

The Company is also 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. (Rule 15c3-3). At December 31, 2019, the Company had segregated cash of \$1,406,314 under rule 15c3-3. At December 31, 2019, the Company had \$1,406,314 in the special reserve account which was \$281,616 in deficit of the deposit requirement of \$1,687,930. After adjustments for deposit(s) and/or withdrawal(s) made on January 2, 2020, the company had \$218,384 in excess of the PAB reserve requirement.

11. SUBSEQUENT EVENTS

The Company has evaluated events that have occurred subsequent to December 31, 2019 and through February 27, 2020, the date of the filing of this report.

The Company entered into an Agreement and Plan of Merger by and between SFC, MSCO, and Michael J. Colombino, on behalf of himself and as representative of the Company's shareholders, pursuant to which the shareholders of the Company exchanged all of the Company's shares for a total of 3,298,774 shares of common stock of SFC and StockCross was merged with and into MSCO (the "Merger"). The Merger was effective on January 1, 2020 and as a result, StockCross merged with and into MSCO. Prior to the Merger, MSCO owned 15% of the issued and outstanding common stock of the Company, the Company served as a clearing broker for MSCO, and were affiliated entities through common ownership.

Other than the event described above, 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 statements at December 31, 2019.