MURIEL SIEBERT & CO., LLC

FINANCIAL STATEMENT

As of June 30, 2025
(with supplemental information)

MURIEL SIEBERT & CO., LLC

As of June 30, 2025

MURIEL SIEBERT & CO., LLC
STATEMENT OF FINANCIAL CONDITION
AS OF JUNE 30, 2025

ASSETS		
Current assets		
Cash and cash equivalents	$	28,636,000
Cash and securities segregated for regulatory purposes; (Cash of $101.2 million, securities with a fair value of $44.8 million as of June 30, 2025)		146,051,000
Receivables from customers		79,858,000
Receivables from non-customers		1,411,000
Receivables from and deposits with broker-dealers and clearing organizations		12,390,000
Other receivables		4,760,000
Securities borrowed		238,721,000
Securities owned, at fair value		19,475,000
Prepaid expenses and other assets		1,060,000
Office facilities and equipment, net		321,000
Total Assets	$	532,683,000
LIABILITIES ANDSTOCKHOLDER’S EQUITY		
Liabilities:		
Current liabilities		
Payables to customers	$	217,871,000
Payables to non-customers		226,000
Drafts payable		1,179,000
Payables to broker-dealers and clearing organizations		2,316,000
Accounts payable and accrued liabilities		4,078,000
Securities loaned		235,674,000
Securities sold, not yet purchased, at fair value		7,000
Due to related party		485,000
Other deferred revenue		28,000
Total Liabilities		461,864,000
Commitment and Contingent Liabilities		
Member’s equity		70,819,000
Total Liabilities and Member’s Equity	$	532,683,000

Numbers are rounded for presentation purposes. See accompanying notes to the financial statement.

MURIEL SIEBERT & CO., LLC
NOTES TO FINANCIAL STATEMENT

1. Business

Muriel Siebert & Co., LLC ("MSCO" or the "Company"), a wholly-owned subsidiary of Siebert Financial Corp. ("Siebert" or "Parent"), provides retail brokerage and investment banking services. MSCO is a Delaware corporation and broker-dealer registered with the SEC under the Exchange Act and the Commodity Exchange Act of 1936, and member of the Financial Industry Regulatory Authority ("FINRA"), the New York Stock Exchange ("NYSE"), the Securities Investor Protection Corporation ("SIPC"), and the National Futures Association ("NFA").

The Company is headquartered in Miami Beach, FL with primary operations in New York, Florida, and California. The Company has various offices throughout the United States of America ("U.S.") and clients around the world.

The Company primarily operates in the securities brokerage industry. All of the Company's revenues for the six months ended June 30, 2025 were derived from its operations in the U.S.

As of June 30, 2025, the Company is comprised of a single operating segment based on the factors related to management's decision-making framework as well as management evaluating performance and allocating resources based on assessments of the Company from a consolidated perspective.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statement is prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") as established by the Financial Accounting Standards Board ("FASB") to ensure consistent reporting of financial condition. The U.S. dollar is the functional currency of the Company and numbers are rounded for presentation purposes.

Use of Estimates

The preparation of the financial statement in conformity with U.S. GAAP requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

These estimates relate primarily to revenue and expenses in the normal course of business as to which the Company receives no confirmations, invoices, or other documentation at the time the books are closed. The Company uses its best judgment, based on knowledge of these revenue transactions and expenses incurred, to estimate the amount of such revenue and expenses. Actual results could differ from those estimates. The Company is not aware of any material differences between the estimates used in closing the Company's books for the last five years and the actual amounts of revenue and expenses incurred when the Company subsequently receives the actual confirmations, invoices, or other documentation.

Estimates are used in the allowance for credit losses, valuation of certain investments, depreciation, and the contingent liabilities related to legal and healthcare expenses. The Company believes that its estimates are reasonable.

Concentrations of Credit Risk

The Company is engaged in various trading and brokerage activities whose contra-parties include broker-dealers, banks, and other financial institutions.

In the event contra-parties do not fulfill their obligations, the Company may sustain a loss if the market value of the instrument is different from the contract value of the transaction. The risk of default primarily depends upon the credit worthiness of the contra-parties involved in the transactions. It is the Company's policy to review, as necessary, the credit standing of each contra-party with which it conducts business. The Company has experienced no material historical losses in relation to its contra-parties for the six months ended June 30, 2025.

As of June 30, 2025, the Company maintained its cash balances at various financial institutions. These balances are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000 per institution. The Company is subject to credit risk to the extent that the financial institution with which it conducts business is unable to fulfill its contractual obligations and deposits exceed FDIC limits. Cash balances that may be subject to the credit risk of the financial institutions are reported in the line items Cash and Cash Equivalents and Cash and Securities Segregated for Regulatory Purposes in the Statement of Financial Condition.

Fair Value

ASC 820 defines fair value, establishes a framework for measuring fair value, and establishes a hierarchy of fair value inputs. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income, or cost approach, as specified by ASC 820, are used to measure fair value.

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

Level 1 - Quoted prices (unadjusted) in active markets for an identical asset or liability that the Company can assess at the measurement date.

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Unobservable inputs for the asset or liability.

The availability of observable inputs can vary from security to security and is affected by a variety of factors, such as the type of security, the liquidity of markets, and other characteristics particular to the security. To the extent that the valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. As such, the degree of judgment exercised in determining fair value is greatest for instruments categorized in level 3. As of June 30, 2025, the Company had no level 3 assets.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the Company's own assumptions are set to reflect those that the Company believes market participants would use in pricing the asset or liability at the measurement date.

A description of the valuation techniques applied to the Company's major categories of assets and liabilities measured at fair value on a recurring basis is as follows:

U.S. government securities: U.S. government securities are valued using quoted market prices and as such, valuation adjustments are not applied. Accordingly, U.S. government securities are generally categorized in level 1 of the fair value hierarchy.

Certificates of deposit: Certificates of deposit are included in investments valued at cost, which approximates fair value. When certificates of deposits are held directly with banking institutions and issued directly to the Company, these are categorized within cash equivalents in level 2 of the fair value hierarchy. When certificates of deposits are available for trading, they are categorized within securities owned, at fair value in level 2 of the fair value hierarchy.

Corporate bonds: The fair value of corporate bonds is determined using recently executed transactions, market price quotations (when observable), bond spreads, or credit default swap spreads obtained from independent external parties such as vendors and brokers, adjusted for any basis difference between cash and derivative instruments. The spread data used is for the same maturity as the bond. If the spread data does not reference the issuer, then data that references a comparable issuer is used. When position-specific external price data is not observable, fair value is determined based on either benchmarking to similar instruments or cash flow models with yield curves, bond, or single-name credit default swap spreads and recovery rates as significant inputs. Corporate bonds are generally categorized in level 2 of the fair value hierarchy.

Equity securities: Equity securities are valued based on quoted prices from the exchange. To the extent these securities are actively traded, valuation adjustments are not applied, and they are categorized in level 1 of the fair value hierarchy. Securities quoted in inactive markets or with observable inputs are categorized into level 2. If there are no observable inputs or quoted prices, securities are categorized as level 3 assets in the fair value hierarchy. Level 3 assets are not actively traded and subjective estimates based on managements' assumptions are utilized for valuation.

Municipal securities: Municipal securities are valued using recently executed transactions, market price quotations (when observable), bond spreads from independent external parties such as vendors and brokers, adjusted for any basis difference between cash and derivative instruments. The spread data used is for the same maturity as the bond. Municipal securities are generally categorized in level 2 of the fair value hierarchy.

Unit investment trusts ("UITs"): Units of UITs are carried at redemption value, which represents fair value. Units of UITs are categorized as level 2.

Options: Options are valued based on quoted prices from the exchange. To the extent these securities are actively traded, valuation adjustments are not applied, and they are categorized in level 1 of the fair value hierarchy. Securities quoted in inactive markets or with observable inputs are categorized into level 2. If there are no observable inputs or quoted prices, securities are categorized as level 3 assets in the fair value hierarchy. Level 3 assets are not actively traded and subjective estimates based on managements' assumptions are utilized for valuation.

Cash and Cash Equivalents

Cash and cash equivalents are all cash balances that are unrestricted. The Company has defined cash equivalents as highly liquid investments with original maturities of less than 90 days that are not held for sale in the ordinary course of business. As of June 30, 2025, the Company did not hold any cash equivalents. Refer to Note 1 - Concentrations of Credit Risk for further information.

Cash and Securities Segregated for Regulatory Purposes

The Company is subject to Exchange Act Rule 15c3-3, referred to as the "Customer Protection Rule," which requires segregation of funds in special reserve accounts for the exclusive benefit of customers. As of June 30, 2025, the Company had approximately $101.2 million in cash deposits in special reserve accounts and $44.8 million in securities segregated for regulatory purposes. Refer to Note 1 - Concentrations of Credit Risk for further information.

Current Expected Credit Losses

The Company follows Topic 326 which applies to financial assets measured at amortized cost, held-to-maturity debt securities and off-balance sheet credit exposures. For on-balance sheet assets, an allowance must be recognized at the origination or purchase of in-scope assets and represents the expected credit losses over the contractual life of those assets. Expected credit losses on off-balance sheet credit exposures must be estimated over the contractual period that the Company is exposed to credit risk as a result of a present obligation to extend credit. The impact to the period presented is not material since the Company's in-scope assets are primarily subject to collateral maintenance provisions for which the Company elected to apply the practical expedient of reporting the difference between the fair value of the collateral and the amortized cost for the in-scope assets as the allowance for current expected credit losses.

Receivables from and Payables to Customers

Receivables from and payables to customers includes amounts due and owed on cash and margin transactions. Payables to customers include any amounts received from interest on credit balances. Receivables from customers include margin loans to securities brokerage clients and other trading receivables. Margin loans are collateralized by customer securities and are carried at the amount receivable, net of an allowance for credit losses. Collateral is required to be maintained at specified minimum levels at all times.

The Company monitors margin levels and requires customers to provide additional collateral, or reduce margin positions, to meet minimum collateral requirements if the fair value of the collateral changes. The Company expects the borrowers will continually replenish the collateral as necessary because the Company subjects the borrowers to an internal qualification process to align investing objectives and risk tolerance in addition to monitoring customer activity.

The Company elected the practical expedient for Topic 326 which permits it to compare the amortized cost basis of the loaned amount with the fair value of collateral received at the reporting date to measure the estimate of expected credit losses. The Company has no expectation of credit losses for its receivables from customers as of June 30, 2025. Securities beneficially owned by customers, including those that collateralize margin or other similar transactions, are not reflected in the statement of financial condition.

Receivables from and Payables to Non-Customers

Receivables from and payables to non-customers include amounts due and owed on cash and margin transactions on accounts owned and controlled by principal officers and directors of the Company. Payables to non-customers amounts include any amounts received from interest on credit balances. Receivables from non-customers include margin loans to securities brokerage clients and other trading receivables. Margin loans are collateralized by non-customer securities and are carried at the amount receivable, net of an allowance for credit losses. Collateral is required to be maintained at specified minimum levels at all times. The Company monitors margin levels and requires non-customers to provide additional collateral, or reduce margin positions, to meet minimum collateral requirements if the fair value of the collateral changes. The Company expects the borrowers will continually replenish the collateral as necessary because the Company subjects the borrowers to an internal qualification process to align investing objectives and risk tolerance in addition to monitoring non-customer activity.

The Company elected the practical expedient for Topic 326 which permits it to compare the amortized cost basis of the loaned amount with the fair value of collateral received at the reporting date to measure the estimate of expected credit losses. The Company has no expectation of credit losses for its receivables from non-customers as of June 30, 2025. Securities beneficially owned by non-customers, including those that collateralize margin or other similar transactions, are not reflected in the statement of financial condition.

Receivables from and Payables to, and Deposits with Broker-Dealers and Clearing Organizations

Receivables from and payables to broker-dealers and clearing organizations includes amounts due from / to introducing broker-dealers, fail-to-deliver and fail-to-receive items, amounts receivable for unsettled regular-way transactions and amounts held on deposit with broker-dealers and clearing organizations.

The Company's customer transactions for the six months ended June 30, 2025 were both self-cleared and cleared on a fully-disclosed basis through National Financial Services Corp. ("NFS").

The Company signed a four-year renewal with NFS commencing August 1, 2021 and ending on July 31, 2025, and NFS's fees are offset against the Company's revenues on a monthly basis.

Receivables from brokers-dealers and clearing organizations are in scope of the amended guidance for Topic 326. The Company continually reviews the credit quality of its counterparties and historically has not experienced a default. Further, management reassessed the risk characteristics of its receivables and applied the collateral maintenance practical expedient for the secured receivables in line with the CECL guidance. As a result, the Company has no expectation of credit losses for these arrangements as of June 30, 2025.

Securities Borrowed and Securities Loaned

Securities borrowed transactions are recorded at the amount of cash collateral delivered to the counterparty. Securities loaned are recorded at the amount of cash collateral received. For securities borrowed and loaned, the Company monitors the market value of the securities and obtains or refunds collateral as necessary.

The Company can elect to use an approach to measure the allowance for credit losses using the fair value of collateral where the borrower is required to, and reasonably expected to, continually adjust and replenish the amount of collateral securing the instrument to reflect changes in the fair value of such collateral. The Company has elected to use this approach for its allowance for credit losses on securities borrowed. As a result of this election, and the fully collateralized nature of these arrangements, the Company has no expectation of credit losses on its securities borrowed balances as of June 30, 2025.

Netting of Financial Assets and Financial Liabilities

Substantially all of the Company's securities borrowing and securities lending activity is transacted under master agreements that may allow for net settlement in the ordinary course of business, as well as offsetting of all contracts with a given counterparty in the event of default by one of the parties. However, for financial statement purposes, the Company does not net securities borrowed and securities loaned and these items are presented on a gross basis in the statement of financial condition. The Company accounts for securities lending transactions in accordance with ASC Topic 210-20. Refer to Note 9 – Financial Instruments with Off-Balance Sheet Risk for further detail.

Securities Owned and Securities Sold, Not Yet Purchased at Fair Value

Securities owned, at fair value represent marketable securities owned by the Company at trade-date valuation. Securities sold, not yet purchased, at fair value represent marketable securities sold by the company prior to purchase at trade-date valuation. These securities are classified as trading securities and in accordance with ASC 940, these securities are measured initially at fair value and any realized or unrealized gains or losses to fair value are included in profit or loss. Below is a table with further detail on the Company's securities.

Type of Security	Classification	Statement of Financial Condition	Recording of Realized and Unrealized Gain or Loss
Certificates of Deposit, Corporate Bonds, Municipal Securities	Trading	Securities owned, at fair value	Principal transactions and proprietary trading
Equities, Options	Trading	Securities owned, at fair value; Securities sold, not yet purchased at fair value	Market making, Principal transactions and proprietary trading
U.S. Government Securities	Trading	Securities owned, at fair value	Principal transactions and proprietary trading
U.S. Government Securities	Trading	Cash and securities segregated for regulatory purposes	Principal transactions and proprietary trading

Office Facilities and Equipment, Net

Office facilities and equipment are stated at cost, net of accumulated depreciation and amortization. Depreciation for equipment is calculated using the straight-line method over the estimated useful lives of the assets, generally not exceeding four years. Office facilities are amortized over the shorter of their estimated useful life or the remaining lease term unless the lease transfers ownership of the underlying asset to the lessee, or the lessee is reasonably certain to exercise an option to purchase the underlying asset, in which case the lessee will amortize over the estimated useful life of the leasehold improvements.

Leases

The Company reviews all relevant contracts to determine if the contract contains a lease at its inception date. A contract contains a lease if the contract conveys the right to control the use of an underlying asset for a period of time in exchange for consideration. If the Company determines that a contract contains a lease, it recognizes, in the statement of financial condition, a lease liability and a corresponding right-of-use asset on the commencement date of the lease. The lease liability is initially measured at the present value of the future lease payments over the lease term using the rate implicit in the lease or, if not readily determinable, the Company’s secured incremental borrowing rate. An operating lease right-of-use asset is initially measured at the value of the lease liability minus any lease incentives and initial direct costs incurred plus any prepaid rent. As of June 30, 2025 the Company had no lease assets or liabilities.

Drafts Payable

Drafts payable represents checks drawn by the Company against customer accounts which remained outstanding and had not cleared the bank as of the end of the period.

Income Taxes

The results of the Company’s operations are included in the consolidated federal and state income tax return of the Parent. The Company is a single-member limited liability company and is a disregarded entity for tax purposes. As such, the company is not subject to direct taxation and is disregarded by the relevant tax authorities. The guidance in Accounting Standards Update 2019-12, Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes specifies that an entity is not required to allocate income tax provision to a legal entity that is both not subject to tax and disregarded by the taxing authority, but an entity may elect to do so. The Company is not making the available election to allocate income taxes.

Member’s Equity

The Company is a single-member limited liability company and is wholly-owned by the Parent.

Accounting Standards Adopted in Fiscal 2025

The Company did not adopt any new accounting standards during the six months ended June 30, 2025. In addition, the Company has evaluated other recently issued accounting standards and does not believe that any of these standards will have a material impact on the Company’s financial statement and related disclosures as of June 30, 2025.

3. Receivables from, Payables to, and Deposits with Broker-Dealers and Clearing Organizations

Amounts receivable from, payables to, and deposits with broker-dealers and clearing organizations consisted of the following as of the period indicated:

	As of June 30, 2025
Receivables from and deposits with broker-dealers and clearing organizations	
DTCC / OCC / NSCC [1]	$ 9,725,000
National Financial Services, LLC (“NFS”)	2,361,000
Underwriting fees receivable	206,000
Securities fail-to-deliver	45,000
Globalshares	53,000
Total Receivables from and deposits with broker-dealers and clearing organizations	$ 12,390,000
Payables to broker-dealers and clearing organizations	
Payable to correspondents	$ 1,137,000
Securities fail-to-receive	825,000
Payables to broker-dealers and clearing organizations	354,000
Total Payables to broker-dealers and clearing organizations	$ 2,316,000

[1] Depository Trust & Clearing Corporation is referred to as (“DTCC”), Options Clearing Corporation is referred to as (“OCC”), and National Securities Clearing Corporation is referred to as (“NSCC”).

Under the DTCC shareholders’ agreement, the Company is required to participate in the DTCC common stock mandatory purchase. As of June 30, 2025, the Company had shares of DTCC common stock valued at approximately $1,355,000 which is included within the line item “Deposits with broker-dealers and clearing organizations”.

In September 2022, the Company and RISE Financial Services, LLC (“RISE”), a subsidiary of the Parent, entered into a clearing agreement whereby RISE would introduce clients to the Company. As part of the agreement, RISE deposited a clearing fund escrow deposit of $50,000 to the Company, and cash balance of approximately $1.1 million in its brokerage account at the Company as of June 30, 2025, which is included in the line item “Payables to broker dealers and clearing organizations”.

4. Fair Value Measurements

Overview

ASC 820 defines fair value, establishes a framework for measuring fair value as well as a hierarchy of fair value inputs. Refer to the below as well as Note 2 – Summary of Significant Accounting Policies for further information regarding fair value hierarchy, valuation techniques and other items related to fair value measurements.

Financial Assets and Liabilities Measured at Fair Value on a Recurring Basis

The tables below present, by level within the fair value hierarchy, financial assets and liabilities, measured at fair value on a recurring basis for the periods indicated. As required by ASC Topic 820, financial assets and financial liabilities are classified in their entirety based on the lowest level of input that is significant to the respective fair value measurement.

	As of June 30, 2025			
	Level 1	Level 2	Level 3	Total
Assets				
Cash and securities segregated for regulatory purposes				
U.S. government securities	$ 44,837,000	$ —	$ —	$ 44,837,000
Securities owned, at fair value				
U.S. government securities	$ 16,631,000	$ —	$ —	$ 16,631,000
Certificates of deposit	—	112,000	—	112,000
Municipal securities	—	325,000	—	325,000
Equity securities	2,305,000	102,000	—	2,407,000
Total Securities owned, at fair value	$ 18,936,000	$ 539,000	$ —	$ 19,475,000
Liabilities				
Securities sold, not yet purchased, at fair value				
Options	$ 7,000	$ —	$ —	$ 7,000
Total Securities sold, not yet purchased, at fair value	$ 7,000	$ —	$ —	$ 7,000

The Company had U.S. government securities with the below market values and maturity dates for the periods indicated:

	As of June 30, 2025
Maturing in 2025	$ 44,837,000
Maturing in 2026	16,542,000
Accrued interest	89,000
Total Market value of U.S. government securities portfolio	$ 61,468,000

Financial Assets and Liabilities Not Carried at Fair Value

Financial assets and liabilities not measured at fair value are recorded at carrying value, which approximates fair value due to their short-term nature, or in the case of long-term assets or liabilities, management has determined the difference in the carrying value and fair value is immaterial. The tables below represent financial instruments in which the ending balances as of June 30, 2025 are not carried at fair value in the statements of financial condition:

	As of June 30, 2025				
	Carrying Value	**Fair Value**	**Level 1**	**Level 2**	**Level 3**
Financial assets, not measured at fair value					
Cash and cash equivalents	$ 28,636,000	$ 28,636,000	$ 28,636,000	$ —	$ —
Cash – segregated for regulatory purposes	101,214,000	101,214,000	101,214,000	—	—
Securities borrowed	238,721,000	238,721,000	—	238,721,000	—
Receivables from customers	79,858,000	79,858,000	—	79,858,000	—
Receivables from non-customers	1,411,000	1,411,000	—	1,411,000	—
Receivables from and deposits with broker-dealers and clearing organizations	12,390,000	12,390,000	—	12,390,000	—
Other receivables	4,760,000	4,760,000	—	4,760,000	—
Total financial assets, not measured at fair value	$ 466,990,000	$ 466,990,000	$ 129,850,000	$ 337,140,000	$ —
Financial liabilities, not measured at fair value					
Securities loaned	$ 235,674,000	$ 235,674,000	$ —	$ 235,674,000	$ —
Payables to customers	217,871,000	217,871,000	—	217,871,000	—
Payables to non-customers	226,000	226,000	—	226,000	—
Drafts payable	1,179,000	1,179,000	—	1,179,000	—
Payables to broker-dealers and clearing organizations	2,316,000	2,316,000	—	2,316,000	—
Other deferred revenue	28,000	28,000	—	28,000	—
Total financial liabilities, not measured at fair value	$ 457,294,000	$ 457,294,000	$ —	$ 457,294,000	$ —

5. Office Facilities and Equipment, Net

Office facilities and equipment consist of the following as of the period indicated:

	As of June 30, 2025
Property	$ —
Office facilities	254,000
Equipment	839,000
Total Property, office facilities, and equipment	1,093,000
Less accumulated depreciation	(772,000)
Total Property, office facilities, and equipment, net	$ 321,000

6. Leases

As of June 30, 2025, the Company had no occupancy leases, and all leases had been transferred to Parent. During 2025, the company received an allocation of lease expense from the Parent. The Company leases some miscellaneous office equipment, but the leases are immaterial and therefore the Company does not record them as lease right-of-use assets. Refer to Note 13 - Related Party Disclosures for further information regarding the expense sharing agreement between the Company and Parent.

7. Other Deferred Revenue

The Company deferred revenues related to a contract incentive with NFS and prepaid expense reimbursement related to upcoming securities underwriting transactions.

8. Capital Requirements

Net Capital

MSCO is subject to the Uniform Net Capital Rules of the SEC (Rule 15c3-1) of the Exchange Act. Under the alternate method permitted by this rule, net capital, as defined, shall not be less than the lower of $1 million or 2% of aggregate debit items arising from customer transactions. As of June 30, 2025, MSCO's net capital was $62.4 million, which was approximately $60.5 million in excess of its required net capital of $1.9 million, and its percentage of aggregate debit balances to net capital was 66.45%.

Special Reserve Account

MSCO is subject to Customer Protection Rule 15c3-3 which requires segregation of funds in a special reserve account for the exclusive benefit of customers. As of June 30, 2025, MSCO had cash and securities deposits of $144.7 million (cash of $99.9 million, securities with a fair value of $44.8 million) in the special reserve accounts which was $3.8 million in excess of the deposit requirement of $140.9 million. MSCO had no adjustments for deposit(s) and / or withdrawal(s) made on July 1, 2025.

As of June 30, 2025, the Company was subject to the PAB Account Rule 15c3-3 of the SEC which requires segregation of funds in a special reserve account for the exclusive benefit of proprietary accounts of introducing broker-dealers. As of June 30, 2025, the Company had $1.3 million in the special reserve account which was approximately $0.2 million in excess of the deposit requirement of approximately $1.1 million. The Company made no subsequent deposits or withdrawals on July 1, 2025.

9. Financial Instruments with Off-Balance-Sheet Risk

Credit Risk

The Company is engaged in various trading and brokerage activities whose counterparties include broker-dealers, banks, and other financial institutions.

In the event counterparties do not fulfill their obligations, the Company may sustain a loss if the market value of the instrument is different from the contract value of the transaction. The risk of default primarily depends upon the credit worthiness of the counterparties involved in the transactions. It is the Company's policy to review, as necessary, the credit standing of each counterparty with which it conducts business. The Company has experienced no material historical losses in relation to its counterparties for the six months ended June 30, 2025.

Off-Balance Sheet Risks

The Company enters into various transactions to meet the needs of customers, conduct trading activities, and manage market risks and is, therefore, subject to varying degrees of market and credit risk.

In the normal course of business, the Company's customer activities involve the execution, settlement, and financing of various customer securities transactions. These activities may expose the Company to off-balance sheet risk in the event the customer or other broker is unable to fulfill its contracted obligations, and the Company has to purchase or sell the financial instrument underlying the contract at a loss.

The Company's customer securities activities are transacted on either a cash or margin basis. In margin transactions, the Company extends credit to its customers, subject to various regulatory and internal margin requirements, and is collateralized by cash and securities in the customers' accounts. In connection with these activities, the Company executes and clears customer transactions involving the sale of securities not yet purchased, substantially all of which are transacted on a margin basis subject to individual exchange regulations. As of June 30, 2025, the Company had margin loans extended to its customers of approximately $394.2 million, of which $79.9 million is within the line item "Receivables from customers" on the statement of financial condition. There were no material losses for unsettled customer transactions as of June 30, 2025.

Such transactions may expose the Company to off-balance sheet risk in the event margin requirements are not sufficient to fully cover losses that customers may incur. In the event the customer fails to satisfy obligations, the Company may be required to purchase or sell financial instruments at prevailing market prices to fulfill the customer's obligations.

The Company seeks to control the risks associated with its customer activities by requiring customers to maintain margin collateral in compliance with various regulatory and internal guidelines which meet or exceed regulatory requirements. The Company monitors required margin levels daily and, pursuant to such guidelines, requires customers to deposit additional collateral or to reduce positions when necessary.

The Company's customer financing and securities settlement activities may require the Company to pledge customer securities as collateral in support of various secured financing sources such as bank loans and securities loaned. In the event the counterparty is unable to meet its contractual obligation to return customer securities pledged as collateral, the Company may be exposed to the risk of acquiring the securities at prevailing market prices in order to satisfy its customer obligations. The Company seeks to mitigate this risk by monitoring the market value of securities pledged on a daily basis and by requiring adjustments of collateral levels in the event of excess market exposure. In addition, the Company establishes credit limits for such activities and continuously monitors compliance.

The Company’s securities lending transactions are subject to master netting agreements with other broker-dealers; however, amounts are presented gross on the statement of financial condition and as net on the statement of income. The Company further mitigates risk by using a program with a clearing organization which guarantees the return of cash to the Company as well as using industry standard software to ensure daily changes to market value are continuously updated and any changes to collateralization are immediately covered. The Company accounts for securities lending transactions in accordance with ASC Topic 210-20.

The following table presents information about the Company’s securities borrowing and lending activity depicting the potential effect of rights of setoff between these recognized assets and liabilities.

	As of June 30, 2025				
	Gross Amounts of Recognized Assets and Liabilities	Gross Amounts Offset in the Statement of Financial Condition[1]	Net Amounts Presented in the Statement of Financial Condition	Collateral Received or Pledged[2]	Net Amount[3]
Assets					
Securities borrowed	$ 238,721,000	$ —	$ 238,721,000	$ 227,061,000	$ 11,660,000
Liabilities					
Securities loaned	$ 235,674,000	$ —	$ 235,674,000	$ 223,407,000	$ 12,267,000

(1) Amounts represent recognized assets and liabilities that are subject to enforceable master agreements with rights of setoff. The Company did not net any securities borrowed or securities loaned as of June 30, 2025.
(2) Represents the fair value of collateral the Company had received or pledged under enforceable master agreements.
(3) Represents the total contract value as presented in the financial statement less the fair market value of the collateral received or pledged.

10. Commitments, Contingencies and Other

Legal and Regulatory Matters

The Company is party to certain claims, suits and complaints arising in the ordinary course of business. As of June 30, 2025, all legal matters are without merit or involve amounts which would not have a material impact on the Company’s results of operations or financial position.

In the normal course of business, the Company may be subject to various proceedings and claims arising from its business activities, including lawsuits, arbitration claims and regulatory matters. The Company is also involved in other reviews, investigations and proceedings by governmental and self-regulatory organizations regarding the business, which may result in adverse judgments, settlements, fines, penalties, injunctions and other relief. In many cases, however, it is inherently difficult to determine whether any loss is probable or reasonably possible or to estimate the amount or range of any potential loss, particularly where proceedings may be in relatively early stages. In the Company’s opinion, based on currently available information, the ultimate resolution of current matters will not have a material adverse impact on the Company’s financial position and results of operations as of June 30, 2025. However, resolution of one or more of these matters may have a material effect on the results of operations in any future period, depending upon the ultimate resolution of those matters and depending upon the level of income for such period.

Overnight Financing

As of June 30, 2025, the Company had an available line of credit for short term overnight demand borrowings of up to $25 million with BMO Harris Bank. As of June 30, 2025, the Company had no outstanding loan balance and there were no commitment fees or other restrictions on the line of credit. The Company utilizes customer or firm securities as a pledge for short-term borrowing needs.

Additionally, the Company had a Credit Agreement (the "BMO Credit Agreement") with BMO Bank N.A. (the "Lender"), a national banking association. The BMO Credit Agreement provides for a revolving credit facility of up to $20,000,000. The Company may use any borrowings under the BMO Credit Agreement to finance NSCC Deposit Requirements (other than an Adequate Assurance Deposit) and withdrawals from a Reserve Account. As part of the agreement, the Company entered into a Parent Guaranty agreement guaranteeing repayment of any debt issued to the Company.

Borrowings under the BMO Credit Agreement will bear interest on the outstanding daily balance at a rate of interest per annum equal 2.5% plus the greater of: (a) Term SOFR for such day plus 0.11448% and (b) Federal Funds Target Range – Upper Limit and (c) 0.25%. The annual commitment fee is equal to one half of one percent (0.50%) of the average daily unused portion of the commitment of $20,000,000. The BMO Credit Agreement contains customary affirmative covenants and negative covenants and requires that the Company maintain minimum total regulatory capital of $45,000,000, excess net capital of 20,000,000, assets to total regulatory capital ratio of not more than 5.0 to 1.0, and a minimum liquidity ratio of not less than 1.0. The Company satisfied its condition precedent to deliver a legal option to the Lender on December 18, 2024.

NFS Contract

Effective August 1, 2021, the Company entered into an amendment to its clearing agreement with NFS that, among other things, extends the term of the arrangement for an additional four-year period commencing on August 1, 2021 and ending July 31, 2025. If the Company chooses to exit this agreement before the end of the contract term, the Company is under the obligation to pay an early termination fee upon occurrence pursuant to the table below:

Date of Termination	Early Termination Fee
Prior to August 1, 2025	$ 3,250,000

The Company believes that it is unlikely it will have to make material payments related to early termination fees and has not recorded any contingent liability in the financial statement related to this arrangement.

General Contingencies

In the normal course of its business, the Company indemnifies and guarantees certain service providers against specified potential losses in connection with their acting as an agent of, or providing services to, the Company. The maximum potential amount of future payments that the Company could be required to make under these indemnifications cannot be estimated. However, the Company believes that it is unlikely it will have to make material payments under these arrangements and has not recorded any contingent liability in the financial statement for these indemnifications.

The Company provides representations and warranties to counterparties in connection with a variety of commercial transactions and occasionally indemnifies them against potential losses caused by the breach of those representations and warranties. The Company may also provide standard indemnifications to some counterparties to protect them in the event additional taxes are owed or payments are withheld, due either to a change in or adverse application of certain tax laws. These indemnifications generally are standard contractual terms and are entered into in the normal course of business. The maximum potential amount of future payments that the Company could be required to make under these indemnifications cannot be estimated. However, the Company believes that it is unlikely it will have to make material payments under these arrangements and has not recorded any contingent liability in the financial statement for these indemnifications.

The Company, through the Parent, is self-insured with respect to employee health claims. The Parent maintains stop-loss insurance for certain risks and has a health claim reinsurance limit capped at approximately $65,000 per employee as of June 30, 2025.

The estimated liability for self-insurance claims is initially recorded in the year in which the event of loss occurs and may be subsequently adjusted based upon new information and cost estimates. Reserves for losses represent estimates of reported losses and estimates of incurred but not reported losses based on past and current experience. Actual claims paid and settled may differ, perhaps significantly, from the provision for losses. This adds uncertainty to the estimated reserves for losses. Accordingly, it is at least possible that the ultimate settlement of losses may vary significantly from the amounts included in the financial statement.

The Company had an accrual of $115,000 as of June 30, 2025, which represents the historical estimate of future claims to be recognized for claims incurred prior to the end of the reporting period.

The Company believes that its present insurance coverage and reserves are sufficient to cover currently estimated exposures, but there can be no assurance that the Company will not incur liabilities in excess of recorded reserves or in excess of its insurance limits.

Effective June 2023, MSCO entered into an amendment to its service agreement with Broadridge Securities Processing Solutions, LLC that, among other things, extends the term of their arrangement for a five-year period ending June 2028, with an option to terminate after three years. As of June 30, 2025, the total remaining minimum expense for this arrangement is estimated at approximately $0.4 million over the duration of the contract.

11. Segment Reporting

The Company operates as a wholly-owned subsidiary of the Parent and is engaged in a single line of business as a securities broker-dealer providing comprehensive brokerage services including custody and clearance of retail accounts, principal transaction and proprietary trading, market making, and securities lending. The Company's CODM, its Chief Financial Officer, reviews operating and financial information using net income as the key measure to evaluate the results of the business, predominately in the forecasting process, to manage the Company. The CODM has determined that all activities contribute to the core brokerage business and the Company operates as a single reportable segment. The Company's operations constitute a single operating segment and therefore, a single reportable segment, because the CODM manages the business activities using information of the Company as a whole. The accounting policies used to measure the profit and loss of the segment are the same as those described in the summary of significant accounting policies.

12. Employee Benefit Plans

The Company, through the Parent, sponsors a defined-contribution retirement plan under Section 401(k) of the Internal Revenue Code that covers substantially all employees ("401(k) plan"). Participant contributions to the 401(k) plan are voluntary and are subject to certain limitations. The Company may also make discretionary contributions to the plan.

The Parent has an Equity Incentive Plan that provides for the grant of stock options, restricted stock, and other equity awards of the Parent's common stock to employees, officers, consultants, directors, affiliates and other service providers of the Parent or its subsidiaries; however, the Company does not have an equity incentive plan. When shares are issued under the Plan to employees, officers, or other service providers of the Company, the Company reimburses the Parent for the value of the shares issued.

13. Related Party Disclosures

Kennedy Cabot Acquisition, LLC ("KCA")

KCA owns a license from the Muriel Siebert Estate / Foundation to use the names "Muriel Siebert & Co., LLC" and "Siebert" within business activities, which expires in 2026.

Park Wilshire Companies, Inc. ("PW")

PW is a wholly-owned subsidiary of the Parent and brokers the insurance policies for related parties.

Gebbia Sullivan County Land Trust

The Parent operates on a month-to-month lease agreement for its branch office in Omaha, Nebraska with the Gebbia Sullivan County Land Trust, the trustee of which is a member of the Gebbia Family. For the six months ended June 30, 2025, the Parent incurred rent expense, all of which was allocated to Company for this branch office.

Siebert AdvisorNXT, LLC ("SNXT")

SNXT, a wholly-owned subsidiary of the Parent, provides investment advisory services while the Company custodies client assets and provides brokerage services for clients of SNXT.

RISE Financial Services, LLC ("RISE")

RISE, a subsidiary of the Parent, has an introducing broker dealer relationship with the Company. The Company offers correspondent clearing services for RISE. Refer to Note 3 - Receivables From, Payables To, and Deposits with Broker-Dealers and Clearing Organizations for further detail.

Receivables From / Payables to Parent and Parent's Subsidiaries

The Company had receivables of $4,000 from and payables of $486,000 to Parent and Parent's subsidiaries as of June 30, 2025, which are in the line items "Other Receivables" and "Accounts payable and accrued liabilities", respectively, on the statement of financial condition.

Expense Sharing Agreement

The Company has an expense sharing agreement with the Parent and the Parent's subsidiary Siebert Technologies, LLC ("STCH") for various expenses which are allocated from the Parent and STCH to the Company. The Company had a payable to the Parent of approximately $238,000 and a payable to STCH of approximately $246,000, respectively, as of June 30, 2025.

The allocation of expenses is based on a systematic and rational approach, taking into consideration the nature and benefits of the services received by MSCO. The following principles and methods are applied:

Direct Allocation: Expenses that can be directly attributed to a specific subsidiary are charged directly to that entity. This includes costs such as personnel salaries, travel expenses, and specific project-related expenditures.

Proportional Allocation: For shared services that benefit multiple subsidiaries, costs are allocated based on a relevant and measurable basis. Common allocation bases include:

Headcount: Costs are distributed proportionally based on the number of employees in each subsidiary.

Revenue: Expenses are allocated in proportion to the revenue generated by each subsidiary.

Usage: Costs are allocated according to the actual usage of the shared service (e.g., IT services, office space, etc.).

At the Market Offering

On June 27, 2025, the Parent entered into a Sales Agreement with the Company and Ladenburg Thalmann & Co. Inc., as agents, under which the Parent may offer and sell, through or to the agents, shares of its common stock having an aggregate offering price of up to $50.0 million, from time to time. Sales may be made by any method permitted by law and deemed to be "at the market" as defined in Rule 415 under the Securities Act of 1933, as amended. Shares are offered pursuant to a shelf registration statement on Form S-3 (File No. 333-287680), which became effective on June 9, 2025, and agents are entitled to a commission of 3.0% of gross proceeds, plus reimbursement of specified expenses. The Parent has no obligation to sell any shares and may suspend or terminate sales at any time.

13. Subsequent Events

The Company has evaluated events that have occurred subsequent to June 30, 2025 and through July 31, 2025, the date of the filing of this Report.

There have been no material subsequent events that occurred during such period that would require disclosure in this Report or would be required to be recognized in the financial statement as of June 30, 2025.