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

SEC FILE NUMBER
8-47036

FACING PAGE

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

REPORT FOR THE PERIOD BEGINNING 01/01/19 AND ENDING 12/31/19  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: **JBS Liberty Securities, Inc.**  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
**2626 Dale Earnhardt Blvd**

OFFICIAL USE ONLY
FIRM I.D. NO.

(No. and Street)

**Kannapolis**  
(City)

**NC**  
(State)

**28083**  
(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
Tracy M VanHamme 704-295-6631

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

**Elliott Davis, PLLC**

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

**5410 Trinity Rd, Suite 320**  
(Address)

**Raleigh**  
(City)

**NC**  
(State)

**27607**  
(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)

MKA

OATH OR AFFIRMATION

I, Tracy M VanHamme, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of JBS Liberty Securities, Inc., as of December 31, 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:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Tracy M VanHamme  
Signature

CFO  
\_\_\_\_\_  
Title

[Signature]  
Notary Public

Jeffrey D. Jones  
NOTARY PUBLIC  
Cabarrus County  
North Carolina  
My Commission Expires December 12, 2024

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).

**JBS LIBERTY SECURITIES, INC.**

**REPORT OF INDEPENDENT REGISTERED  
PUBLIC ACCOUNTING FIRM**

**FINANCIAL STATEMENTS  
SUPPLEMENTARY INFORMATION**

**For the Year Ended December 31, 2019**

**JBS LIBERTY SECURITIES, INC.**  
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## Report of Independent Registered Public Accounting Firm

To the Stockholder  
JBS Liberty Securities, Inc.  
Kannapolis, North Carolina

### Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of JBS Liberty Securities, Inc. (the "Company") as of December 31, 2019, and the related statement of operations, changes in stockholder's equity and cash flows for the year then ended, and the related notes to the financial statements (collectively, "the financial statements"). In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 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.

### 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 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 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 supplementary information contained in Schedule 1 – Computation of Net Capital Under Rule 15c3-1 of the Securities and Exchange Commission (the “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, the supplementary information contained in Schedule 1 – Computation of Net Capital Under Rule 15c3-1 of the Securities and Exchange Commission is fairly stated, in all material respects, in relation to the financial statements as a whole.

*Elliott Davis, PLLC*

We have served as the Company's auditor since 2016.

Raleigh, North Carolina  
February 5, 2020

**JBS LIBERTY SECURITIES, INC.**  
**STATEMENT OF FINANCIAL CONDITION**  
**December 31, 2019**

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**ASSETS**

**ASSETS**

Current assets:

Cash and cash equivalents	\$ 74,491
Receivables from broker-dealers	8,659
Contract fees receivable	13,610
Other receivables	108
Prepaid expenses	1,223
Deferred tax asset	18,345
	<u>116,436</u>

Total assets \$ 116,436

**LIABILITIES AND STOCKHOLDER'S EQUITY**

**LIABILITIES**

Current liabilities:

Accounts payable and accrued expenses	<u>9,605</u>
Total liabilities	<u>9,605</u>

**STOCKHOLDER'S EQUITY**

Common stock; 100 shares issued, authorized and outstanding, no par value	-
Contributed capital	105,000
Retained earnings	1,831
	<u>106,831</u>

Total stockholder's equity 106,831

Total liabilities and stockholder's equity \$ 116,436

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

**JBS LIBERTY SECURITIES, INC.**  
**STATEMENT OF OPERATIONS**  
**For the Year Ended December 31, 2019**

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<b>REVENUE</b>	
Retail commissions	\$ 295,728
Service fees	<u>94,534</u>
Total revenue	<u>390,262</u>
<b>OPERATING EXPENSES</b>	
Employee compensation and benefits	223,528
Management fees	36,675
Regulatory fees and expenses	27,212
Rent and occupancy	21,986
Professional fees	15,000
General and administrative expenses	14,773
Insurance	7,835
Consulting expense	10,500
Miscellaneous	<u>10,065</u>
Total operating expenses	<u>367,574</u>
Net income before income taxes	22,688
<b>PROVISION FOR INCOME TAXES</b>	
Current - benefit	-
Deferred	<u>(5,232)</u>
Total provision for income taxes	<u>(5,232)</u>
Net income	<u><u>\$ 17,456</u></u>

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

**JBS LIBERTY SECURITIES, INC.**  
**STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY**  
**For the Year Ended December 31, 2019**

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	<u>Contributed Capital</u>	<u>Retained Earnings</u>	<u>Total</u>
BALANCE AT DECEMBER 31, 2018	\$ 105,000	\$ (15,625)	\$ 89,375
Net income for the year ended December 31, 2019	<u>-</u>	<u>17,456</u>	<u>17,456</u>
BALANCE AT DECEMBER 31, 2019	<u>\$ 105,000</u>	<u>\$ 1,831</u>	<u>\$ 106,831</u>

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

**JBS LIBERTY SECURITIES, INC.**  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended December 31, 2019**

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CASH FLOW FROM OPERATING ACTIVITIES

Net income	\$ 17,456
Adjustments to reconcile net income to net cash provided by operating activities:	
Changes in operating assets and liabilities:	
Decrease in receivables from broker-dealers	1,459
Increase in contract fees receivable	(2,539)
Decrease in other receivables	77
Decrease in prepaid expenses	340
Decrease in accounts payable and accrued expenses	(7,245)
Decrease in deferred tax asset	5,232
	<u>14,780</u>
Net cash provided by operating activities	14,780
Increase in cash	14,780
CASH, BEGINNING OF YEAR	<u>59,711</u>
CASH, END OF YEAR	<u><u>\$ 74,491</u></u>

SUPPLEMENTAL CASH FLOW DISCLOSURE:

Cash paid for income taxes	<u><u>\$ -</u></u>
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The accompanying notes are an integral part of these financial statements.

**JBS LIBERTY SECURITIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 – NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES**

**Organization and Nature of Business**

JBS Liberty Securities, Inc. (the "Company") is a broker-dealer registered with the Securities and Exchange Commission ("SEC") and is a member of the Financial Industry Regulatory Authority ("FINRA"). The Company is located in Kannapolis, North Carolina, and is a wholly owned subsidiary of Synergy Holding Group, Inc.

The Company's primary source of revenue is derived from providing brokerage services and electronic trading facilities to customers who are predominantly middle and upper income individuals and small and middle market businesses. The Company maintains no cash or securities for its customers nor does it carry or clear transactions for its customers. The Company clears all of its customer transactions through other broker dealers on a fully disclosed basis.

**Basis of Presentation**

The books of the Company are maintained on the accrual basis of accounting, whereby revenues are recognized when they are earned and expenses are recognized when they are incurred.

**Cash and Cash Equivalents**

For purposes of reporting cash flows, the Company defines cash equivalents as all highly liquid investments with an original maturity of three months or less.

**Securities Transactions**

Securities transactions, commission revenue and commission expenses are recorded on a trade-date basis. Unrealized gains and losses on securities transactions, if any, are included in riskless principal transactions in the statement of operations. Marketable securities are recorded at market value. There were no securities held during or as of the year ended December 31, 2019.

**Receivables from Broker-Dealers and Contract Fee**

Receivables from broker-dealers are reported at the amount management expects to collect on balances outstanding at year-end. Receivables from contract fees are reported at the amount management charges for being licensed with the broker-dealer. Management closely monitors outstanding balances and writes off balances when amounts are deemed uncollectible. There were no losses during 2019 and no allowance was recognized.

**Fair Value of Financial Instruments**

The financial instruments of the Company are reported on the statement of financial condition at fair values, or at carrying amounts that approximate fair values because of the short maturity of the instruments.

**JBS LIBERTY SECURITIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 - NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Commissions**

Commissions and related clearing expenses are recorded on a trade-date basis as security transactions occur.

**Service Fees**

Service fees are charged on a monthly basis for being licensed with the broker-dealer.

**Income Taxes**

Statement of Financial Accounting Standards No. 109, *Accounting for Income Taxes*, requires a company to recognize deferred tax liabilities and assets for the expected future tax consequences of events that have been recognized in a company's financial statements or tax returns. Under this method, deferred tax liabilities and assets are determined based on the difference between the financial statement carrying amounts and the tax basis of assets and liabilities using enacted tax rates in effect for the years in which the differences are expected to reverse. A valuation allowance is recorded to reduce the carrying amounts of deferred tax assets if there is uncertainty regarding their realization.

**Unrecognized Tax Benefit**

The Company accounts for income taxes, whereby deferred taxes are provided on temporary differences arising from assets and liabilities whose bases are different for financial reporting and income tax purposes. Deferred taxes related primarily to temporary differences in depreciation calculated for book and tax purposes, allowance for doubtful accounts, and contingent liabilities. The deferred tax asset represents the future tax benefit of those differences.

The Company records net deferred tax assets to the extent the assets will more likely than not be realized. In making such a determination, management considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations.

Management has determined that the Company does not have any uncertain tax positions and associated unrecognized benefits 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 stockholder will not be subject to additional tax, penalties, and interest as a result of such challenge. The income tax returns are subject to examination by taxing authorities for a period of three years from the date they are filed.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**JBS LIBERTY SECURITIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 – INCOME TAXES**

The Company's provision for income taxes differs from applying the statutory U.S. federal income tax rate to income before income taxes. The primary differences result from providing for state income taxes and from deducting certain expenses for financial statement purposes but not for federal income tax purposes.

Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion of the deferred tax assets will not be realized. No valuation allowance was established as of December 31, 2019, as full realization of the future deductions is anticipated.

A reconciliation between the income tax expense and the amount computed by applying the Federal statutory rate of 21% to income before income taxes follows for the years ended December 31:

	2019
Tax expense at statutory rate	4,765
State income tax	531
Other	(64)
	\$ 5,232

The components of the provision for income taxes expense for the years ended December 31, 2018 are as follows:

	2019
Current:	
Federal	\$ 0
State	0
	0
Deferred:	
Federal	4,701
State	531
	5,232
	\$ 5,232

The tax effects of temporary differences that give rise to significant portions of deferred tax assets and liabilities consist of the following:

**JBS LIBERTY SECURITIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 – INCOME TAXES (Continued)**

	<u>2019</u>
Deferred income tax asset:	
State tax loss carryforward	2,931
Federal income tax loss	12,960
Goodwill amortization	<u>2,454</u>
 Deferred income tax asset	 <u>\$ 18,345</u>

Changes in tax laws and rates could affect recorded deferred tax assets and liabilities in the future. Management is not aware of any such changes that would have a material effect on the Company's results of operations, cash flows, or financial position.

As of December 31, 2019, the Company had state net operating loss carryforwards of \$123,673 that can be deducted against future taxable income. These tax carryforward amounts begin to expire in 2029.

**NOTE 3 – RELATED PARTY TRANSACTIONS**

The Company reimburses a related party for management fees and a portion of its operating expenses. During the year ended December 31, 2019, the Company paid approximately \$36,675 for management fees and \$21,686 for other operating expenses.

The Company allocates certain expenses between itself and its affiliates. During 2019, the Company reevaluated its allocation for rent and payroll expenses. These amounts are allocated between companies based upon the level of activity at each company. As a result, the Company increased the percentage of expense allocated to the Company in order to better match expenses with the revenue stream.

At December 31, 2019, there was \$0 due to related parties.

**NOTE 4 – CONCENTRATIONS OF CREDIT RISK**

The Company does not carry accounts for customers or perform custodial functions related to customers' securities. The Company introduces all of its customer transactions, which are not reflected in these financial statements, to its clearing broker, who maintains the customer accounts and clears the customer transactions. Additionally, this clearing broker provides the clearing and depository operations for the Company's proprietary securities transactions. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. 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.

The Company is subject to concentrations of credit risk primarily in its contract fees receivable. Contract fees receivable amounted to \$13,610 at December 31, 2019. As of December 31, 2019, one customer accounted for one hundred percent of total contract fees receivable.

The Company's policy is to maintain its cash balances in reputable financial institutions insured by the Federal Deposit Insurance Corporation ("FDIC"), which as of December 31, 2019 provided \$250,000 of insurance coverage on deposit accounts. At December 31, 2019, the Company had no uninsured cash balances.

**JBS LIBERTY SECURITIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 5 – CONTINGENCIES AND COMMITMENTS**

The Company, in the course of its normal operations, is subject to investigations, claims and lawsuits. In management's opinion, any such outstanding matters of which the Company has knowledge have been reflected in the financial statements or would not have a material adverse effect on the Company's financial position and results of operations.

**NOTE 6 – NET CAPITAL REQUIREMENTS**

As a registered broker-dealer, the Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule 15c3-1, which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital not exceed 15 to 1.

At December 31, 2019, the Company had net capital of \$73,545, which exceeded the minimum net capital requirements by \$68,545. The Company's ratio of aggregate indebtedness to net capital was .13 to 1 at December 31, 2019.

**NOTE 7 – SUBSEQUENT EVENTS**

In preparing these financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through the date the financial statements were available to be issued.

**SUPPLEMENTARY INFORMATION**

**As of December 31, 2019**

**JBS LIBERTY SECURITIES, INC.**  
**SCHEDULE I - COMPUTATION AND RECONCILIATION OF NET CAPITAL UNDER**  
**RULE 15c3-1 OF THE SECURITIES AND EXCHANGE COMMISSION**  
**As of December 31, 2019**

<b>Net Capital</b>	
Total stockholder's equity	\$ 106,831
Deductions and/or charges:	
Nonallowable assets:	
Other assets	(14,941)
Deferred income taxes	(18,345)
	<u>                    </u>
Net capital	<u><u>\$ 73,545</u></u>
<b>Aggregate Indebtedness</b>	
Items included in the statement of financial condition:	
Accounts payable and accrued expenses	\$ 9,605
Other unrecorded amounts	-
	<u>                    </u>
Aggregate indebtedness	<u><u>\$ 9,605</u></u>
<b>Computation of Basic Net Capital Requirements</b>	
6-2/3% of aggregate indebtedness	<u><u>\$ 640</u></u>
<b>Minimum Net Capital Requirement</b>	<u><u>\$ 5,000</u></u>
<b>Net Capital Requirement</b>	<u><u>\$ 5,000</u></u>
<b>Excess Net Capital</b>	<u><u>\$ 68,545</u></u>
<b>Ratio: Aggregate Indebtedness to net Capital</b>	<u><u>13.06%</u></u>
<b>Excess Net Capital at 1000%</b>	<u><u>\$ 67,545</u></u>

There is no difference in the above computation and the Company's net capital as reported in the Company's Part IIA (unaudited) FOCUS report as of December 31, 2019

**JBS LIBERTY SECURITIES, INC.**

**REPORT OF INDEPENDENT REGISTERED  
PUBLIC ACCOUNTING FIRM**

**EXEMPTION REPORT**

**For the Year Ended December 31, 2019**



**Report of Independent Registered Public Accounting Firm**

To the Stockholder  
JBS Liberty Securities, Inc.  
Kannapolis, North Carolina

We have reviewed management's statements, included in the accompanying Exemption Report, in which (a) JBS Liberty Securities, Inc (the "Company") identified the following provisions of 17 C.F.R. § 240.15c3-3(k) under which the Company claimed an exemption from 17 C.F.R. § 240.15c3-3 based on section (k)(2)(i) (the "exemption provisions") and (b) 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 provisions set forth in paragraph (k)(2)(i) of 17 C.F.R. § 240.15c3-3.

A handwritten signature in black ink that reads "Elliott Davis, PLLC". The signature is written in a cursive, flowing style.

Raleigh, North Carolina  
February 5, 2020

**JBS LIBERTY SECURITIES, INC.**  
**EXEMPTION REPORT**  
**December 31, 2019**

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**EXEMPTIONS CLAIMED**

JBS Liberty Securities, Inc. (the Company) only claims one exemption.

The Company is exempt from the requirements of SEC Rule 15c3-3 (“Customer Protection Rule”) under subparagraph (k)(2)(i). There are 3 types of exemptions to 15c3-3: (k)(1), (k)(2)(i), and (k)(2)(ii). The firm is unable to avail itself to (k)(2)(ii), which applies to introducing broker/dealers who have a clearing relationship and do not hold customer funds or securities.

The Company is exempt under (k)(2)(i) for the following reasons. 1) The firm requested and was granted such exemption in its Membership Agreement with FINRA. 2) The firm does not hold customer funds or securities, in fact does not receive any customer funds or securities. 3) Any transmittal of any funds by a customer would be handled through a bank account in which the firm is not an owner or beneficiary. 4) The firm carries no margin accounts.

The Company met the identified exemption provision throughout the most recent fiscal year without exception.

JBS Liberty Securities, Inc.

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



Tracy M. VanHamme  
CFO