

**Report of Independent Registered Public Accounting Firm**

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

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**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, 2020, the related statements of income, changes in shareholder’s equity, and cash flows, for the year ended December 31, 2020, 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, 2020, and the results of its operations and its cash flows for the year ended December 31, 2020, 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.

**BAKER TILLY US, LLP**

*Baker Tilly US, LLP*

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

Los Angeles, California  
February 12, 2021

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**S.L. REED & COMPANY**  
**STATEMENT OF FINANCIAL CONDITION**  
**December 31, 2020**

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**ASSETS**

|                                       |                   |
|---------------------------------------|-------------------|
| Cash                                  | \$ 261,818        |
| Receivable from clearing organization | 8,542             |
| Deposit with clearing organization    | 140,873           |
| Prepaid expense                       | 20,738            |
| Total assets                          | <u>\$ 431,971</u> |

**LIABILITIES AND SHAREHOLDER'S EQUITY**

**Liabilities**

|                                       |                |
|---------------------------------------|----------------|
| Accounts payable and accrued expenses | \$ 55,040      |
| Commissions payable                   | 19,851         |
| Paycheck protection program loan      | 44,168         |
| Total liabilities                     | <u>119,059</u> |

**Commitments and Contingencies (Note 10)**

**Shareholder's Equity**

|   |                   |
|---|-------------------|
| Common stock, \$.01 par value, 10,000,000 shares authorized, 500,000 shares issued<br>and outstanding | 5,000             |
| Additional paid-in capital  | 197,850           |
| Retained earnings   | 110,062           |
| Total shareholder's equity  | <u>312,912</u>    |
| Total liabilities and shareholder's equity  | <u>\$ 431,971</u> |