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

FEB 29 2016

SEC FILE NUMBER

8- 48125

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: MPI Securities, Inc.

OFFICIAL USE ONLY

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

FIRM I.D. NO.

1000 Lenox Drive, 3rd Floor

(No. and Street)

Lawrenceville  
(City)

New Jersey  
(State)

08648  
(Zip Code)

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

Tracey Jasey

609-955-5726

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Mercadien, PC.

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

P.O. Box 7648  
(Address)

Princeton  
(City)

New Jersey  
(State)

08543-7648  
(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)

*amb*

OATH OR AFFIRMATION

I, Daniel M. Kerrigan, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of MPI Securities, Inc., as of February 26, 2016, 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:

REBECCA L. FORSBERG
Notary Public State of New Jersey
My Commission Expires February 15, 2021

[Signature]
Signature
Senior Vice President
Title

[Signature]
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.
(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).

**MPI SECURITIES, INC.**

**REPORTS PURSUANT TO RULE 17A-5(d) OF THE  
SECURITIES AND EXCHANGE COMMISSION**

December 31, 2015



**MPI SECURITIES, INC.**

**REPORTS PURSUANT TO RULE 17A-5(d) OF THE  
SECURITIES AND EXCHANGE COMMISSION**

December 31, 2015

**MPI SECURITIES, INC.**

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December 31, 2015

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Directors and Stockholders of  
MPI Securities, Inc.

We have audited the accompanying statement of financial condition of MPI Securities, Inc. (the "Company") as of December 31, 2015, and the related statements of income, changes in stockholders' equity and cash flows for the year then ended, and the related notes to the financial statements. These financial statements are the responsibility of the Company's management. 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. 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 position of the Company as of December 31, 2015, 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.

The supplementary information contained in the Computation of Net Capital Under SEC Rule 15c3-1 (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 the Computation of Net Capital Under SEC Rule 15c3-1 is fairly stated, in all material respects, in relation to the financial statements as a whole.

*Mercadieu, P.C.*  
*Certified Public Accountants*

February 22, 2016

- AN INDEPENDENTLY OWNED MEMBER,  
MCGLADREY ALLIANCE
- AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS
- NEW JERSEY SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS
- NEW YORK SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS
- PENNSYLVANIA INSTITUTE OF  
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**MPI SECURITIES, INC.**

**STATEMENT OF FINANCIAL CONDITION**  
December 31, 2015

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**ASSETS**

Cash and cash equivalents	\$	169,546
Accounts receivable, less allowance for doubtful accounts of \$7,675		15,531
Prepaid expenses		5,253
Total Assets	\$	<u>190,330</u>

**LIABILITIES AND STOCKHOLDERS' EQUITY**

**Liabilities**

Accounts payable	\$	16
Accrued expenses		14,553
Advance deposits		13,000
Notes payable - current		5,724
Notes payable		18,309
Total Liabilities		<u>51,602</u>

**Stockholders' Equity**

Common stock, no par value, \$6.77 stated value; 10,000 shares authorized; 8,475 shares issued and 3,575 shares outstanding		57,409
Retained earnings		114,512
Treasury stock, 4,900 shares at stated value		<u>(33,193)</u>
Total Stockholders' Equity		<u>138,728</u>
Total Liabilities and Stockholders' Equity	\$	<u>190,330</u>

**MPI SECURITIES, INC.**

**STATEMENT OF INCOME**  
Year Ended December 31, 2015

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Revenues	
Consulting fees	\$ 162,375
Operating expenses	
Bad Debts	7,675
Bank charges	10
Professional fees	58,627
Licensing fees	6,176
Office expense	35
Postage	87
Research expense (income)	(224)
Commissions	1,333
Insurance	695
Interest expense	951
Travel and entertainment	86
Tuition reimbursement	919
Overhead reimbursement	12,240
Total operating expenses	<u>88,610</u>
Income before interest income and provision for state income taxes	73,765
Interest income	23
Income before provision for state income taxes	<u>73,788</u>
Provision for state income taxes	432
Net income	<u>\$ 73,356</u>



MPI SECURITIES, INC.

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY  
Year Ended December 31, 2015

	Common Stock		Retained Earnings	Treasury Stock	Total
	Shares	Amount			
Balances, January 1, 2015	3,575	\$ 57,409	\$ 41,156	\$ (33,193)	\$ 65,372
Net income	-	-	73,356	-	73,356
Balances, December 31, 2015	3,575	\$ 57,409	\$ 114,512	\$ (33,193)	\$ 138,728

See notes to financial statements.

**MPI SECURITIES, INC.**

**STATEMENT OF CASH FLOWS**  
Year Ended December 31, 2015

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Cash Flows from Operating Activities	
Net income	\$ 73,356
Adjustments to reconcile net income to net cash from operating activities	
Bad debt expense	7,675
Changes in assets	
Accounts receivable	(7,856)
Prepaid expenses	1,139
Accounts payable	(1,278)
Accrued expenses	2,253
Advance deposits	3,000
Net cash from operating activities	<u>78,289</u>
Cash Flows from Financing Activities	
Payment of notes payable	<u>(5,544)</u>
Net cash from financing activities	<u>(5,544)</u>
Net change in cash	72,745
Cash, beginning of year	<u>96,801</u>
Cash, end of year	<u>\$ 169,546</u>
Supplemental Disclosures of Cash Flow Information	
Cash paid during the year for:	
Income taxes	<u>\$ 432</u>
Interest expense	<u>\$ 960</u>

## **MPI SECURITIES, INC.**

### **NOTES TO FINANCIAL STATEMENTS**

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#### **A. NATURE OF BUSINESS**

MPI Securities, Inc. (the "Company") was incorporated on January 26, 1995, and is a broker-dealer located in Princeton, New Jersey. The Company is registered with the Securities and Exchange Commission (the "SEC") and the State Securities Commission of New Jersey, as well as the securities commissions of other states, and is a member of the Financial Industry Regulatory Authority.

The Company provides merger and acquisition advisory and private placement consulting services to clients throughout the United States.

#### **B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **Basis of Accounting**

The financial statements of the Company have been prepared on the accrual method of accounting, recognizing income when earned and expenses when incurred.

##### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires the Company to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

##### **Cash**

For purposes of reporting the statement of cash flows, the Company considers all highly liquid instruments with original maturities of ninety days or less to be cash equivalents.

##### **Accounts Receivable**

Net income is charged with an allowance for uncollectible accounts based on past experience and an analysis of accounts receivable collectability. Accounts deemed uncollectible are charged to the allowance in the year they are deemed uncollectible.

##### **Revenue Recognition**

Revenues related to consulting services are recognized upon acceptance of the contract and/or the submission of a consulting report to the client. Advanced deposits are recognized as income when a report is issued.

##### **Income Taxes**

The Company has elected, with the approval of its stockholders, "S" Corporation status for federal and state income tax purposes, thus, the income is taxed to each of the stockholders. With the exception of certain state corporate income taxes, no provision has been made for corporate income taxes in the accompanying financial statements.

Management evaluated the Company's tax positions as of and for the year ended December 31, 2015, and has determined that there is no liability for uncertain tax positions at December 31, 2015.

**MPI SECURITIES, INC.**

**NOTES TO FINANCIAL STATEMENTS**

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**B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Subsequent Events**

Management has evaluated events for potential recognition and disclosure that occurred after December 31, 2015, but before February 22, 2016, the date the financial statements were available to be issued. No items were determined by management to require disclosure.

**15c3-3 Exemption**

The Company operates under the provisions of Paragraph (k)(2)(i) of rule 15c3-3 of the SEC and, accordingly, is exempt from the remaining provisions of that rule. Essentially, the requirements of paragraph (k)(2)(i) provide that a broker-dealer who carries no margin accounts, promptly transmits all customer funds and delivers all securities received in connection with its activities as a broker or dealer, does not otherwise hold funds or securities for or owe money or securities to customers, and effectuates all financial transactions between the broker or dealer and his customers through one or more bank accounts, each to be designated as a Special Account for the Exclusive Benefit of Customers of the Company, is qualified to operate under the provisions of Paragraph (k)(2)(i) of rule 15c3-3 of the SEC. Broker-dealers operating under the provisions of (k)(2)(i) are also exempt from the remaining provisions of rule 15c3-3, including the requirement to make the reserve computations under rule 15c3-3.

**Recent Accounting Pronouncements**

In May 2014, the Financial Accounting Standards Board ("FASB") issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In August 2015, the FASB issued ASU 2015-14, *Revenue from Contracts with Customers (Topic 606) – Deferral of the Effective Date*, which defers the effective date of ASU 2014-09 by one year. The updated standard will be effective for annual reporting periods beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019. Early adoption is permitted only as of annual reporting periods beginning after December 15, 2016. The updated standard will be effective for the Company for the year ending December 31, 2019. The Company has not yet selected a transition method and is currently evaluating the effect that the updated standard will have on the financial statements.

In August 2014, the FASB issued ASU 2014-15, *Presentation of Financial Statements – Going Concern (Subtopic 205-40) Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*. ASU 2014-15 requires that an entity's management evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern within one year after the date that the financial statements are issued. ASU 2014-15 is effective for the annual period ending after December 15, 2016, and for annual periods and interim periods thereafter and early application is permitted. ASU 2014-15 will be effective for the Company for the year ending December 31, 2016. The adoption of ASU 2014-15 is not expected to have a material effect on the Company's financial statements or disclosures. The Company is currently evaluating the impact of adopting this new standard on its financial statement disclosures.

**MPI SECURITIES, INC.**

**NOTES TO FINANCIAL STATEMENTS**

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**C. NOTES PAYABLE**

In 2014, the Company issued three separate notes payable, which collectively total \$29,577, to redeem a total of 1,300 shares from three former shareholders. Each of the notes are payable in five equal installments of principal and interest, commencing in 2015 and ending in 2019. Each note bears interest at an annual rate of 3.25%.

Maturities of notes payable are as follows:

2016	\$	5,724
2017		5,910
2018		6,101
2019		6,298
Total	\$	<u>24,033</u>

**D. MAJOR CUSTOMERS**

There were five customers that accounted for approximately 70% of the Company's total revenues for the year ended December 31, 2015. Approximately 36% of the amount in accounts receivable at December 31, 2015, was due from one of these customers.

**E. RELATED PARTY TRANSACTIONS**

Management Planning, Inc. ("MPI"), an affiliate, provides management services to the Company and is reimbursed based on actual expenditures incurred and allocated overhead. Actual expenditures incurred by MPI include amounts paid to MPI employees for commission fees, which is associated with the Company's consulting fees. Management consulting and commission fees for the year totaled \$13,573.

**F. CONCENTRATIONS OF RISK**

The Company maintains cash in bank deposit accounts which may, at times, exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash.

**G. NET CAPITAL REQUIREMENTS**

The Company is a registered broker-dealer subject to the SEC Uniform Net Capital Rule 15c3-1. This rule requires that the Company maintain minimum net capital, as defined, of at least the greater of \$5,000 or 6 2/3% of aggregate indebtedness, as defined. Net capital and aggregate indebtedness change from day to day, but as of December 31, 2015, the Company had net capital of \$117,944, which exceeded its requirements of \$5,000 by \$112,944.

**SUPPLEMENTARY INFORMATION**

**MPI SECURITIES, INC.**

**COMPUTATION OF NET CAPITAL UNDER SEC RULE 15c3-1**  
As of December 31, 2015

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Stockholders' equity	\$ 138,728
Deductions: non-allowable assets	
Accounts receivable	(15,531)
Prepaid expenses	(5,253)
Non-allowable assets	<u>(20,784)</u>
Net capital	117,944
Minimum capital requirement	5,000
Net capital in excess of minimum requirement	<u>\$ 112,944</u>
Aggregate indebtedness	<u>\$ 51,602</u>
Ratio of aggregate indebtedness to net capital	<u>.44 to 1.00</u>

There are no material differences between the preceding computation and the Company's corresponding unaudited part 11A of Form X-17A-5 as of December 31, 2015.

The Company claims an exemption from SEC Rule 15c3-3 under the (k)(2)(i) provision, and therefore, no computation for determination of reserve requirements was necessary.

**EXEMPTION REPORTS**



**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Directors and Stockholders of  
MPI Securities, Inc.

We have reviewed management's statements, included in the accompanying Exemption Report Pursuant to Rule 17A-5(d)(4), in which (a) MPI Securities, 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: (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 Rule 15c3-3 under the Securities Exchange Act of 1934.

*Mercadien, P.C.*  
*Certified Public Accountants*

February 22, 2016

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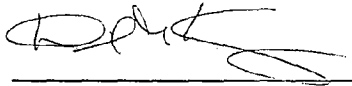
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**MPI SECURITIES, INC.**  
**EXEMPTION REPORT PURSUANT TO RULE 17A-B(a)(4)**

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On behalf of MPI Securities, Inc., I, as FinOp, attest to the following as required by the SEC in conjunction with our annual audit report for the period ending December 31, 2015:

- MPI Securities, Inc. claims an exemption from SEC Rule 15c3-3 under the K(2)(i) provision.
- MPI Securities, Inc. did not hold any customer funds or securities at any time during the year.
- MPI Securities, Inc. met the identified exemption provisions throughout the reporting period without exception.



Daniel M. Kerrigan  
FINOP

*MPI Securities, Inc.*