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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

SEC FILE NUMBER
8- 12676

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 01/01/2015 AND ENDING 12/31/2015
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Diversified Securities, Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

6700 E. Pacific Coast Hwy, #150

(No. and Street)

Long Beach,

CA

90803

(City)

(State)

(Zip Code)

Handwritten initials and number 3/2

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

Nicolette Denney

760-815-1817

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Anton & Chia, LLP

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

3501 Jamboree Road, Suite 540

Newport Beach

CA SEC

92660

(Address)

(City)

Mail Processing Section

(Zip Code)

MAR 01 2016

Washington DC
411

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 the form displays a currently valid OMB control number.

Handwritten initials in a circle

OATH OR AFFIRMATION

I, Richard, P Conway, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Diversified Securities, Inc., as of December 31,, 20 15, 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]
Signature

Executive Vice President
Title

Michelle Arellano

Notary Public

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

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of ~~Changes in Financial Condition~~ Cash Flows
- (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).

Diversified Securities, Inc.

**Financial Statements and Supplemental Schedules
Required by the U.S. Securities and Exchange Commission**

Including Independent Auditor's Report Thereon

For the Year-Ended December 31, 2015

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CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Members of
Diversified Securities, Inc.

We have audited the accompanying financial statements of Diversified Securities, Inc. (the "Company"), which comprise of the statement of financial condition as of December 31, 2015, and the related statements of operations, changes in members' equity, and cash flow for the year then ended that are filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934, and the related notes to the financial statements and supplemental information. The Company's management is responsible for these financial statements. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, 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. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial condition of the Company as of December 31, 2015, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

The computation of Net Capital Pursuant to Rule 15c3-1 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 Rule 17a-5 of the Securities Exchange Act of 1934. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

/s/ Anton & Chia, LLP

Newport Beach, CA

February 29, 2016

DIVERSIFIED SECURITIES, INC.
STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2015

ASSETS

Cash	\$ 396,653
Total cash	396,653
Receivables:	
Other	25,009
Marketable equity securities	87,255
Other assets	<u>14,651</u>
Total assets	<u>\$ 523,568</u>

LIABILITIES AND STOCKHOLDER'S EQUITY

Liabilities:	
Accounts payable and accrued expenses	\$ 14,616
Other liabilities	36,253
Due to affiliates	<u>18,382</u>
Total liabilities	69,250
Commitments	-
Stockholder's equity:	
Common stock, \$5 par value;	
20,000 shares authorized;	
4,335 shares issued and outstanding	\$ 21,675
Additional paid-in capital	31,323
Retained earnings	338,065
Accumulated other comprehensive income	<u>63,255</u>
Total stockholder's equity	<u>454,318</u>
Total liabilities and stockholder's equity	<u>\$ 523,568</u>

DIVERSIFIED SECURITIES, INC.
STATEMENT OF OPERATIONS AND COMPREHENSIVE LOSS
YEAR ENDED DECEMBER 31, 2015

Revenues:	
Concessions:	
Mutual funds and annuities	\$ 5,567
Tax Shelters	10,575
Reimbursements	452,880
Management fees - related party	480,000
Other Management fees	592,045
Dividends	<u>645</u>
Total revenues	1,541,712
Expenses:	
Commission expense	\$ 9,985
Clerical and administrative employees' expenses	1,018,909
Communications	26,290
Occupancy	170,229
Promotional costs	4,895
Regulatory fees, assessments and professional fees	53,777
Other	<u>277,924</u>
Total expenses	<u>1,562,010</u>
Loss before income taxes	(20,298)
Income taxes	<u>800</u>
Net Loss	<u>(21,098)</u>
Other comprehensive income:	
Unrealized gain on securities	<u>15,315</u>
Other comprehensive income	<u>15,315</u>
Net Comprehensive Loss	<u>\$ (5,783)</u>

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

DIVERSIFIED SECURITIES, INC.
STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY
YEAR ENDED DECEMBER 31, 2015

	<u>Common Stock</u>	<u>Additional Paid-in Capital</u>	<u>Retained Earnings</u>	<u>Accumulated Other Comprehensive Income</u>	<u>Total</u>
Balance, beginning of year	\$ 21,675	31,323	359,163	47,940	460,101
Net Loss for the year ended December 31, 2015	-	-	(21,098)	-	(21,098)
Other comprehensive income	-	-	-	15,315	15,315
Balance, at end of year	<u>\$ 21,675</u>	<u>31,323</u>	<u>338,065</u>	<u>63,255</u>	<u>454,318</u>

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

DIVERSIFIED SECURITIES, INC.

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2015

Cash flows from operating activities:	
Net (loss)	\$ (21,098)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Depreciation	400
(Increase) decrease in:	
Other Assets	(1,928)
Increase (decrease) in:	
Accounts payable and accrued expenses	5,120
Total adjustments	<u>3,592</u>
Net cash flows provided by operating activities	(17,506)
Cash flows from investing activities	-
Cash flows from financing activities	<u>-</u>
Net decrease in cash	(17,506)
Cash, beginning of year	<u>414,159</u>
Cash, end of year	<u>\$ 396,653</u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash paid during the year for:	
Interest	\$ -
Income taxes	<u>\$ 800</u>

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

DIVERSIFIED SECURITIES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

The Company is a wholly-owned subsidiary of DSI Financial, Inc. The Company acts as an introducing broker/dealer and clears limited partnership transactions with and for its customers. The Company's primary business consists of facilitating limited partnership transfers for its affiliate, DSI Properties, Inc. The Company requires no collateral for its receivables and, thus, is subject to the risks inherent in the economy.

The Company's main office is located in Long Beach, California. It also maintains branch offices in Tustin, West Covina, Covina and Visalia, California. The Company's trading business is affected by economic fluctuations in the broker-dealer industry.

Security Transactions

Security transactions are reported on a trade date basis which is in conformity with generally accepted accounting principles.

Revenue Recognition

Revenues are recognized in the periods in which the related services are performed. Management fees are earned in the period that they are performed and collected.

Commission revenue includes tax shelter commissions and mutual fund product trailing fees which are recurring in nature. Tax shelter commissions earned are based on the trade date of the transaction. The mutual fund trailing fees are earned based on a percentage of the current market value of clients' investment holdings in trail-eligible assets, and recognized over the period during which services are performed.

Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. There were no cash equivalents at December 31, 2015.

Fair Value

FASB ASC 820, *Fair Value Measurements and Disclosures*, defines fair value, establishes a consistent framework for measuring fair value, and expands disclosure requirements for fair value measurements.

FASB ASC 820 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 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 - Valuations based on unadjusted quoted prices for identical assets or liabilities in active markets accessible by the Company at the measurement date.

Level 2 - Valuations based on inputs that are observable in the marketplace other than those inputs classified as Level 1.

Level 3 - Valuations based on inputs that are unobservable in the marketplace and significant to the valuation.

The following table presents the Company's assets and related valuation inputs within the fair value hierarchy utilized to measure fair value as of December 31, 2015 on a recurring basis:

DIVERSIFIED SECURITIES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

	Level 1	Level 2	Level 3	Total
Marketable equity securities	<u>\$ 87,255</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 87,255</u>

Marketable equity securities are based on quoted market prices in active markets for identical assets.

Property and Equipment

Property and equipment are stated at cost. Depreciation of property and equipment is provided over their estimated useful lives ranging from five to ten years using the straight-line method.

Income Taxes

The Company files consolidated Federal and State corporate tax returns with its parent, DSI Financial, Inc., which elected to be taxed as a Subchapter S corporation effective January 1, 2008 and thereafter. Diversified Securities, Inc., as a wholly-owned subsidiary of DSI Financial, Inc., elected to be treated as a Qualified Subchapter S Subsidiary which is also effective January 1, 2008 and thereafter. Accordingly, the taxable income of the consolidated group is reported on the consolidated income tax return and passed through to the stockholders to be reported on their respective income tax returns. For California tax purposes, the consolidated group is subject to a 1-1/2% California franchise tax. Deferred income taxes result primarily from the differences between the statutory 1-1/2% California franchise tax and the minimum tax and the use of the accelerated cost recovery system for depreciating assets for California tax purposes.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Comprehensive Income

Comprehensive income consists of net income and other gains and losses affecting stockholder's equity that, under United States generally accepted accounting principles, are excluded from net income, such as gains and losses related to certain investment securities.

(2) MARKETABLE EQUITY SECURITIES

Marketable equity securities, which are stated at market, are held for an indefinite period and thus are classified as available for sale. The marketable equity securities, which had an original cost of \$24,000, had an aggregate fair value of \$87,255 at December 31, 2015. Unrealized holding gain on such securities, which was shown as accumulated other comprehensive income in the stockholder's equity, was \$63,255.

(3) PROPERTY AND EQUIPMENT

Total depreciation expense for the year was \$400. Property and equipment is comprised of:

Office equipment	\$ 199,874
Leasehold improvements	<u>134,767</u>
	334,641
Less accumulated depreciation	<u>(334,641)</u>
Net property and equipment	<u>\$ 0</u>

DIVERSIFIED SECURITIES, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED
DECEMBER 31, 2015

(4) RELATED PARTY TRANSACTIONS

The Company pays rent and administrative service costs totaling \$480,000 on behalf of affiliated companies. The entire amount was reimbursed as of December 31, 2015, and is shown as "Management fees - related party" in the accompanying Statement of Income and Comprehensive Income.

The following schedule identifies the components of the related party receivable (payable) balance as of December 31, 2015:

DSI Financial, Inc.	\$	(3,334)
DSI Properties, Inc.		<u>(15,048)</u>
	\$	<u>(18,382)</u>

(5) INCOME TAXES

Income taxes consist of the following California minimum tax:

Current	\$	800
Deferred		<u>-</u>
	\$	<u>800</u>

The Company accounts for income taxes in accordance with FASB ASC 740, *Income Taxes*, which requires the recognition of deferred income taxes using an asset and liability approach in recognizing timing differences. This approach requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax basis of other assets and liabilities. Deferred taxes are not material for the year ended December 31, 2015.

The Company is included in consolidated tax returns filed by the parent. The following is the aggregate income taxes for the parent and its subsidiaries:

	DSI Financial, Inc.	Diversified Securities, Inc.	DSI Properties, Inc.	Total
Current	\$ 800	\$ 800	\$ 800	\$ 2,400
Deferred	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 800</u>	<u>\$ 800</u>	<u>\$ 800</u>	<u>\$ 2,400</u>

The Company files income tax returns in the U.S. federal jurisdiction and the state of California. The Company's income tax returns for the years ending 2012 and forward remain open for examination by federal and state taxing authorities.

(6) COMMITMENTS

The Company entered into operating leases relating to its offices in Long Beach, West Covina and Tustin, California. The lease agreements expire in various years through 2021.

The remaining minimum future rental payments under non-cancelable operating leases as of December 31, 2015, are approximately as follows:

DIVERSIFIED SECURITIES, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED
DECEMBER 31, 2015

(6) COMMITMENTS - continued

<u>Year Ended December 31,</u>	<u>Amount</u>
2015	134,957
2016	276,103
2017	<u>197,164</u>
Total minimum future rental payments	<u>\$ 608,224</u>

The Company entered into a month-to-month lease for its office in Covina, California. The monthly rent is \$1,078.

Rent expense for the year was \$170,229.

(7) CONCENTRATION OF CREDIT RISK FOR CASH HELD AT BANKS

The Company maintains a cash account at Union Bank which had a bank balance of \$396,553 at December 31, 2015. Accounts at these institutions are insured up to \$250,000 by the Federal Deposit Insurance Corporation.

(8) NET CAPITAL

The Company is subject to a \$250,000 minimum net capital requirement under SEC Rule 15c3-1 which requires that the ratio of aggregate indebtedness to net capital shall not exceed 15 to 1. Net capital and the related net capital ratio fluctuate on a daily basis; however, as of December 31, 2015, the net capital ratio was .1755 to 1 and net capital was \$394,600 which exceeded the required minimum capital by \$144,600.

(9) SUBSEQUENT EVENTS

Management has evaluated subsequent events and transactions occurring after year-end through the date that the financial statements were available for issuance which was February 29, 2016. No transactions or events were found that were material enough to require recognition in the financial statements.

DIVERSIFIED SECURITIES, INC.

SCHEDULE I - COMPUTATION OF NET CAPITAL PURSUANT TO RULE 15c3-1

DECEMBER 31, 2015

Total ownership equity		\$	454,318
Less non-allowable assets:			
Petty cash	\$	(100)	
Other receivable		(25,009)	
Other assets - deposits		<u>(14,651)</u>	
			<u>(39,760)</u>
Net capital before haircut			414,558
Haircut:			
Marketable equity securities (15% of \$87,255)		(13,088)	
Undue concentration		<u>(6,870)</u>	
			<u>(19,958)</u>
Net capital		\$	<u>394,600</u>

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Minimum net capital required (6-2/3% of aggregate indebtedness)	\$	<u>4,617</u>
Minimum dollar net capital required	\$	<u>250,000</u>
Net capital requirement (greater of above two figures)	\$	<u>250,000</u>
Excess net capital	\$	<u>144,600</u>

COMPUTATION OF RATIO OF AGGREGATE INDEBTEDNESS

Total liabilities	\$	<u>69,250</u>
Total aggregate indebtedness	\$	<u>69,250</u>
Ratio of aggregate indebtedness to net capital		<u>.1755 to 1</u>
Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1(d)		<u>N/A</u>

DIVERSIFIED SECURITIES, INC.
RECONCILIATION OF NET CAPITAL

DECEMBER 31, 2015

Net capital as reported in unaudited Focus Report Part IIA	\$ 394,600
Net capital as reported in audited financial statements	<u>\$ 394,600</u>

DIVERSIFIED SECURITIES, INC.
SCHEDULE II - COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS
UNDER RULE 15c3-3

DECEMBER 31, 2015

Credits:

Free credit and other credit balances in customer's accounts	\$
Customers' securities failed to receive	_____

Debits

Excess of total credits over total debits

Amounts held on deposit in "Reserve Bank Account at year-end" \$

Amount of deposit (withdrawal) in "Reserve Bank Account on January 3, 2015" _____

Net amount in "Reserve Bank Account after deposit" _____

Amount in excess of that required to be deposited \$ _____

The audited Computation for Determination of Reserve Requirements under Rule 15c3-3 as reported above agrees with the computation included in the unaudited Part IIA filing.

DIVERSIFIED SECURITIES, INC.
SCHEDULE III- INFORMATION RELATING TO POSSESSION OR CONTROL
REQUIREMENTS UNDER RULE 15c3-3

DECEMBER 31, 2015

- | | |
|--|-------------|
| 1. Customers' fully paid securities not in the respondent's possession or control as the report date (for which instructions to reduce to possession or control has been issued as of the report date) but for which the required action was not taken by respondent within the time frames specified under Rule 15c3-3. | <u>\$ 0</u> |
| A. Number of items | <u>0</u> |
| 2. Customers' fully paid securities and excess margin securities for which instructions to reduce to possession or control had not been issued as of the report date, excluding items arising from "temporary lags which result from normal business operations" as permitted under Rule 15c3-3 | <u>\$ 0</u> |
| B. Number of items | <u>0</u> |

DIVERSIFIED SECURITIES, INC.
SCHEDULE OF CUSTOMER SEGREGATED FUNDS

DECEMBER 31, 2015

Not Applicable - The Company does not hold customer segregated funds.



CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

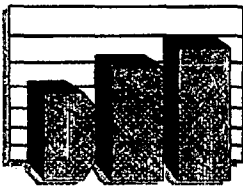
To the Members of
Diversified Securities, Inc.

We have reviewed management's statements, included in the accompanying Compliance Report in which (1) Diversified Securities, Inc. (the "Company") identified the following provision of 17 C.F.R 15c3-3k under which the Company claimed an exemption from 17 C.F.R 240.15c3-3: (k) 3 the compliance 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 identified 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 review is substantially less in scope that an examination the objective of which is the expression of an opinion on managements 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 managements statements referred to above for them to be fairly stated in all material respects based on the provisions set forth in paragraph (k) 3 of Rule 15c3-3 under the Securities and Exchange Act of 1934.

/s/ Anton & Chia, LLP
February 29, 2016



Diversified Securities Inc.

Complete Investment Services

All Major Stock Exchanges

February 2, 2016

Brian Rusywick
Anton & Chia, LLP
3501 Jamboree Road, Suite 540
Newport Beach, CA 92660

Re: SEA Rule 17a-5(d) (3) Compliance Report

Dear Mr. Rusywick:

Pursuant to the referenced rule, the following statement of assertions regarding compliance by Diversified Securities, Inc. is provided:

1. The Company's system of Internal Control Over Compliance was effective throughout the entire period ending January 1, 2015 through December 31, 2015.
2. The Company's system of Internal Control Over Compliance was effective as of the end of the most recent fiscal year ending December 31, 2015.
3. The broker/dealer was in compliance with the "net capital rule", Rule 15c3-1 and the "reserve capital rule", Rule 15c3-3(e) at of the end of the most recent fiscal year ending December 31, 2015; and
4. The information the broker/dealer used to state whether it was in compliance with the net capital rule and the reserve requirements rules was derived from the books and records of the broker/dealer.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Conway", with a long horizontal line extending to the right.

Richard P. Conway
Executive Vice President

SIPC-7

(33-REV 7/10)

SECURITIES INVESTOR PROTECTION CORPORATION

P.O. Box 92185 Washington, D.C. 20090-2185

202-371-8300

General Assessment Reconciliation

SIPC-7

(33-REV 7/10)

For the fiscal year ended 12/31/2015

(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:

21*21*****3096*****MIXED AADC 220
012676 FINRA DEC
DIVERSIFIED SECURITIES INC
PO BOX 357
LONG BEACH CA 90801-0357

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.

NICOLETTE DENNEY
760-815-1817

2. A. General Assessment (item 2e from page 2)	\$	<u>1,174.17</u>
B. Less payment made with SIPC-6 filed (exclude interest)	(<u>10.94</u>)
<hr/>		
	Date Paid	
C. Less prior overpayment applied	(<u>0</u>)
D. Assessment balance due or (overpayment)		<u>1,163.23</u>
E. Interest computed on late payment (see instruction E) for _____ days at 20% per annum		<u>0</u>
F. Total assessment balance and interest due (or overpayment carried forward)	\$	<u>1,163.23</u>
G. PAID WITH THIS FORM: Check enclosed, payable to SIPC Total (must be same as F above)	\$	<u>1,163.23</u>
H. Overpayment carried forward	\$(<u> </u>)

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.

DIVERSIFIED SECURITIES, INC.

(Name of Corporation, Partnership or other organization)

(Authorized Signature)

EXECUTIVE VP

(Title)

Dated the 10TH day of FEBRUARY, 2016.

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 1/1/2015
and ending 12/31/2015

Item No.

Eliminate cents

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

\$ 1,541,712

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

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):

MANAGEMENT & ADMINISTRATION FEES

1,072,045

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

- (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

2d. SIPC Net Operating Revenues

\$ 469,667

2e. General Assessment @ .0025

\$ 1,174.17

(to page 1, line 2.A.)