

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, 2019, the related statements of income, changes in shareholder's equity, and cash flows, for the year ended December 31, 2019, and the related notes and schedules to the financial statements (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of S.L. Reed & Company as of December 31, 2019, and the results of its operations and its cash flows for the year ended December 31, 2019, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of S.L. Reed & 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 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 including 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 provides 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

A handwritten signature in black ink that reads "SQUAR MILNER LLP". The signature is written in a cursive, slightly stylized font.

We have served as S.L. Reed & Company's auditor since 2016.

Los Angeles, California
February 26, 2020

S.L. REED & COMPANY
STATEMENT OF FINANCIAL CONDITION
December 31, 2019

ASSETS

Cash	\$ 299,811
Receivable from clearing organization	12,818
Deposit with clearing organization	141,754
Prepaid expense	17,882
Total assets	<u>\$ 472,265</u>

LIABILITIES AND SHAREHOLDER'S EQUITY

Liabilities

Accounts payable and accrued expenses	\$ 52,880
Commissions payable	23,937
Total liabilities	<u>76,817</u>

Commitments and Contingencies (Note 10)

Shareholder's Equity

Common stock, \$.01 par value, 10,000,000 shares authorized, 500,000 shares issued and outstanding	5,000
Additional paid-in capital	197,850
Retained earnings	192,598
Total shareholder's equity	<u>395,448</u>
Total liabilities and shareholder's equity	<u>\$ 472,265</u>