

Report of Independent Registered Public Accounting Firm

To the Shareholder and Board of Directors of
S.L. Reed & Company

Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of S.L. Reed & Company (the "Company") as of December 31, 2017, the related statements of income, changes of shareholder's equity, and cash flows, for the year ended December 31, 2017, and the related notes and schedules (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2017, and the results of its operations and its cash flows for each of the year ended December 31, 2017, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provide a reasonable basis for our opinion.



Supplemental Information

The supplementary information contained in Schedule I, II, and III (the "Supplemental Information") has been subjected to audit procedures performed in conjunction with the audit of S.L. Reed & Company's financial statements. The Supplemental Information is the responsibility of S.L. Reed & Company's management. Our audit procedures included determining whether the Supplemental Information reconciles to the financial statements or the underlying accounting and other records, as applicable and performing procedures to test the completeness and accuracy of the information presented in the Supplemental Information. In forming our opinion on the Supplemental Information, we evaluated whether the Supplemental Information, including its form and content, is presented in conformity with 17 C.F.R. § 240.17a-5. In our opinion, the supplementary information contained in Schedule I, II, and III is fairly stated, in all material respects, in relation to the financial statements as a whole.

SQUAR MILNER LLP

SQUAR MILNER LLP

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

Los Angeles, California
February 28, 2018

S.L. REED & COMPANY
STATEMENT OF FINANCIAL CONDITION
December 31, 2017

ASSETS

Cash	\$ 281,776
Receivable from clearing organization	27,068
Deposit with clearing organization	141,712
Prepaid expense	<u>16,828</u>
Total assets	<u>\$ 467,384</u>

LIABILITIES AND SHAREHOLDER'S EQUITY

Liabilities

Accounts payable and accrued expenses	\$ 80,850
Commissions payable	<u>22,075</u>
Total liabilities	<u>102,925</u>

Shareholder's Equity

Common stock, no par value, 10,000,000 shares authorized, 5,000,000 shares issued and outstanding	202,850
Retained earnings	<u>161,609</u>
Total shareholder's equity	<u>364,459</u>
 Total liabilities and shareholder's equity	 <u>\$ 467,384</u>