“SIPC”) with respect to the accompanying General Assessment Reconciliation (Form SIPC-7) of Ferghana Securities, Inc., (the “Company”) for the fiscal year ended April 30, 2019, solely to assist you and SIPC in evaluating Ferghana Securities, Inc.’s compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). Management is responsible for the Company’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 material differences;
2. Compared the Total Revenue amounts reported on the Annual Audited Report Form X-17A-5 Part III for the fiscal year ended April 30, 2019, with the Total Revenue amounts reported in Form SIPC-7 for the fiscal year ended April 30, 2019, noting no material 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 or underpayment, if any, in the current assessment with the Amended Form SIPC-7 on which it was 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.

A handwritten signature in cursive script that reads "Alvarez & Associates, Inc." with a stylized flourish at the end.

Alvarez & Associates, Inc.

Northridge, California

June 27, 2019

FERGHANA SECURITIES, INC.

SCHEDULE OF GENERAL ASSESSMENT RECONCILIATION  
SECURITIES INVESTOR PROTECTION CORPORATION  
PURSUANT TO RULE 17a-5(e) (4)

FOR THE PERIOD MAY 1, 2018 TO APRIL 30, 2019

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AS ORIGINALLY FILED - FORM SIPC-7

2a.	Total revenue	<u>\$859,833.</u>
2c.	Deductions	<u>0</u>
2d.	SIPC Net Operating Revenues	<u>\$859,833.</u>
2e./A	General Assessment @.0015	\$1,290.
	B Less payment made with SIPC-6 filed	<u>\$ 358.</u>
	F Assessment balance due - payment made May 16 2019	<u>\$ 932.</u>