

akb



16014848

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

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

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

Processing  
Section  
MAR 07 2016  
Washington DC  
404

SEC FILE NUMBER  
8-46575 akb

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: Dresner Investment Services, Inc.  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
20 N. Clark St., Suite 3550

OFFICIAL USE ONLY  
FIRM I.D. NO.

(No. and Street)

Chicago  
(City)

IL  
(State)

60602  
(Zip Code)

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

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Ostrow Reisin Berk & Abrams, Ltd.

NBC Tower - Suite 1500

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

455 N. Cityfront Plaza Dr.

Chicago

IL

60611

(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)

akb

5

OATH OR AFFIRMATION

I, Steven M. Dresner, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Dresner Investment Services, Inc., as of December 31, 2015, 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]  
Signature  
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).

## **Report of Independent Registered Public Accounting Firm**

Board of Directors and shareholder  
Dresner Investment Services, Inc.  
Chicago, Illinois

We have audited the accompanying statement of financial condition of Dresner Investment Services, Inc. (the Company) as of December 31, 2015 and the related statements of operations and comprehensive loss, changes in shareholder's equity and cash flows for the year then ended. 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. 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. 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 Dresner Investment Services, Inc. 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 under Rule 15c3-1 of the Securities and Exchange Commission and the computation for determination of reserve requirements under Rule 15c3-3 (exemption) and information relating to the possession and control requirements under Rule 15c3-3 (exemption) of the Securities and Exchange Commission 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 supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

*Ostrow Reisin Berk & Abrams, Ltd.*

Chicago, Illinois  
February 26, 2016

**DRESNER INVESTMENT SERVICES, INC.**

**STATEMENT OF FINANCIAL CONDITION**

December 31, 2015

**ASSETS**

**Current assets:**

Cash and cash equivalents	<b>\$ 1,975,581</b>
Trade receivables, less allowance for doubtful accounts of \$1,028,940 (Note 2)	<b>119,546</b>
Prepaid expenses	<b>15,155</b>

---

Total current assets	<b>2,110,282</b>
----------------------	------------------

---

Investment, at fair value (Note 3)	<b>114,662</b>
------------------------------------	----------------

---

**Property and equipment:**

Computer equipment	<b>17,115</b>
Furniture	<b>4,125</b>
Automobile	<b>42,927</b>

---

Less accumulated depreciation	<b>64,167</b> <b>(59,818)</b>
-------------------------------	----------------------------------

---

Property and equipment, net	<b>4,349</b>
-----------------------------	--------------

---

**Other assets**

Deferred tax asset (Note 12)	<b>14,000</b>
------------------------------	---------------

---

<b>Total assets</b>	<b>\$ 2,243,293</b>
---------------------	---------------------

---

*See notes to financial statements.*

**DRESNER INVESTMENT SERVICES, INC.**  
**STATEMENT OF FINANCIAL CONDITION (CONTINUED)**

---

December 31, 2015

---

**LIABILITIES AND SHAREHOLDER'S EQUITY**

Current liabilities:

Accounts payable	\$ 22,158
Accrued expenses	27,842
Deferred rent	32,362
Due to affiliates (Note 9)	981,694

---

Total current liabilities **1,064,056**

---

Long-term liabilities:

Due to shareholder (Note 10)	8,320
Distribution payable	706,948

---

Total long-term liabilities **715,268**

---

Total liabilities **1,779,324**

---

Shareholder's equity:

Common stock, no par value; authorized 1,000,000 shares; issued and outstanding 100,000 shares	7,615
Paid-in capital	25,000
Retained earnings	388,308
Accumulated other comprehensive income:	
Net unrealized gain on available-for-sale securities	43,046

---

Total shareholder's equity **463,969**

---

Total liabilities and shareholder's equity **\$ 2,243,293**

---

*See notes to financial statements.*

**DRESNER INVESTMENT SERVICES, INC.**

**STATEMENT OF OPERATIONS AND COMPREHENSIVE LOSS**

<u>Year ended December 31, 2015</u>	
Revenue, fee income (Note 4)	<u>\$ 2,743,195</u>
Operating expenses:	
Support services	1,947,208
Bad debts (Note 2)	96,589
Wages and benefits	<u>1,795,807</u>
Total operating expenses	<u>3,839,604</u>
Operating loss	<u>(1,096,409)</u>
Financial income (expense):	
Interest income	1,620
Interest expense	(13,982)
Other income	<u>4,500</u>
Total financial expense, net	<u>(7,862)</u>
Loss before income tax benefit	<u>(1,104,271)</u>
State income tax benefit	<u>15,583</u>
Net loss	<u>\$ (1,088,688)</u>
Net decrease in unrealized gain on available-for-sale securities	<u>(13,090)</u>
Comprehensive loss	<u>\$ (1,101,778)</u>

*See notes to financial statements.*

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

	Common stock	Paid-in capital	Retained earnings	Accumulated unrealized gain on available-for-sale securities	Total shareholder's equity
	\$ 7,615	\$ 25,000	\$ 1,476,996	\$ 56,136	\$ 1,565,747
			(1,088,688)		(1,088,688)
<b>gain on available-for-sale securities</b>				<b>(13,090)</b>	<b>(13,090)</b>
	\$ 7,615	\$ 25,000	\$ 388,308	\$ 43,046	\$ 463,969

See notes to financial statements.



# DRESNER INVESTMENT SERVICES, INC.

## NOTES TO FINANCIAL STATEMENTS

### 1. Description of business

Dresner Investment Services, Inc. (the Company) was incorporated in Illinois on April 12, 1993. The Company, which was admitted as a Financial Industry Regulatory Authority (FINRA) (formerly known as NASD) member in 1994, provides investment banking services for middle market companies. These services include advising clients on mergers and acquisitions, divestitures, recapitalizations, placement of debt, equity securities and corporate valuations.

The Company's shareholder is also the sole shareholder of three other legal entities sharing common ownership and management control. These entities were incorporated to provide management, professional and consulting services and are not subject to regulatory agencies' oversight. (See Note 9)

### 2. Summary of significant accounting policies

#### Cash and cash equivalents:

For purposes of the statement of cash flows, the Company considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents.

#### Trade accounts receivable:

Trade accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to trade accounts receivable. Changes in the valuation allowance for trade receivables were as follows:

<u>Year ended December 31, 2015</u>	
Balance, beginning of year	\$ 932,351
Provision for losses	96,589
<u>Balance, end of year</u>	<u>\$1,028,940</u>

## **DRESNER INVESTMENT SERVICES, INC.**

### **NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

#### **2. Summary of significant accounting policies (continued)**

##### **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.

##### **Investments:**

The investment reported at fair value is an equity security with a readily determinable market value.

Investment gains (losses) and income are reported in the statement of operations.

##### **Property and equipment and related depreciation:**

Property and equipment are stated at cost. Provisions for depreciation of property and equipment are computed under accelerated and straight-line methods over the estimated useful lives of the assets.

##### **Deferred rent:**

The Company's operating lease agreement for its office space contains provisions for future rent increases and a period of rent abatement. In accordance with generally accepted accounting principles, the Company records monthly rent expense equal to total payments due over the lease term, divided by the number of months in the lease term. The difference between rent expense recorded and the amount paid is credited or charged to "Deferred rent" which is reflected as a separate line item in the accompanying statement of financial condition.

##### **Income taxes:**

The Company uses the cash method of accounting for tax reporting purposes and the accrual method of accounting for financial statement purposes.

Since its inception, the Company elected to be taxed as an S Corporation under the provisions of the Internal Revenue Code. Under these provisions, the Company is not required to pay federal income taxes on its income, if any. Instead, the shareholder of the Company is liable for the federal income taxes on his respective share of the Company's income, if any. However, the Company is liable for state income taxes, where applicable.

**DRESNER INVESTMENT SERVICES, INC.**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**3. Investment, at fair value**

As required by the Fair Value Measurements and Disclosures of the Financial Accounting Standards Board (FASB) Accounting Standards Codification, the Company defines fair value, expands the disclosure requirements around fair value and specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. The value of the Company's investment which is required to be carried at fair value is exchange-traded and is, therefore, considered a Level 1 asset.

Investment at fair value is as follows at December 31, 2015:

	<b>Cost</b>	<b>Fair value</b>	<b>Unrealized gain</b>
<b>Publicly-traded financial services industry common stock</b>	<b>\$ 71,616</b>	<b>\$ 114,662</b>	<b>\$ 43,046</b>

**4. Revenue**

The Company's services are contracted under a variety of billing arrangements, including hourly, fixed and success fees. Revenue includes all amounts billed to clients during the year and adjustments for the settlement of previously billed and disputed fees. Revenue is not recognized from contracts that the Company and its clients have not reached an agreement as to earned fees and/or costs if the amounts are not determinable.

**5. Credit risk**

The Company maintains its cash in bank accounts at a Chicagoland area bank. Such accounts, at times, may exceed federally-insured limits. The Company has uninsured balances approximating \$982,638 at December 31, 2015. The Company has not experienced any losses in such accounts. Management believes that the Company is not exposed to any significant credit risk on cash.

**6. Major clients**

Three clients accounted for approximately 60% of the Company's revenue for the year ended December 31, 2015. Four clients accounted for approximately 45% of accounts receivable at December 31, 2015.

**DRESNER INVESTMENT SERVICES, INC.**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**7. Employee retirement plan**

Effective September 1, 2002, the Company and its affiliates began a defined-contribution retirement plan (401(k) plan) with a profit-sharing feature covering substantially all employees. Under the plan, the Company may make a discretionary contribution based on salary and contributions of all employees who meet the service requirements as prescribed by the plan. The expense related to this plan allocated to the Company was \$19,237 for the year ended December 31, 2015.

**8. Lease commitments**

The Company shares occupancy costs of its office facilities in Illinois with the three entities described in Note 9. Each entity is responsible for its agreed-upon share of base rent and real estate taxes and operating expenses of the facilities and the Company has recorded its proportionate share of expenses. The Company leases its office space under a non-cancelable lease which expires in July 2020.

The Company was also charged occupancy costs by DCS (Note 9) for office facilities in California and New York in the amount of \$43,250.

For the year ended December 31, 2015 total rent expense for these leases was \$203,690.

The total remaining annual minimum rental payments are as follows:

<u>Year ending December 31:</u>	<u>Amount</u>
2016	\$ 124,847
2017	141,412
2018	145,093
2019	148,774
2020	88,037
<u>Total</u>	<u>\$ 648,163</u>

**9. Related party transactions**

Dresner Capital Resources, Inc. (DCR), one of the related corporations which is wholly-owned by the sole shareholder of the Company, provides all of the administrative support services. DCR pays a majority of the Company's office expenses and other costs, including payroll and related payroll taxes. The Company will reimburse DCR for the expenses charged. The Company paid DCR \$79,000 for consulting services in 2015.

**DRESNER INVESTMENT SERVICES, INC.**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**9 Related party transactions (continued)**

Allocation of expenses, referred to as "support services," are made by DCR to the Company and its affiliates. Expenses specific to the Company and its affiliates are allocated directly to the entity to which the expense applies. If the expense does not specifically apply to the Company or its affiliates, they are apportioned based on an allocation percentage determined by management.

The Company also shares employee resources with Dresner Corporate Services, Inc. (DCS) and Dresner Securities, Inc. (DSI) and bills the related party for each company's share of corresponding employee costs. The Company paid DCS \$420,000 for consulting services in 2015.

Dresner Building Services, Inc. (DBS) is a related entity. The Company paid DBS \$9,318 for other services rendered in 2015.

During 2015 the Company paid approximately \$2,800,923 to these related corporations for administrative support services, wages and other overhead.

The following amounts were due to the above related companies.

<u>December 31, 2015</u>	
Dresner Capital Resources, Inc.	\$ 963,829
Dresner Corporate Services, Inc.	9,185
Dresner Securities, Inc.	8,680
<u>Total</u>	<u>\$ 981,694</u>

**10. Due to shareholder**

The Company owes \$8,320 to its sole shareholder for opening a bank account on behalf of the Company at December 31, 2015.

**DRESNER INVESTMENT SERVICES, INC.**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**11. Deferred income tax asset**

The income tax expense consists of the following components at December 31, 2015

<u>December 31, 2015</u>	
Current income tax expense benefit	
State	<b>1,583</b>
Deferred income tax asset	
State	<b>14,000</b>
<b>Total state tax expense benefit</b>	<b>\$ 15,583</b>

The company's total deferred tax asset as of December 31, 2015 has been presented as follows:

<u>December 31, 2015</u>	
<b>Total non-current deferred tax asset</b>	<b>14,000</b>

**12. Net capital requirements**

The Company is subject to the SEC Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to regulatory net capital, both as defined, shall not exceed a 15 to 1 ratio. At December 31, 2015, the Company had regulatory net capital of \$310,918, which was \$192,296 in excess of its required net capital of \$118,622. At December 31, 2015, the Company's net capital ratio was 5.72 to 1. Withdrawals of capital are subject to certain notification and other provisions of the net capital rule of the SEC and other regulatory bodies.

**13 Subsequent events**

Management of the Company has reviewed and evaluated subsequent events from December 31, 2015, the financial statement date, through February 26, 2016, the date the financial statements were available to be issued. No events have occurred in this period that would be required to be recognized and/or disclosed in these financial statements as required by generally accepted accounting principles.

**DRESNER INVESTMENT SERVICES, INC.**

**COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1**

---

December 31, 2015

---

Total shareholder's equity	\$ 463,969
Deductions and/or charges:	
Nonallowable assets:	
Property and equipment:	(4,349)
Other assets	(148,702)
Adjusted net capital	310,918
Minimum net capital requirement (6-2/3% of liabilities)	118,622
Excess net capital	\$ 192,296
Reconciliation with Company's computation of minimum capital requirements:	
Net capital, as reported in the Company's X-17A-5	\$ 343,280
Liabilities not reported on original focus report:	
Deferred rent	(32,362)
Adjusted net capital per above	\$ 310,918

**DRESNER INVESTMENT SERVICES, INC.**

**COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS  
AND INFORMATION RELATING TO THE POSSESSION AND CONTROL  
REQUIREMENTS UNDER RULE 15c3-3 OF THE SECURITIES EXCHANGE ACT OF  
1934**

**YEAR ENDED DECEMBER 31, 2015**

The Company does not clear securities transactions or take possession or control of securities for customers and, therefore, is exempt from the possession or control and reserve requirements of Rule 15c3-3 Paragraph (k)(2)(i) under the Securities Exchange Act of 1934.



**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 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:

046575 FINRA DEC  
Dresner Investment Services, Inc.  
20 N. Clark St. STE 3550  
Chicago, IL 60602-5066

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.

312-780-7222

WORKING COPY

- 2. A. General Assessment (item 2e from page 2) \$ 6869.00
- B. Less payment made with SIPC-6 filed (exclude interest) (4807.00)  
7/13/15  
Date Paid
- C. Less prior overpayment applied (                    )
- D. Assessment balance due or (overpayment) 2062.00
- E. Interest computed on late payment (see instruction E) for            days at 20% per annum
- F. Total assessment balance and interest due (or overpayment carried forward) \$ 2062.00
- G. PAID WITH THIS FORM:  
Check enclosed, payable to SIPC  
Total (must be same as F above) \$ 2062.00
- H. Overpayment carried forward \$(                      )

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.

Dresner Investment Services, Inc.

(Name of Corporation, Partnership or other organization)

*S. Dresner / Rd*

(Authorized Signature)

Dated the 3 day of February, 20 16

President

(Title)

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 7/1/15  
and ending 12/31/15

**Item No.**

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

**Eliminate cents**  
**\$ 2,749,316.00**

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):

**1620.00**

(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

**1620.00**

2d. SIPC Net Operating Revenues

**\$ 2,747,696.00**

2e. General Assessment @ .0025

**\$ 6869.00**

(to page 1, line 2.A.)

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

*Ostrow Reisin Berk & Abrams, Ltd.*

Chicago, Illinois  
February 26, 2016