

ALB



SEC
Mail Processing
Section
MAR 08 2016
Washington DC
416

16014698
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	March 31, 2016
Estimated average burden hours per response.....	12.00

SEC FILE NUMBER
B- 8570

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 01/01/15 AND ENDING 12/31/15
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Frederick & Company, Inc.

OFFICIAL USE ONLY

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

FIRM I.D. NO.

N27 W23953 Paul Road, Suite 202

(No. and Street)

Pewaukee

WI

53072

(City)

(State)

(Zip Code)

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

Lon Frederick

262-278-4053

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Edward Richardson Jr., CPA

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

15565 Northland Drive, Suite 508 West

Southfield

MI

48075

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

Certified Public Accountant

Public Accountant

Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

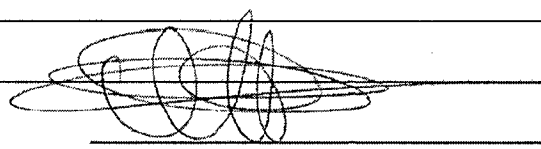
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

ALB

S

OATH OR AFFIRMATION

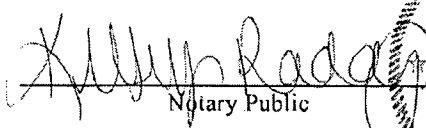
I, Lon Frederick, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Frederick & Company, Inc., as of December 31, 20 15, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

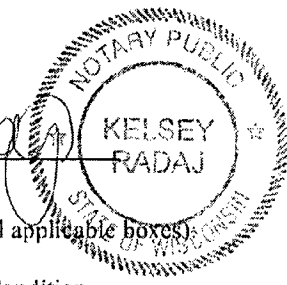


Signature

President

Title


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).

FREDERICK & COMPANY, 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

Contents

Independent Auditors Report	3
Financial Statements	4
Statement of Financial Condition.....	4
Statement of Operations	5
Statement of Cash Flows.....	6
Statement of Changes in Ownership Equity	7
Statement of Changes in Subordinated Liabilities	8
Notes to Financial Statements	9
Supplementary Schedules Pursuant to SEA Rule 17a-5	14
Computation of Net Capital	14
Computation of Net Capital Requirement	14
Computation of Aggregate Indebtedness.....	14
Computation of Reconciliation of Net Capital	14
Statement Related to Uniform Net Capital Rule.....	15
Statement Related to Exemptive Provision (Possession and Control).....	15
Statement Related to SIPC Reconciliation	15
Exemption Report Pursuant to SEA Rule 17a-5(d)(1)(i)(B)(2)	16
Auditors Review of Exemption Report Pursuant to SEA Rule 17a-5(d)(1)(i)(B)(2).....	17

*Edward Richardson Jr., CPA
15565 Northland Dr W Ste 508
Southfield, MI 48075
248-559-4514*

Independent Auditor's Report

Board of Directors
Frederick & Company, Inc.
N27W23953
Pewaukee, WI 53072

Report on the Financial Statements

I have audited the accompanying statement of financial condition of Frederick & Company, Inc. as of December 31, 2015 and the related statements of income, changes in stockholder's equity, changes in liabilities to claims of general creditors, and cash flows for the year ended. These financial statements are the responsibility of Frederick & Company, Inc. management. My responsibility is to express an opinion on these financial statements based on my audit.

Auditor's Responsibility

I conducted this audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

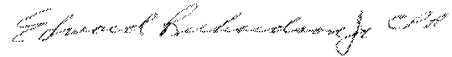
Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Frederick & Company, Inc. as of December 31, 2015, and results of its operations and its cash flows to the year then ended in conformity with accounting principles generally accepted in the United States.

Other Matters

The Supplemental Information has been subjected to audit procedures performed with audit of Frederick & Company, Inc. financial statements. Supplemental Information is the responsibility of Frederick & Company, Inc.'s management. My 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 my opinion on the Supplemental Information, I evaluated whether the Net Capital Computation, including its form and content is presented in conformity with 17 C.F.R. # 240.17a-5. In my opinion, the Net Capital Computation is fairly stated, in all material respects, in relation to the financial statements as a whole.



Edward Richardson Jr., CPA
Southfield, MI. 48075
February 22, 2016

FREDERICK & COMPANY, INC.

Statement of Financial Condition

December 31, 2015

ASSETS

Assets:

Cash - Bank	\$	320
Cash - Reserve		5
Securities Owned		
Marketable, at market value		700,299
Not readily marketable, at estimated value		309,432
Employee Advance		49,012
Prepaid Expenses		1,113
Total Current Assets		<u>1,060,180</u>

Property and Equipment

Furniture and equipment		5,513
Accumulated depreciation		(3,455)
Net book value		<u>2,058</u>
Total assets	\$	<u>1,062,239</u>

LIABILITIES AND STOCKHOLDER'S EQUITY

Current Liabilities:

Note payable - stockholders		60,400
Accrued interest		28,257
Accounts payable		8,979
Accrued wages and taxes		2,528
Total Current liabilities		<u>100,164</u>

Subordinated Borrowings

Total liabilities		<u>214,525</u>
		314,688

Stockholder's Equity

Common stock:		
Series A, nonvoting, \$1 par, authorized 100,000 shares;		
issued and outstanding 20,965 shares		20,965
Series B, voting, \$1 par, authorized 50,000 shares;		
issued and outstanding 42 shares		42
Additional paid in capital		2,029,789
Retained earnings (deficit)		(1,303,246)
Total stockholder's equity		<u>747,551</u>

Total liabilities and stockholder's equity	\$	<u>1,062,239</u>
---	-----------	-------------------------

FREDERICK & COMPANY, INC.

Statement of Income

December 31, 2015

Income:

Commission income	\$	17,094
-------------------	----	--------

Expenses:

Employee compensation	16,000
Payroll taxes and benefits	3,727
Communications	2,887
Occupancy	9,157
Legal and professional	17,860
Travel, meetings and entertainment	3,880
Dues and fees	2,940
Depreciation	620
Insurance	1,317
Interest	9,089
Office expense	3,316

Total operating expenses	<u>70,792</u>
--------------------------	---------------

Net loss from operations	(53,698)
--------------------------	----------

Other Income (Loss/Expenses):

Realized gain on sale of investments	22,165
Interest Income	1,543
Unrealized loss on securities owned	(750,164)
Charitable Contributions	(15)

Total other loss	<u>(726,472)</u>
------------------	------------------

Net loss	\$ <u><u>(780,170)</u></u>
----------	----------------------------

FREDERICK & COMPANY, INC.

Statement of Cash Flows
Year Ending December 31, 2015

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income (Loss) \$ (780,170)

Adjustments to reconcile net income to net cash provided by operating activities:

Depreciation and Amortization 620
Realized gain on securities (22,165)
Unrealized gain on securities 750,164
Value of Options Exercised -

Changes in Operating Assets & Liabilities:

Accounts Receivable (24,012)
Prepaid & Other (187)
Accounts Payable, Credit Cards 1,143
Accrued interest 6,972

Net Cash Provided By (Used In) Operating Activities **(67,634)**

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of investments (30,040)
Proceeds from sale of investments 76,258

Net Cash Provided By (Used In) financing activities **46,218**

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from shareholder loans 2,301

Net Cash Provided By (Used In) Financing Activities **2,301**

Net Increase (Decrease) In Cash (19,115)

Cash At Beginning of Period 19,439

Cash At End of Period \$ 324

FREDERICK & COMPANY, INC.

Statement of Changes in Stockholder's Equity
Year Ending December 31, 2015

	<u>Common Stock</u>	<u>Additional Paid In Capital</u>	<u>Retained Earnings (Deficit)</u>	<u>Total Stockholder's Equity</u>
Balance, December 31, 2014	\$ 21,007	\$ 2,029,789	\$ (523,076)	\$ 1,527,720
2015 Shares Issued	-	-	-	-
2015 net loss	-	-	(780,170)	(780,170)
Balance, December 31, 2015	<u>\$ 21,007</u>	<u>\$ 2,029,789</u>	<u>\$ (1,303,246)</u>	<u>\$ 747,551</u>

FREDERICK & COMPANY, INC.

Statement of Changes in Subordinated Liabilities
Year Ending December 31, 2015

Subordinated borrowings, beginning of year	\$ 214,525
Increase: Accrued interest subject to subordination	24,669
Decrease: Payments on subordinated borrowings	<u>-</u>
Subordinated borrowings, end of year	<u>\$ 239,194</u>

FREDERICK & COMPANY, INC.

Notes to Financial Statements

December 31, 2015

1. Summary of Significant Accounting Policies

Formation of the Company

Frederick & Company, Inc. (a Wisconsin Company) was organized in 1960 and is located in Pewaukee, Wisconsin. The Company is a registered securities broker dealer, but its focus is in the investment banking business. The Company's primary specialty is in primary placement venture capital financings.

Reserves and Custody of Securities

The Company's business involves venture capital financing. Special safeguards have been established for the protection of funds received in connection with venture capital offerings. The company has obtained exemption from SEC 15c3-3 under Subparagraph (k)(2).

Commission Income

The Company recognizes revenue at the time when both signed subscription agreements and the related customer payments are received by the offering company.

Commission Receivable

The Company uses the allowance method to account for uncollectible commissions receivable. The Company estimates the allowance based on historical collection experience and a review of the current status of accounts receivable. As of December 31, 2015, no allowance for doubtful accounts is provided as all receivables are considered collectible.

Property and Equipment.

Property and equipment are recorded at cost. Major expenditures for property and equipment are capitalized. Maintenance and repairs are expensed as incurred. Depreciation is calculated using the straight-line method over estimated useful lives ranging from 5-10 years.

Income Taxes

The Company, with the consent of its stockholders, has elected under the Internal Revenue Code to be an S corporation. In lieu of corporate income taxes, the stockholders of an S corporation are taxed personally on their proportionate share of the Company's taxable income. Therefore, no provisions for Federal or State income taxes currently payable or deferred have been included in these financial statements.

The Company has implemented accounting for uncertainty in income taxes in accordance with accounting principles generally accepted in the United States of America. This standard describes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return and also provides guidance on various related matters such as derecognizing, interest,

FREDERICK & COMPANY, INC.

Notes to Financial Statements

December 31, 2015

penalties, and disclosure required. Management of the Company evaluates the uncertain tax positions taken, if any, and consults with outside counsel as deemed necessary. The company recognizes interest and penalties, if any, related to unrecognized tax liabilities in income tax expense.

The Company is no longer subject to United States of America federal informational tax return examinations for years ending through December 31, 2011 and state examinations for years ending through December 31, 2010.

Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain 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 revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Fair Value

In accordance with accounting principles generally accepted in the United States of America, investments in marketable securities with readily determinable fair value and all investments in debt securities are valued at their fair value in the Balance Sheet. Unrealized gains and losses are included in the change of net assets.

The fair value hierarchy priorities the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Company has the ability to access.
- Level 2 inputs are inputs (other than quoted prices included with level 1) that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. (The unobservable inputs should be developed based on the best information available in the circumstances and may include the Company's own data.)

Subsequent Events

Management has evaluated all subsequent events through January 27, 2016 for possible inclusion as a disclosure in the financial statements. There were no subsequent events to disclose through the aforementioned time period.

2. Net Capital Requirements

The Company is subject to the Securities and Exchange Commission uniform Net Capital Rule (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, shall not exceed 15 to 1. Rule 15c3-1 also provides that equity capital may not be

FREDERICK & COMPANY, INC.

Notes to Financial Statements

December 31, 2015

withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1. At December 31, 2015, the company had net capital of \$409,444 and net capital requirements of \$6,678. The Company's ratio of aggregate indebtedness to net capital at December 31, 2015 was .24 to 1.

3. Property and Equipment

Property and equipment is stated at cost less accumulated depreciation at December 31, 2015 and is summarized as follows:

Office furniture and equipment	\$5,513
Less: Accumulated depreciation:	<u>(3,455)</u>
	<u>\$2,058</u>

4. Subordinated Borrowings

The Company owes a stockholder \$239,194 for a loan and accrued interest subordinated to creditor liabilities at December 31, 2015. FINRA has approved the loan and accrued interest as a satisfactory subordination agreement. The loan is due May 2017 and bears an interest at the rate of 3.25%. Appendix D of SEC Rule 15c3-1 requires prior written approval before any repayment of a subordinated agreement can be made. Summary of these amounts are as follows at December 31, 2015:

Stockholder Note	\$214,525
Accrued interest, subordinated	<u>24,669</u>
	<u>\$239,194</u>

5. Securities

At December 31, 2015, the Company owns securities, either marketable or not readily marketable, consisting of:

Fair Value Measurement at Reporting Date Using

<u>Description</u>	<u>12/31/2015</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
Corporate stock	\$854,731	\$700,299	\$56,090	\$98,342
Corporate notes	<u>155,000</u>	<u>--</u>	<u>135,000</u>	<u>20,000</u>
Total	<u>\$1,009,731</u>	<u>\$700,299</u>	<u>\$191,090</u>	<u>\$118,342</u>

Inputs were transferred from Level 3 to Level 2 during the year ended December 31, 2015 upon confirmation of observable value of \$110,000 for Vision III corporate notes. Additionally, the Company increased its position in Level 2 corporate notes by \$25,000 during the year ended December 31, 2015.

Opening Balance (Level 2 corporate notes)	\$0.00
Input transfer from Level 3 to Level 2	110.000

FREDERICK & COMPANY, INC.

Notes to Financial Statements

December 31, 2015

Receivable Reclassified as Convertible Bridge Note	<u>25,000</u>
Closing Balance (Level 2 Corporate note)	<u>\$135,000</u>

All assets have been valued using a market approach, except for Level 3 assets. Fair value for assets in Level 2 is calculated using quoted prices from the corporations invested in. For Level 3 assets, the company's management evaluates and adjusts the unobservable inputs used in the fair value measurement based on current market conditions and third-party information.

Securities not readily marketable include investment securities (a) for which there is no market on a securities exchange or no independent publicly quoted market, (b) that cannot be publicly offered or sold unless registration has been effected under the Securities Act of 1933, or (c) that cannot be offered or sold because of other arrangements, restrictions, or conditions applicable to the securities or to the Company.

6. Warrants outstanding

The company has the right to purchase some or all of their outstanding warrant shares in various companies in subsequent years. **Attachment 1** provides a summary of outstanding warrants at December 31, 2015.

7. Operating Leases

The Company leases office space under an operating lease expiring on November 30, 2016. The lease calls for monthly rental payments of \$771.00. Total rental expense for 2014 totaled \$9,157.00. The following is a schedule, by years, of future minimum payments under the operating leases in effect as of December 31, 2015:

2016	<u>\$ 9,252</u>
------	-----------------

8. Risks and Uncertainties

The Company's securities owned are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the values of investments, it is at least reasonably possible that changes in risks in the near term would materially affect the amounts reported in the statement of financial condition and the statement of income.

Attachment 1

FREDERICK & COMPANY, INC.

Warrants Outstanding
Year Ending December 31, 2015

<u>Title</u>	<u># of Shares</u>	<u>Expiration Date</u>	<u>Share Price</u>
Qualigen	10,089	June 23, 2016	\$ 3.70
Lifeblood	264,000	July 11, 2016	1.00
CloSys-Price	39,688	January 18, 2017	0.72
CloSys-Price	31,542	February 5, 2017	0.72
CloSys-Price	33,260	March 14, 2017	0.72
CloSys-Price	7,692	September 5, 2017	0.72
Vision III	16,000	December 19, 2022	2.50
Vision III	6,000	April 29, 2023	5.00
Vision III	6,000	June 29, 2023	5.00
Vision III	38	October 27, 2023	5.00
Vision III Convertible Note	8,027	September 19, 2023	5.00
Vision III Convertible Note	2,811	October 28, 2023	5.00
Vision III Series B	75,000	May 27, 2026	5.00
Vision III Convertible Bridge	24,175	May 27, 2026	3.60
INRange Systems	10,035	September 4, 2025	1.20
INRange Systems	4,200	December 31, 2025	1.20
INRange Systems	4,200	December 31, 2025	0.01

FREDERICK & COMPANY, INC.

**Schedule I: Computation of Aggregated Indebtedness
and Net Capital Under Rule 15c3-1**

December 31, 2015

Aggregate Indebtedness

Accounts payable	\$	3,499
Accrued expenses		96,665
		100,164
Total Aggregate Indebtedness	\$	100,164
Minimum required net capital (6 2/3% of aggregate indebtedness)	\$	6,678
Minimum dollar net capital requirement of reporting broker or dealer	\$	5,000

Computation of Basic Net Capital Requirement:

Stockholder's equity		747,551
Subordinated borrowings		214,525
Deductions:		
Securities not readily marketable, at estimated fair value		(309,432)
Unallowable cash		(5)
Receivables		(49,012)
Prepaid expenses		(1,113)
Property and equipment		(2,059)
Haircuts on securities		(105,045)
Undue concentration		(85,966)
		(441,177)
Net Capital		409,444
Net capital requirement (minimum)		6,678
Capital in excess of minimum requirement	\$	402,766
Ratio of aggregate indebtedness to net capital		24.46%

Reconciliation with Company's Computation (included in Part IIA of Form X-17A-5 as of December 31):

Net capital, as reported in Company's Part IIA (unaudited) FOCUS report:	\$	409,444
--	----	---------

COMPUTATION FOR DETERMINATION OF THE RESERVE REQUIREMENTS UNDER RULE 15c3-3

Frederick & Co., inc. is exempt from Rule 15c3-3 under the provision of Rule 15c3-3(k)(2)(i).

INFORMATION RELATING TO THE POSSESSION OR CONTROL REQUIREMENTS UNDER RULE 15c3-3

Frederick & Co., Inc. is exempt from Rule 15c3-3 under the provision Rule 15c3-3(k)(2)(i).

FREDERICK & COMPANY, INC.
Supplementary Schedules Pursuant to SEA Rule 17a-5
Of the Securities and Exchange Act of 1934
As of and for the Year-Ended December 31, 2015

Statement Related to Uniform Net Capital Rule

The Company is a member of the FINRA and is subject to the SEC Uniform Net Capital Rule 15c3-1. This rule requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 1500% (15 to 1), or, during its first year of operations, 800% (8:1). Net capital and the related net capital ratio may fluctuate on a daily basis. At December 31, 2015, the Company had net capital of \$409,444 which was \$402,766 in excess of its required net capital of \$6,678. The Company's net capital ratio was .24 to 1. The Company has elected to use the basic computation method, as is permitted by the rule, which requires that the Company maintain minimum Net Capital pursuant to a fixed dollar amount or 6-2/3% percent of total aggregate indebtedness, as defined, whichever is greater, and does not, therefore, calculate its net capital requirement under the alternative reserve requirement method.

Statement Related to Exemptive Provision (Possession and Control)

The Company does not have possession or control of customer's funds or securities. There were no material inadequacies in the procedures followed in adhering to the exemptive provisions of SEA Rule 15c3-3(k)(2)(i). All customer transactions cleared through another broker-dealer on a fully disclosed basis.

Statement Related to Material Inadequacies

This audit did not disclose any material inadequacies since the previous audit of the financial statements contained within the audit report of the Computation of Minimum Net Capital Requirement as reported in the Supplemental Schedules contained within the audit report or the filed Financial and Operational Combined Uniform Single Report filed pursuant to SEA Rule 15c3-1. The firm is exempt from 15c3-3; it does not maintain customer funds or securities and therefore does not maintain customer funds to segregate nor does it maintain separate accounts for customers.

Statement Related to SIPC Reconciliation

SEA Rule 17a-5(e)(4) requires a registered broker-dealer to file a supplemental report which includes procedures related to the broker-dealers SIPC annual general assessment reconciliation or exclusion from membership forms. In circumstances where the broker-dealer reports \$500,000 or less in gross revenue they are not required to file the supplemental SIPC report. The Company is exempt from filing the supplemental report under SEA Rule 17a-5(e)(4) because it is reporting less than \$500,000 in gross revenue.

FREDERICK & COMPANY, INC.
Supplementary Schedules Pursuant to SEA Rule 17a-5
Of the Securities and Exchange Act of 1934
As of and for the Year-Ended December 31, 2015

Exemption Report Pursuant to SEA Rule 17a-5(d)(1)(i)(B)(2)

Frederick & Company, Inc.

To Whom It May Concern,

In accordance with the provisions of SEA Rule 17a-5(d)(4)iii Frederick & Company, Inc. is a Broker Dealer registered with the SEC.

- With respect to the Exemption Provision under Rule 15c3-3 Frederick & Company has claimed the (k)(2)(i) exemption as of December 31, 2015.
- The (k)(2)(i) exemption from 15c3-3 is based on the firms exclusive business of private placements whereby the firm does not hold customer securities or customer funds.
- The firm met this identified exemption provision throughout the most recent 2015 fiscal year without exception.
- The firm has not recorded any exceptions.

Lon P. Frederick



President

Frederick & Company Inc.



MEMBER FINRA/SIPC

WEST WIND - N27W28953 PAUL ROAD - SUITE 202 - PEWAUKEE, WISCONSIN 53072 - 262-278-4053

FREDERICK & COMPANY, INC.
Supplementary Schedules Pursuant to SEA Rule 17a-5
Of the Securities and Exchange Act of 1934
As of and for the Year-Ended December 31, 2015

Auditors Review of Exemption Report Pursuant to SEA Rule 17a-5(d)(1)(i)(B)(2)

Edward Richardson, Jr., CPA
15565 Northland Suite 508 West
Southfield, MI. 48075

February 22, 2016

Board of Directors
Frederick & Company, Inc.
N27W23953 Paul Road,
Suite 202
Pewaukee, WI 53072

I have reviewed management's statements, included in the accompanying Representation Letter of Exemptions, in which (1) Frederick & Company, Inc. identified the following provisions of 17 C.F.R. § 15c3-3(k) under which Frederick & Company, Inc. claimed an exemption from 17 C.F.R. § 15c3-3(k)(2)(i), and (2) Frederick & Company, Inc. stated that Frederick & Company, Inc. met the identified exemption provisions throughout the most recent fiscal year without exception. Frederick & Company, Inc.'s management is responsible for compliance with the exemption provisions and its statements.

My 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 Frederick & Company, Inc.'s compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, I do not express such an opinion.

Based on my review, I'm 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.

Edward Richardson, Jr., CPA