



SEC

19010868

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	August 31, 2020
Estimated average burden hours per response.....	12.00

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

SEC FILE NUMBER
8-8228

2019 JUL 31 10 09:19
 SEC 17A-5

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 07/01/17 AND ENDING 12/31/18
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Connors & Co., Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

1 W. Fourth Street, Suite 2800

(No. and Street)

Cincinnati

OH

45202

(City)

(State)

(Zip Code)

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

John A. Connors

(513) 421-0606

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Flynn & Company Inc.

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

7800 E. Kemper Road, Ste. 150 Cincinnati

OH

45249

(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)

RMS

OATH OR AFFIRMATION

I, John A. Conners, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Conners & Co., Inc. 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:

John A. Conners
Signature
Chief Financial Officer
Title

Kiana M. Rieman
Notary Public



KIANA M. RIEMAN
Notary Public, State of Ohio
My Comm. Expires 09/13/2022

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).

CONNERS & CO., INC.

STATEMENT OF FINANCIAL CONDITION

at December 31, 2018

- ASSETS -	<u>2018</u>
Cash and cash equivalents	\$ 67,059
Deposits with clearing broker	349,183
Receivable from clearing broker	27,368
Securities owned at fair value	312,304
Deferred income taxes, net	30,000
Furniture and equipment, net	13,416
Other assets	<u>5,175</u>
 TOTAL ASSETS	 \$ <u>804,505</u>
 - LIABILITIES AND SHAREHOLDERS' EQUITY -	
LIABILITIES:	
Payable to clearing broker	\$ 153,295
Accrued Expenses	<u>2,949</u>
 Total Liabilities	 <u>156,244</u>
 SHAREHOLDERS' EQUITY:	
Common stock, no par value; 14,735 shares authorized, 6,981 shares issued and outstanding	798,200
Retained earnings	<u>(149,939)</u>
 Total shareholders' equity	 <u>648,261</u>
 TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	 \$ <u>804,505</u>

The accompanying notes to financial statements are an integral part of these statements.

CONNERS & CO., INC.

STATEMENT OF OPERATIONS

For the eighteen months ended December 31, 2018

REVENUE:

Commissions, net	\$	513,708
Mutual funds and 12b-1 fees, net		51,097
Underwriting fees, net		25,820
Trading gain on dealer account		<u>60,114</u>
TOTAL REVENUE		<u>650,739</u>

EXPENSES:

Employee compensation and benefits		449,801
Registered representative compensation		52,747
Clearance paid to non-brokers		49,183
Communications		81,017
Occupancy and equipment costs		90,254
Regulatory fees		48,145
Professional fees and licenses		72,119
Other expenses (income), net		<u>31,661</u>
TOTAL EXPENSES		<u>874,927</u>

Loss from operations (224,188)

Gain from NASDAQ stock market valuation 73,956

Loss before income taxes (150,232)

Income tax expense -

NET LOSS \$ (150,232)

The accompanying notes to financial statements are an integral part of these statements.

CONNERS & CO., INC.

STATEMENT OF SHAREHOLDERS' EQUITY

For the eighteen months ended December 31, 2018

	<u>Common Stock</u>	<u>Retained Earnings (Deficit)</u>	<u>Total</u>
Balance at July 1, 2017	\$ 798,200	293	798,493
Net Loss	<u>-</u>	<u>(150,232)</u>	<u>(150,232)</u>
Balance at December 31, 2018	<u>\$ 798,200</u>	<u>(149,939)</u>	<u>648,261</u>

The accompanying notes to financial statements are an integral part of these statements.

CONNERS & CO., INC.

STATEMENT OF CASH FLOWS

For the eighteen months ended December 31, 2018

CASH FLOWS FROM OPERATING ACTIVITIES:

Net loss	\$ (150,232)
Adjustments to reconcile net loss to net cash flows from operating activities:	
Depreciation expense	10,651
Changes in assets and liabilities:	
Increase in receivable from clearing brokers	(6,359)
Decrease in securities owned at fair value	180,484
Decrease in other assets	3,833
Decrease in payable to clearing broker	(167,917)
Decrease in accrued expenses	<u>(2,252)</u>
 NET DECREASE IN CASH AND CASH EQUIVALENTS	 (131,792)
 CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	 <u>198,851</u>
 CASH AND CASH EQUIVALENTS AT END OF YEAR	 \$ <u>67,059</u>

The accompanying notes to financial statements are an integral part of these statements.

NOTES TO FINANCIAL STATEMENTS

At December 31, 2018, for the eighteen month period then ended

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Conners & Co., Inc. (the "Company") is a fully-disclosed introducing broker-dealer, located in Cincinnati, Ohio. The Company is primarily in the business of underwriting, brokering, and trading common stock and municipal bonds, and related investment services. The Company is registered with the Securities and Exchange Commission (SEC) and the states of Ohio, Kentucky, Florida, and Indiana, and is a member of the Financial Industry Regulatory Authority (FINRA).

It is the policy of the Company to employ U.S. generally accepted accounting principles (GAAP) in the preparation of its financial statements. A summary of the Company's significant accounting policies follows:

ACCOUNTING ESTIMATES-

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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.

CASH AND CASH EQUIVALENTS-

The Company considers all highly liquid investments with a maturity of three months or less at the date of acquisition to be cash equivalents. Cash segregated under federal securities regulations for the benefit of customers is not included as a cash equivalent item.

DEPOSITS WITH CLEARING BROKER-

The Company is required to maintain a \$100,000 non-interest bearing deposit with the clearing broker who allows the Company to serve as an "introducing broker" into the clearing broker's system. The Company also maintains a trading deposit with the clearing broker to enable the Company to engage in security transactions. This deposit represents the amount in excess of the fair value of the securities maintained with the clearing broker.

RECEIVABLES FROM AND PAYABLE TO CLEARING AND OTHER BROKER-DEALERS-

Receivables from broker-dealer include commissions from security transactions. Payable to clearing broker are the amounts due for uncollateralized financing of proprietary inventory positions. Management assesses the collectability of receivable from the broker-dealers and records an allowance for bad debts when considered necessary. Based on these reviews, management has determined that an allowance is not necessary at December 31, 2018.

NOTES TO FINANCIAL STATEMENTS

At December 31, 2018, for the eighteen month period then ended
(Continued)

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

FURNITURE AND EQUIPMENT-

Furniture and equipment are stated at cost and are depreciated over the estimated useful lives of the related assets ranging from five to fifteen years. Depreciation is computed using the accelerated method for financial reporting and income tax purposes.

Maintenance and repairs are expensed when incurred. Significant improvements and renewals are capitalized.

SECURITIES OWNED AND RELATED REVENUE-

The Company's proprietary securities transactions in regular-way trades are recorded on trade date. Profit and loss arising from proprietary securities transactions cleared by RBC are recorded on a trade date basis and recorded on the statement of operations as part of commissions, fees, and net trading gains.

Mutual fund and 12b-1 fees are earned through the marketing and distribution of mutual funds and are recorded when earned.

Interest and dividends related to securities owned, are accrued by the Company when earned.

Securities owned and securities sold but not yet settled are stated at fair value. The Company determines fair value by using public market quotations, quoted prices from dealers, recent market transactions, or its best judgment, depending upon the underlying security.

FAIR VALUE MEASUREMENTS-

Accounting guidance establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under this guidance are as follows:

- | | |
|---------|--|
| Level 1 | Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities |
| Level 2 | Quoted prices in markets that are not active, or inputs that are observable either directly or indirectly, for substantially the full term of the asset or liability |
| Level 3 | Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e. supported by little or no market activity) |

NOTES TO FINANCIAL STATEMENTS

At December 31, 2018, for the eighteen month period then ended
(Continued)

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

A financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

INCOME TAXES-

Income taxes are accounted for using the liability method. Under this method, deferred income taxes are determined based upon enacted tax laws and rates applied to the differences between the financial statement and tax bases of assets and liabilities.

Deferred tax assets and liabilities result principally from temporary differences in the financial and tax bases of investment securities and net operating loss carryforwards.

The Company recognizes the financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination. In determining its tax positions, the Company assumes that the positions will be examined by the appropriate taxing authority and the taxing authority would have full knowledge of all relevant information. The measurement of tax positions is based on managements' best judgment of the amount the Company would ultimately accept in a settlement with taxing authorities. The Company has no uncertain tax positions at December 31, 2018. The Company remains subject to examinations by the Internal Revenue Service, Ohio Department of Taxation, and various local municipalities for the years ended December 31, 2014 and after.

PERIOD END

The Company changed its fiscal year end from June 30 to December 31, effective for the financial period presented herein. This was done in order to present the Company's financial information in line with its outside reporting requirements, which typically present on a calendar year basis. Therefore the information presented herein are an eighteen month period of July 1, 2017 through December 31, 2018.

RECENTLY ISSUED SIGNIFICANT ACCOUNTING STANDARDS

Revenue Recognition Standard

In May, 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (Topic 606). The core principle of Topic 606 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services. This standard may have an impact on the timing of when an entity recognizes certain revenue. The ASU is effective for nonpublic entities for years beginning after December 15, 2018.

NOTES TO FINANCIAL STATEMENTS

At December 31, 2018, for the eighteen month period then ended
(Continued)

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Lease Accounting Standard

In February, 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, Leases (Topic 842.) The core principle of Topic 842 is that a lessee should recognize the assets and liabilities that arise from leases that are not excluded by this standard. Such leases create an asset and a liability for the lessee in accordance with FASB Concepts Statement No. 6, Elements of Financial Statements, and therefore, recognition of those lease assets and lease liabilities represents an improvement over previous GAAP, which did not require lease assets and lease liabilities to be recognized for most leases. The ASU is effective for nonpublic entities for years beginning after December 15, 2019.

Marketable Securities

In January, 2016, the Financial Accounting Standard Board (FASB) issued Accounting Standards Update (ASU) 2016-01, Recognition and Measurement of Financial Assets and Financial Liabilities (Subtopic 825-10). The core principle of Subtopic 825-10 is that equity investments, expect for those accounted for under the equity method of accounting and those which result in the consolidation of the investee, be measured at fair value with changes in fair value recognized in net income. This change is currently recorded as part of other comprehensive income. The ASU is effective for nonpublic entities for years beginning after December 15, 2018.

The Company is currently in the process of evaluating the impact of adoption of these ASUs on their consolidated financial statements.

SUBSEQUENT EVENTS

The Company has evaluated the impact of events that have occurred subsequent to December 31, 2018 through February 19, 2019, which is the date the financial statements were available to be issued.

NOTE 2 - CASH AND CASH FLOW INFORMATION

At various times throughout the year, the Company may have cash in financial institutions in excess of insured limits. The Federal Deposit Insurance Corporation (FDIC) insures account balances in accounts up to \$250,000 for each business depositor. Using these criteria, the Company did not have any cash in excess of insured limits as of December 31, 2018.

NOTES TO FINANCIAL STATEMENTS

At December 31, 2018, for the eighteen month period then ended
(Continued)

NOTE 3 - FURNITURE AND EQUIPMENT

Furniture and equipment consist of the following at December 31, 2018:

Furniture and fixtures	\$	34,183
Equipment		112,470
Leasehold improvements		<u>49,294</u>
		195,947
Accumulated depreciation		<u>(182,531)</u>
Total furniture and equipment, net	\$	<u>13,416</u>

NOTE 4 - FAIR VALUE

The following table presents the Company's fair value hierarchy for those assets measured at fair value on a recurring basis as of December 31, 2018:

	Level 1	Level 2
Equity Securities	\$114,198	-
Municipal bonds	<u>-</u>	<u>198,106</u>
Total Fair Value	<u>\$114,198</u>	<u>\$198,106</u>

Level 2 investments may be valued using inputs other than quoted prices, such as interest rates or yield curves that are observable for the asset or liability, and inputs that are derived from or corroborated by observable market data.

NOTE 5 - INCOME TAXES

The Company has net operating loss carryforwards of approximately \$1,050,000 due to expire in the years 2028 to 2034. Due to the uncertainty of the future realization of the net operating loss carryforward, a valuation allowance has been recorded at December 31, 2018. The components of deferred income taxes are as follows:

Deferred tax asset	\$	75,000
Valuation allowance		<u>(45,000)</u>
Net deferred tax asset	\$	<u>30,000</u>

NOTES TO FINANCIAL STATEMENTS

At December 31, 2018, for the eighteen month period then ended
(Continued)

NOTE 6 - LEASE COMMITMENTS

Operating Lease

The Company currently leases certain office space under an operating lease on a month to month basis. Rental expense, including utilities and taxes, charged to operations for the eighteen month period December 31, 2018 was \$79,603.

NOTE 7 - CAPITAL STOCK RESTRICTIONS

The Company and its stockholders have entered into an agreement which defines the rights and obligations of the stockholders with respect to the encumbering and disposition of the Company's capital stock. The agreement sets forth the method of establishing the price to be paid and the terms of payment by the Company.

NOTE 8 - 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, may not exceed 15 to 1. The rule also provides that equity may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1. The Company's minimum capital requirement is the greater of \$250,000 or 6 2/3% of its aggregate indebtedness. At December 31, 2018, the Company had net capital, as computed under Rule 15c3-1, of \$576,436 which was \$326,436 greater than its required net capital of \$250,000. The Company had aggregate indebtedness of \$2,949 as of December 31, 2018. The Company's net capital ratio was 0.0051 to 1.

NOTE 9 - PROFIT SHARING PLAN

The Company has a qualified profit sharing plan covering all employees meeting certain conditions. Contributions to the plan are determined annually by the Board of Directors. An employee earns a vested interest in the plan after completing two full years of employment. No contribution was made to the plan in the year ended December 31, 2018.

NOTES TO FINANCIAL STATEMENTS

At December 31, 2018, for the eighteen month period then ended
(Continued)

NOTE 10 - FINANCIAL INSTRUMENTS AND CONCENTRATIONS

Financial instruments which potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents, receivables from clearing brokers and securities owned. The Company places its cash investments with high-credit-quality financial institutions located in Cincinnati, Ohio. At times, balances may exceed the federally insured limits. In addition, the Company maintains a cash account with the clearing broker. Management does not believe significant concentrations of credit risk exists with respect to these financial instruments.

The Company invests in various investment securities on its own account. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported within the financial statements.

The Company's activities involve the execution, settlement, and financing of various customer securities transactions through a clearing broker. These activities may expose the Company to off-balance sheet risk in the event the customer or other broker is unable to fulfill its contractual obligations. In the event counterparties do not fulfill their obligations, the Company may be required to purchase, or sell, financial instruments underlying the contract, which could result in a loss.

CONNERS & CO., INC.

SCHEDULE I
 COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1
 OF THE SECURITIES AND EXCHANGE COMMISSION

As of December 31, 2018

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

Shareholders' equity from statement of financial condition	\$ 648,260
Deduct shareholders' equity not allowable for net capital	<u>-</u>
TOTAL SHAREHOLDERS' EQUITY QUALIFIED FOR NET CAPITAL	648,260
Add liabilities subordinated to claims of general creditors	<u>-</u>
TOTAL CAPITAL AND ALLOWABLE SUBORDINATED LIABILITIES	<u>648,260</u>
Deductions and/or changes:	
Non-allowable assets:	
Furniture and equipment	(13,416)
Deferred tax asset; net of valuation allowance	(30,000)
Prepaid expenses	<u>(5,175)</u>
TOTAL DEDUCTIONS AND/OR CHANGES	<u>(48,591)</u>
Net capital before haircuts on securities position	<u>599,669</u>
Haircuts on securities:	
State and municipal securities	5,936
Other securities	17,297
Undue concentration	<u>-</u>
TOTAL HAIRCUTS ON SECURITIES	<u>23,233</u>
NET CAPITAL	\$ <u>576,436</u>

CONNERS & CO., INC.

SCHEDULE I
COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1
OF THE SECURITIES AND EXCHANGE COMMISSION

As of December 31, 2018
(Continued)

Aggregate Indebtedness

Items included in statement of financial condition accounts payable and accrued expenses	\$ <u>2,949</u>
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Computation of Basic Net Capital Requirements

Greater of 6 2/3% of aggregate indebtedness or \$250,000

6 2/3% of aggregate indebtedness	\$ <u>197</u>
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Minimum dollar net capital requirement	\$ <u>250,000</u>
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Excess net capital	\$ <u>326,436</u>
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Percentage of aggregate indebtedness to net capital	<u>0.0051 to 1</u>
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NOTE: There are no material differences between the preceding computation and the Company's corresponding unaudited Part II of form X-17A-5 as of December 31, 2018.

CONNERS & CO., INC.
SCHEDULE II- COMPUTATION FOR DETERMINATION OF RESERVE
REQUIREMENTS AND INFORMATION FOR POSSESSION
OR CONTROL REQUIREMENTS PURSUANT TO RULE 15c3-3
UNDER THE SECURITIES EXCHANGE ACT OF 1934
DECEMBER 31, 2018

The Company is not required to present the schedules “Computation for Determination of Reserve Requirements under Rule 15c3-3” or “Information for Possession or Control Requirements under Rule 15c3-3” as it meets the exemptive provisions of Rule 15c3-3 under Section (k)(2)(i) and (k)(2)(ii) of that Rule.



Review Report of Independent Registered Public Accounting Firm

To the Shareholders
Conners & Co. Inc.
Cincinnati, Ohio

We have reviewed management's statements, included in the accompanying Exemption from Reserve Requirements Under Rule 15c3-3 Report, in which (1) Conners & Co. Inc. ("the Company") identified the following provisions of 17 C.F.R. § 15c3-3(k) under which the Company claimed an exemption from 17 C.F.R. § 240.15c3-3: (k)(2)(i) and (k)(2)(ii), (the "exemption provisions") and (2) the Company stated that the Company met the identified exemption provisions throughout the most recent fiscal year without exception. The Company's management is responsible for compliance with the exemption provisions and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about the Company's compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the conditions set forth in paragraph (k)(2)(i) and (k)(2)(ii), of Rule 15c3-3 under the Securities Exchange Act of 1934.

Flynn & Company, Inc.

February 19, 2019

Exemption Report

Conners & Co. (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 as of the 18 months ended December 31, 2018, under the following provisions of 17 C.F.R. § 240.15c3-3 (k)(2)(i) and (k)(2)(ii).
- 2) The Company met the identified exemption provisions in 17 C.F.R. § 240.15c3-3 (k)(2)(i) and (k)(2)(ii) throughout the 18 months ended December 31, 2018, without exception.

Conners & Co.

I, John Conners swear or affirm that, to my best knowledge and belief, this Exemption Report is true and correct.

By:


John Conners, Shareholder

Date: 2-5-19



REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders
Conners & Co. Inc.

Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of Conners & Co. Inc. as of December 31, 2018, the related statements of operations, changes in shareholders' equity, and cash flows for the eighteen month period 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 Conners & Co. Inc. as of December 31, 2018, and the results of its operations and its cash flows for the eighteen month period 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 Conners & Co. Inc.'s management. Our responsibility is to express an opinion on Conners & Co. 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 Conners & Co. 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.

Auditor's Report on Supplemental Information

The Schedule I, Computation of Net Capital Under SEC Rule 15c3-1 and Schedule II, Computation for Determination of Reserve Requirements has been subjected to audit procedures performed in conjunction with the audit of Conners & Co. Inc.'s financial statements. The supplemental information is the responsibility of Conners & Co. 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 Schedule I, Computation of Net Capital Under SEC Rule 15c3-1 and Schedule II, Computation for Determination of Reserve Requirements is fairly stated, in all material respects, in relation to the financial statements as a whole.

08228
Flynn & Company, Inc.

We have served as Conners & Co. Inc.'s auditor since 2012.
February 19, 2019