Hencorp Becstone, L.C. and Subsidiaries

Consolidated Financial Statements
December 31, 2016

KAUFMAN ROSSIN

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INDEPENDENT AUDITORS' REPORT

Hencorp Becstone, L.C.
Miami, Florida

We have audited the accompanying consolidated financial statements of Hencorp Becstone, L.C. and Subsidiaries, which comprise the consolidated statement of financial condition as of December 31, 2016, and the related consolidated statements of operations, changes in members' equity and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We did not audit the financial statements of Latam Investor Services, Corp., a wholly-owned subsidiary, which statements reflect total assets of $556,022 as of December 31, 2016, and total revenues of $960,691 for the year then ended. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Latam Investor Services, Corp., is based solely on the report of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, based on our audit and the report of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Hencorp Becstone, L.C. and Subsidiaries as of December 31, 2016, and the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidated supplementary information on pages 28 - 31 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Kaufman, Rossin & Co.

Kaufman, Rossin & Co., P.A.

October 4, 2017
Miami, Florida

HENCORP BECSTONE, L.C. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2016

ASSETS		
CASH AND CASH EQUIVALENTS (NOTE 5)	$	11,775,161
DEPOSIT AT CLEARING BROKER		100,000
RESTRICTED CASH		295,447
LOANS HELD FOR SALE (NOTES 3 AND 4)		67,602,299
LOANS RECEIVABLE (NOTES 2 AND 9)		11,624,944
DUE FROM BROKERS (NOTE 5)		1,406,699
FIXED INCOME MARKETABLE SECURITIES		8,705,162
INVESTMENTS (NOTES 6 AND 12)		3,549,557
INTEREST RECEIVABLE (NOTE 3)		1,028,176
INTEREST-ONLY STRIP RECEIVABLE (NOTE 15)		2,832,551
PROPERTY AND EQUIPMENT, NET (NOTE 8)		1,946,726
BROKER ADVANCES AND NOTES RECEIVABLE		174,034
DUE FROM RELATED PARTIES (NOTE 12)		854,831
LOANS RECEIVABLE - RELATED PARTY (NOTE 12)		523,084
OTHER ASSETS		2,035,286
	$	114,453,957

LIABILITIES AND MEMBERS' EQUITY		
SERVICER REMITTANCE PAYABLE, NET (NOTE 3)	$	4,643,268
COMMISSIONS PAYABLE		1,464,708
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES (NOTE 9)		5,929,880
BONUS PAYABLE (NOTE 12)		1,384,185
DEFERRED LOAN ORIGINATION FEES (NOTE 3)		29,737
LOAN SERVICING LIABILITY (NOTE 4)		76,090
SECURITIES SOLD UNDER AGREEMENTS TO REPURCHASE (NOTE 7)		5,493,540
LINE OF CREDIT FACILITIES (NOTE 9)		70,211,335
TOTAL LIABILITIES		89,232,743
COMMITMENTS AND CONTINGENCIES (NOTES 11 AND 13)		
MEMBERS' EQUITY (NOTE 12)		25,221,214
	$	114,453,957

See accompanying notes.

HENCORP BECSTONE, L.C. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2016

REVENUE		
Commissions	$	20,679,101
Interest and dividends (Notes 3 and 12)		10,367,977
Mutual fund fees		6,239,348
Advisory and consulting fees		4,046,142
Other income (Notes 4 and 12)		1,512,341
Account maintenance fees		1,150,061
Gain on sale of loans		998,304
Revenue from foreign fee based managed accounts		244,750
Earnings from equity method investments (Note 12)		151,529
Total revenue		45,389,553
OPERATING EXPENSES		
Commissions		21,853,973
Salaries, bonuses and related costs (Note 12)		9,681,272
Other general and administrative expenses		3,545,038
Interest (Notes 9 and 12)		3,340,895
Contract and professional fees		2,413,493
Rent (Note 11)		1,065,128
Communication and quotation services		764,038
Foreign offices		757,069
Clearing charges		692,602
Provision for loan losses (Notes 3 and 12)		310,000
Depreciation and amortization		257,856
Taxes - other (Note 8)		149,900
Other		18,546
Total operating expenses		44,849,810
NET INCOME	$	539,743

See accompanying notes.

HENCORP BECSTONE, L.C. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN MEMBERS' EQUITY
YEAR ENDED DECEMBER 31, 2016

	Total	Members' Equity	Members' Subscriptions Receivable (Note 13)
Members' Equity - December 31, 2015	$ 24,683,544	$ 24,721,297	$(37,753)
Subscriptions receivable - accrued interest	(2,073)	-	(2,073)
Net income	539,743	539,743	-
Members' Equity - December 31, 2016	$ 25,221,214	$ 25,261,040	$(39,826)

See accompanying notes.

HENCORP BECSTONE, L.C. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2016

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net income	$ 539,743
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	257,856
Earnings from equity method investee, net of distributions received	29,463
Commission expense (non-cash)	101,757
Loan originations	(247,002,186)
Proceeds from sales and principal repayments of loans	244,204,938
Provision for loan losses and bad debts	410,000
Amortization of loan servicing liability	(121,744)
Gain on sale of loans	(998,304)
Amortization of discount on fixed income marketable securities	(200,879)
Accretion of interest-only strip receivable	1,868,776
Loan origination fees generated	1,530,229
Amortization of deferred loan origination fees	(1,524,606)
Changes in operating assets and liabilities:	
Due from brokers	(26,797)
Interest receivable	(196,233)
Deposit at clearing broker	100,008
Other assets	(468,533)
Due from related parties	(159,397)
Accounts payable and accrued liabilities	1,259,501
Commissions payable	447,826
Bonus payable	1,384,185
Servicer remittance payable, net	1,270,175
Total adjustments	2,166,035
Net cash provided by operating activities	2,705,778
CASH FLOWS FROM INVESTING ACTIVITIES:	
Capital expenditures	(1,296,866)
Proceeds from sale of investment in funds	17,352,000
Advance on note receivable	(100,000)
Investment in Funds	(20,592,353)
Due from related parties	1,729,222
Purchase of marketable securities	(4,727,914)
Principal repayments and repurchases of loans	34,923,480
Purchase of loans	(34,198,424)
Proceeds from maturities of fixed income marketable securities	30,156
Net cash used in investing activities	(6,880,699)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Restricted cash	(203,444)
Net proceeds from line of credit facilities	5,644,070
Securities sold under agreements to repurchase	2,295,053
Net cash provided by financing activities	7,735,679
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,560,758
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	8,314,403
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 11,875,161

See accompanying notes.

HENCORP BECSTONE, L.C. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

YEAR ENDED DECEMBER 31, 2016

Supplemental Disclosure of Cash Flow Information:		
Interest paid	$	3,273,993
Income taxes paid	$	-

See accompanying notes.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation and Organization

The consolidated financial statements include the accounts of Hencorp Becstone, L.C. (the Parent) and its wholly-owned subsidiaries Hencorp Becstone Financial Services, L.C. ("HB Financial"), Hencorp Becstone Capital, L.C. ("HB Capital"), HB Asset Management, L.C. ("HB Asset"), Hencorp Credit Opportunities, L.L.C. ("HCO"), all Florida limited liability companies, Hencorp Becstone International, Inc. ("HB International"), a corporation organized in the British Virgin Islands, and Latam Investor Services, Corp. ("LATAM"), a Panamanian corporation, in addition to the Parent's majority owned subsidiaries Global Investor Services, L.C. ("Global") and Global Investor Advisory Services, L.L.C. ("Global Advisory"), all Florida limited liability companies. All material intercompany balances and transactions have been eliminated. Collectively, the Parent and its subsidiaries are referred to as the "Company."

Description of Business

The Parent is a holding company for its subsidiaries. Global is a broker and dealer registered with the Securities and Exchange Commission (SEC) and Financial Industry Regulatory Authority (FINRA) whose primary focus is to provide execution, clearing and administrative services to foreign brokers through subclearing arrangements. Global also sells listed, over the counter equities, options, mutual funds and corporate bonds to retail investors, primarily on a riskless principal basis. HB Financial handles all administrative functions for the Company. HB Asset is an investment advisor registered with the SEC. HB International is an offshore investment company. HB Capital is engaged primarily in originating and structuring loans to customers. Corporate finance loans and credits are sold and participated to banks and private investors principally located in Central America, South America and the Caribbean (the Region). Project finance loans holding credit guarantees from Export-Import Bank of the United States are sold exclusively to the Private Export Funding Corporation ("PEFCO"). All loans are sold without recourse. The servicing rights are generally retained. HB Capital also retains interests in loans for its own portfolio and provides advisory, consulting, and loan brokerage services. LATAM is a Panamanian broker dealer that commenced operations in 2014. HCO purchases loan participations from Capital. Global Advisory is an investment advisor registered with the SEC and commenced operations in 2016.

Pursuant to the terms of the Company's operating agreement, unless otherwise amended, the Company shall dissolve effective January 22, 2046.

Investments

The Company uses the cost method of accounting for investments in unconsolidated affiliates when the Company owns less than 20% of the voting interest and has no significant influence over the investee. Under the cost method of accounting, the investment is carried at cost and income is recognized when dividends are received. Impairment is recognized for a cost method investment when and if the investment suffers an other than temporary decline in value. At that time, the investment is adjusted to its new fair value and the difference is recognized as a loss. If the Company can exercise significant influence over the investee, the investment is accounted for under the equity method, whereby the Company recognizes its proportionate share of the investees undistributed earnings or losses and reduces the investment to reflect distributions received from the investee.

Government and Other Regulations

Global and HB Asset are subject to significant regulation by various governmental agencies and self-regulatory organizations. Such regulation includes, among other things, periodic examinations by these regulatory bodies to determine whether these entities are conducting and reporting their operations in accordance with the applicable requirements of these organizations.

Cash and Cash Equivalents

Cash and cash equivalents include liquid instruments with a purchased maturity of three months or less. From time to time, the Company may, during the course of operations, maintain cash balances in financial institutions in excess of insured limits. Cash denominated in foreign currencies is valued at quoted exchange rates.

Restricted Cash

Restricted cash represents amounts controlled by a financial institution pursuant to the terms of the loan agreement with HCO.

Securities Transactions and Revenue Recognition

Securities transactions and related commissions and clearing costs are recorded on a trade date basis. Account management, maintenance and other fee income are recognized over the period the related services are rendered. Mutual fund fee income is generally received quarterly in arrears and is recognized on the accrual basis.

Marketable Securities

The Company considers its investment in fixed income marketable securities as held to maturity. Held to maturity securities are reported at amortized cost. Premiums and discounts are charged and credited to interest income using the interest method over the period to maturity.

Interest and Dividend Income Recognition

Interest income is recognized on the accrual basis of accounting and is recorded as it is earned. Dividend income is recognized on the ex-dividend date.

Interest income on loans is generally recognized using methods which approximate the interest method. In general, loans are placed on non-accrual status when a loan becomes delinquent for 90 days or more or when management believes that interest on such loans may not be collected in the ordinary course of doing business. Interest income is recognized on delinquent and impaired loans upon collection.

Loans Receivable

Loans receivable are stated at the amount of unpaid principal, net of acquisition discounts, and net of the allowance for loan losses, and unamortized loan origination fees and costs. Interest on loans is generally accrued daily based on the principal balance outstanding. The accrual of interest income is generally discontinued when a loan becomes ninety days delinquent or when management believes that interest on such loans may not be collected in the ordinary course of business. Interest income is recognized on delinquent and impaired loans upon collection.

Loans are disaggregated for disclosure purposes by portfolio segment and by class. A segment is the level at which management develops and documents a systematic methodology to determine the reserve for credit losses. The Company has defined its segment as commercial. Class of loans is a subset of the segment that has similar risk characteristics; measurement attributes or risk monitoring method. The class within the commercial segment has been defined as short-term working capital.

A loan is impaired when, based on current information and events, it is probable that a creditor will be unable to collect all amounts due according to the contractual terms of the loan agreement. Individually identified impaired loans are measured based on the present value of payments expected to be received, utilizing the historical effective loan rate as the discount rate. Alternatively, measurement may also be based on observable market prices.

Loan origination fees, net of costs, if any, are deferred and amortized as an adjustment of the related loan's yield utilizing the interest method.

Loans Held For Sale

Loans held for sale are recorded at the unpaid principal amount, adjusted for deferred origination costs and fees, net of allowance for loan losses, representing the lower of cost or fair value.

Loans Held For Sale (continued)

A loan is impaired when, based on current information and events, it is probable that the Company will be unable to collect all amounts due in a sale of the loan or according to the contractual terms of the loan agreement. The Company's loan portfolio, which principally consists of commercial loans, is evaluated for impairment based upon unobservable inputs that are supported by little or no market activity and that are significant to the fair value calculation. Factors considered include the nature of the loan portfolio, review of loans and management's judgment with respect to current economic conditions, industry trends, collateral, if any, industry standards and their impact on the existing loan portfolio. If the recorded investment in the impaired loan exceeds the measure of fair value of the loan, a valuation allowance is recorded as a component of the allowance for loan losses. Changes to the valuation allowance are recorded as a component of the provision for loan losses. Loans deemed uncollectible are charged to the allowance for loan losses. At December 31, 2016, there is an allowance for loan losses recorded totaling approximately $2,644,000. The evaluation of the adequacy of the allowance for loan losses is inherently subjective, as it requires estimates that are susceptible to significant revisions as market factors change or as more information becomes available.

At December 31, 2016, an entity related by common ownership accounts for approximately 12% of the loans available for sale.

Interest-Only Strip Receivable and Retained Servicing Rights (Obligations)

The Company sells loans to a buyer for a cash purchase price and generally retains the servicing rights (obligations) on loans sold. The Company is then required to remit principal and interest at the investor pass-through rate. The Company typically does not receive contractual servicing fees and uses its own estimate of costs incurred less ancillary income, if applicable, to arrive at the initial estimated value of its servicing obligations. Once recorded, servicing liabilities are amortized using a straight-line method based upon the contractual lives of the underlying loan.

The note rate on loans is higher in comparison to the investor pass-through interest rates, creating at participation loan closings, an interest-only strip receivable. In determining the fair value of the interest-only strip receivable, the Company estimates the future cash flow stream it expects to receive taking into account delinquencies, defaults and default loss severity as it affects the amount and timing of the estimated cash flows, utilizing a discount rate on residual cash flows of approximately 8.65%.

The Company carries the interest-only strip receivable at market value. The precise market value of the interest-only strip receivable cannot be readily determined because these assets are not actively traded in stand-alone markets. Considerable judgment is required to determine the fair value and continuing carrying value of retained interests and the exercise of such judgment can significantly impact the Company's reported earnings.

Gain on Sale of Loans

Loan sales are accounted for as sales when control of the loans is surrendered or sold without recourse. Liabilities incurred in connection with loan sales are measured at fair value. Gains or losses resulting from the sale of loans are recognized at the date of settlement and are based on the difference between consideration received, including interest-only receivable, less retained servicing rights and the carrying value of the related loans sold. The Company uses its own discounted cash flow models to arrive at the initial estimated value of its interest-only receivable and retained servicing obligations.

In addition, the Company allocates its acquisition costs between the loan sold and the retained interests, based on their relative fair values.

Loan Origination Fees and Costs

Net loan origination fees are initially deferred and amortized as an adjustment of the related loan's yield utilizing the interest method. Upon the sale of the loan, the related origination fees and costs are recorded as a component of interest income.

Finance Receivables

Finance receivables, which includes broker advances and notes receivable, due from related parties and loans receivable – related parties are stated at the outstanding balance of the amounts due. The carrying amounts may be reduced by an allowance that reflects management's best estimate of the amounts that will not be collected. Management individually reviews all receivable balances and based on an assessment of current credit worthiness, estimates the portion if any, of the balance that will not be collected. As of December 31, 2016, there is a general allowance for doubtful accounts of approximately $878,000.

Property and Equipment

Property and equipment is recorded at cost. Expenditures for major betterments and additions are charged to the asset accounts while replacements, maintenance and repairs which do not improve or extend the lives of the respective assets are charged to expense as incurred.

Depreciation and Amortization

Depreciation and amortization is computed using the straight-line method based upon the estimated useful lives of the assets ranging from three to thirty nine years for office equipment, software, furniture and fixtures, and buildings, and for leasehold improvements, the shorter of the estimated useful life or term of the lease.

Income Taxes

The Company, Global and Global Advisory file U.S. Partnership tax returns as Florida limited liability companies, and accordingly, are not taxpaying entities for state and federal income tax purposes. Income or loss is reported by the members on their respective personal income tax returns. All wholly-owned subsidiaries are disregarded entities for purposes of United States income tax reporting and are therefore included in the Parent's U.S. Partnership tax return. HB International is not subject to income taxes in the British Virgin Islands. LATAM is subject to taxes in Panama.

The Company assesses its tax positions in accordance with "*Accounting for Uncertainties in Income Taxes*" as prescribed by the Accounting Standards Codification, which provides guidance for financial statement recognition and measurement of uncertain tax positions taken or expected to be taken in a tax return for open tax years (generally a period of three years from the later of each return's due date or the date filed) that remain subject to examination by the Company's major tax jurisdictions.

The Company assesses its tax positions and determines whether it has any material unrecognized liabilities for uncertain tax positions. The Company records these liabilities to the extent it deems them more likely than not to be incurred. Interest and penalties related to uncertain tax positions, if any, would be classified as a component of income tax expense.

The Company believes that it does not have any significant uncertain tax positions requiring recognition or measurement in the accompanying consolidated financial statements.

Employee Benefit Plans

The Company maintains a 401(k) plan for all full-time employees who are at least 21 years of age and with at least one year of service. The plan also provides for discretionary contributions by the Company. For the year ended December 31, 2016, the Company contributed $31,746 to the employee benefit plan.

Use of Estimates in the Preparation of Consolidated Financial Statements

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value Measurements

Fair value is defined as the price that the Company would receive to sell an investment or pay to transfer a liability in a timely transaction with an independent counter-party in the principal market or in the absence of a principal market, the most advantageous market for the investment or liability. Fair value measurement establishes a three-tier hierarchy to distinguish between (1) inputs that reflect the assumptions market participants would use in pricing an asset or liability developed based on market data obtained from sources independent of the reporting entity (observable inputs) and (2) inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing an asset or liability developed based on the best information available in the circumstances (unobservable inputs) and to establish classification of fair value measurements for disclosure purposes. Various inputs are used in determining the value of the Company's investments.

The inputs are summarized in the three broad levels listed below.

Level 1 - Quoted prices in active markets for identical assets and liabilities.

Level 2 - Other observable inputs, such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Fair Value Measurements (continued)

The following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis, as well as the general classification of such instruments pursuant to the valuation hierarchy:

Interest-only strips. As interest-only strips do not trade in active markets in readily observable prices, the Company uses a valuation model that calculates the present value of estimated future cash flows. These fair value measurements use significant unobservable inputs, and accordingly, are classified as Level 3 in the hierarchy.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The following is a description of the valuation methodologies used for instruments measured at fair value on a non-recurring basis, as well as the general classification of such instruments pursuant to the valuation hierarchy:

Loans held for sale. Loans held for sale are carried at the lower of cost or market determined in the aggregate. In determining whether the fair value of loans held for sale is less than cost when quoted market prices are not available, the Company may consider outstanding investor commitments, guarantees, discounted cash flow analyses with market assumptions or the fair value of the collateral if the loan is collateral dependent. The fair value of the Company's loans are determined using significant unobservable inputs and accordingly, are classified as Level 3 in the hierarchy.

NOTE 2. LOANS RECEIVABLE

At December 31, 2016, loans receivable portfolio amounted to $11,624,944 and earns interest ranging from 5.30% to 7.25%, with maturities not to exceed 180 days. Generally interest is due on a monthly basis. The loans receivable serve as collateral for a $10,000,000 line of credit facility (Note 9). None of the loans receivable is considered to be impaired as of December 31, 2016. As management believes that the loans are fully collectible, management has not recorded an allowance for loan losses at December 31, 2016.

The Company's portfolio and related interest receivable are denominated in United States dollars and are also subject to the credit risks inherent in the countries where the loans are issued. Loans receivable at December 31, 2016 consisted of loans from borrowers located in the following countries:

El Salvador	$ 4,650,000
Costa Rica	3,444,944
Mexico	1,530,000
Nicaragua	1,500,000
Guatemala	500,000
	$ 11,624,944

NOTE 3. LOANS HELD FOR SALE

Loans held for sale at December 31, 2016 consisted of the following:

Total loans originated, including renewals, and serviced	$ 652,533,222
Amount sold to investors	(582,286,751)
Loans held for sale	70,246,471
Less: allowance for loan losses	(2,644,172)
	$ 67,602,299

NOTE 3. LOANS HELD FOR SALE (Continued)

The gross amount of the above loans, including renewals, was originated by the Company. The amounts sold represent the sale, to investors, of principal plus the right to receive interest income at a specified rate. Although the Company typically retains servicing rights for loans sold, such sold instruments are not included in assets in the accompanying statement of financial condition as the Company has surrendered control and economic interest in these assets.

In connection with loan servicing, amounts collected from borrowers including loan pay-offs and interest not yet remitted to loan holders due to timing, as of December 31, 2016 amounted to $4,643,268 and are included in the accompanying statement of financial condition.

Loans held for sale at December 31, 2016 consisted of the following:

Various unsecured short-term loans (maturity less than one year) to companies with interest due semi-annually, quarterly, annually or at maturity.	$ 36,253,574
Various unsecured short-term loans (maturity less than one year) to companies with interest due monthly.	30,026,067
Various unsecured long-term loans (maturity greater than one year) to companies with interest due monthly.	1,082,168
Various secured short-term loans (maturity less than one year) to companies with interest due monthly.	2,006,113
Various secured short-term loans (maturity greater than one year) to companies with interest due semi-annually, quarterly, annually or at maturity.	587,811
Various secured long-term loans (maturity greater than one year) to companies with interest due semi-annually, quarterly, annually or at maturity.	290,738
	$ 70,246,471

Long-term loans with maturities in excess of one year have maturity dates through December 2029. In connection with loans held for sale, at December 31, 2016, the Company had interest receivable of $1,009,582.

NOTE 3. LOANS HELD FOR SALE (Continued)

The Company's portfolio of loans and related interest receivable are denominated in United States dollars and are also subject to the credit risks inherent in the countries where the loans were issued. Loans held for sale at December 31, 2016, consisted of loans receivable from borrowers located in the following countries:

El Salvador	$ 31,109,959
Costa Rica	10,258,353
Panama	8,642,830
Nicaragua	7,056,465
Guatemala	3,197,005
Mexico	3,110,000
Honduras	1,638,324
Peru	1,524,641
Trinidad & Tobago	1,190,591
British Virgin Islands	1,020,000
Dominican Republic	1,000,000
United States	498,303
	$ 70,246,471

Origination fees on loans, net of costs, are deferred and amortized as an adjustment of the related loans yield utilizing the interest method. Net origination fee income for the year ended December 31, 2016 amounted to $1,524,606, which is included in interest revenue in the accompanying statement of income. Deferred loan origination fees of $29,737 are included in the accompanying balance sheet at December 31, 2016.

Transactions affecting the allowance for loan losses are summarized as follows:

Balance at January 1st	$ 2,344,172
Provision for loan losses	300,000
Balance at December 31st	$ 2,644,172

NOTE 4. GAIN ON SALE OF LOANS

Upon the sale of a loan, the Company estimates its servicing liability based upon direct internal costs estimated to be incurred during the servicing period, which approximates fair value, amortized over the term of the loan. At December 31, 2016, HB Capital held servicing rights on loans sold of approximately $582,000,000. The servicing liability related to these loans amounted to $76,000 at December 31, 2016. Amortization of loan servicing liability during 2016 amounted to approximately $122,000, which included a portion of the prior years' unamortized servicing liability.

For the year ended December 31, 2016, the Company recognized gains on the sale of loans amounting to approximately $998,000 (Note 12).

NOTE 5. DUE FROM BROKERS

Global's primary clearing and depository operations are provided by Pershing, a Bank of New York Company, whose principal office is in Jersey City, New Jersey. The underlying agreement provides for early termination fees ranging from $75,000 to $200,000 through 2018. Amounts due from broker, deposit at clearing broker, and cash and cash equivalents of $3,572,445 are due from and held by this clearing broker.

NOTE 6. INVESTMENTS

The Company has a 1% interest in Puma Capital, LLC ("Puma"), a registered broker-dealer, related by common ownership. The investment in Puma is recorded at cost and amounted to $153,250 at December 31, 2016.

NOTE 7. FIXED INCOME MARKETABLE SECURITIES

The amortized cost and estimated market value of fixed income marketable securities held to maturity are as follows:

	Amortized Cost	Gross Unrealized Gains	Approximate Fair Values
Securities held to maturity - December 31, 2016:			
El Salvador Bonds	$ 4,723,515	$ 68,349	$ 4,791,864
El Salvador Treasury Bills	3,981,647	18,353	4,000,000
	$ 8,705,162	$ 86,702	$ 8,791,864

Management evaluates securities for other-than-temporary impairment at least on an annual basis, and more frequently when economic or market concerns warrant such evaluation. Consideration is given to (1) the length of time and the extent to which the fair value has been less than cost, (2) the financial condition and near-term prospects of the issuer and (3) the intent and ability of the Company to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value.

NOTE 7. FIXED INCOME MARKETABLE SECURITIES (Continued)

The amortized cost and estimated market value of fixed income marketable securities, at December 31, 2016, by contractual maturity, are shown below. Actual maturities may differ from contractual maturities because issuers may have the right to call or prepay obligations with or without call or prepayment penalties.

	Amortized Cost	Approximate Fair Values
Due in one year or less	$ 3,981,647	$ 4,000,000
Due after ten years	4,723,515	4,791,864
	$ 8,705,162	$ 8,791,864

Subsequent to year-end, the Company collected 100% of the Salvadorian Treasury Bills at their respective maturity dates. Accrued interest as of December 31, 2016 amounted to approximately $17,000, which is included as a component of other assets in the accompanying consolidated statement of financial condition.

As of December 31, 2016, the Company had entered into repurchase agreements in which bonds and treasury bills with a face value of $5,493,540 were sold to outside third parties bearing interest at rates ranging from 4.74% to 6.74% for periods ranging from 5 to 32 days. The buyer is obligated to resell the securities to the Company at the termination of the repurchase agreements under fixed price arrangements. Funds received pursuant to the agreements are recorded as liabilities and the Company includes the underlying securities in the balance sheet for the term of the agreements. At December 31, 2016, repurchase agreements totaled $5,493,540.

NOTE 8. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2016:

Furniture, fixtures and office equipment	1,888,117
Software	597,681
Leasehold improvements	2,633,982
	5,119,780
Less: accumulated depreciation and amortization	(3,173,054)
	$ 1,946,726

Depreciation and amortization expense amounted to $257,856 for the year ended December 31, 2016.

NOTE 9. LINE OF CREDIT FACILITIES

The line of credit facilities at December 31, 2016 consisted of the following:

Maximum borrowings of $16,500,000 with various banks in Panama, with interest rates at 5.50% and 6.00%, payable monthly, expiring through January 2018.	$ 16,500,000
Maximum borrowings of $39,700,000 with various banks in El Salvador, with interest rates ranging between 3.50% and 6.00%, payable monthly, expiring through September 2018.	13,377,000
Maximum borrowings of $16,500,000 with various banks in the United States, with interest rates ranging between 3.50% and 4.29%, payable monthly, expiring through November 2017.	13,000,000
Maximum borrowings of $15,000,000 with various banks in Guatemala, with interest rates ranging between 5.90% and 6.00%, payable monthly, expiring through November 2017.	12,000,000
Maximum borrowings of $10,000,000 with a lending institution in the United States of America, with interest at the one-month LIBOR plus 3%, payable monthly, expiring November 2018, collateralized by loans receivable portfolio (Note 2).	9,175,000
Maximum borrowings of $3,000,000 with a lending institution in the United States of America, with interest at the Overnight LIBOR plus 2.85%, payable monthly, expired July 2017 and management is in the process of negotiating renewal.	3,000,000
Maximum borrowings of $1,900,716 with related parties, with interest rates at 4.13%, payable monthly, expiring through May 2017.	1,900,716
Other	1,258,619
	$ 70,211,335

Interest expense on these facilities amounted to $3,340,895 for the year ended December 31, 2016, of which $199,267 is included as a component of accounts payable and accrued liabilities in the accompanying consolidated statement of financial condition at December 31, 2016. Certain line of credit facilities have variable interest rates that are tied to an index and others are adjustable at the lender's discretion. Management expects to renew or refinance its expiring line of credit facilities before their maturity dates.

Certain of the Company's line of credit facilities are subject to customary covenants and if compliance is not maintained, outstanding balances might be accelerated and would be due on demand. Additionally, certain line of credit facilities are personally guaranteed by members of the Company. Credit facilities with a balance at December 31, 2016 of approximately $33,852,000 are collateralized by an assignment of certain proceeds, corporate assets or corporate guarantees.

NOTE 10. NET CAPITAL REQUIREMENTS

As a registered broker-dealer, Global is subject to the Uniform Net Capital Rule of the Securities and Exchange Commission, which requires that "Net Capital," as defined, shall be at least the greater of $100,000 or one-fifteenth of "Aggregate Indebtedness," as defined. At December 31, 2016, Global's "Net Capital" was $2,343,6450, which exceeded requirements by $2,154,425 and the ratio of "Aggregate Indebtedness" to "Net Capital" was 1.21 to 1.

NOTE 11. LEASE COMMITMENTS

The Company is obligated under non-cancelable lease agreements for its office facilities expiring through 2025. Approximate future minimum lease payments under the leases are as follows:

2016	$ 1,019,000
2017	1,050,000
2018	1,081,000
2019	1,114,000
2020	1,147,000
Thereafter	4,185,000
	$ 9,596,000

Rent expense on the leases amounted to $1,065,128 for the year ended December 31, 2016.

NOTE 12. RELATED PARTY TRANSACTIONS

Members' Subscriptions Receivable

During 2007, the Company issued membership units to an officer of the Company in exchange for a $750,000 promissory note, collateralized by the membership units, bearing interest at a rate of 6% on any outstanding principal balance up to $350,000 and 10% on any outstanding principal balance above $350,000. The unpaid principal balance including any accrued but unpaid interest was originally due and payable the later of January 1, 2012 or the date certain outstanding claims are terminated, or a date specified by the Company.

At December 31, 2016, the balance remaining on all subscriptions receivable was $39,826, including accrued interest of $5,370, and is included as a reduction of members' equity. Subsequent to year end, the note was paid in full.

Due From Related Parties

As of December 31, 2016, the Company had approximately $639,000 due from several affiliated entities including single purpose private equity investment vehicles managed by Alpha Capital Management, LLC, an entity related by virtue of common ownership and are included in due from related parties in the accompanying consolidated statement of financial condition. In addition, revenues generated from these affiliated entities amounted to approximately $405,000 during the year ended December 31, 2016 and are included in various revenue categories in the accompanying consolidated statement of operations.

In February 2008, the Company loaned $150,000 to Cougar Financial Holdings, LLC ("Cougar"), a 50% owner of Puma, evidenced by a promissory note which bears no interest and is due and payable upon the earlier of (i) the sale of all membership interests in Puma to person(s) who were not previously members of Puma or (ii) the dissolution of Puma, unless Cougar's liabilities become due and payable sooner because of acceleration.

Advances

At December 31, 2016, the Company had advances receivable from entities related by virtue of common ownership and/or management approximating $125,000, which are included in due from related parties in the accompanying statement of financial condition.

Loans Receivable - Related Party

In September 2014, the Company loaned $500,000 to a company related by common ownership, as evidenced by an executed promissory note, with interest at 9% per annum, accrued monthly, with interest due and payable on a quarterly basis beginning January 1, 2015 and principal due at maturity, October 1, 2017. Interest revenue related to this loan amounted to $45,123 during the year ended December 31, 2016. Accrued interest as of December 31, 2016 amounted to $22,685, which is included in the loans receivable - related party balance in the consolidated statement of financial condition.

Sale of Loans

During 2016, the Company sold loans totaling approximately $239,496,000 to related entities without recourse. HB Capital recorded gains of approximately $273,000 related to these sales, which are included in gain on sale of loans in the accompanying consolidated statement of operations. At December 31, 2016, approximately $119,328,000 of these loans were being serviced by HB Capital.

During 2016, the Company originated loans totaling approximately $98,630,000 to related entities, of which $13,281,000 were outstanding at December 31, 2016. During 2016, interest income related to these loans totaled approximately $1,616,000.

Borrowings

At December 31, 2016, the Company had borrowings from related entities and individuals aggregating approximately $1,901,000. During 2016, interest expense related to borrowings totaled approximately $81,000 (Note 9).

Investment Management Fees

During 2016, the Company provided investment management services to an entity related by common ownership with the Company. Revenues earned during the year ended December 31, 2016 amounted to $236,000 and is included as a component of advisory and consulting fees in the accompanying consolidated statement of operations.

Hencorp Income Opportunity Fund, S.A. ("HIOF Fund")

In July 2014, the Company entered into an agreement with HIOF Fund, which is controlled by entities related by common ownership, to act as the Fund's investment manager which includes making investment decisions and structuring transactions on behalf of HIOF; accordingly the Company can exercise significant influence over HIOF and thus accounts for its investment under the equity method of accounting. HIOF accounts for its investment under the historical method of accounting, which approximates fair value. The Fund shall pay the Company a quarterly management fee equal to 1.25% per annum of the amount of aggregate total capital commitments. After the end of the Commitment Period, the management fee is calculated against the aggregate unreturned capital contributions. The Company earned approximately $313,000 of management fees for the year ended December 31, 2016 which are included as a component of advisory and consulting fees in the accompanying statement of operations.

Distributions received from HIOF for the year ended December 31, 2016 amounted to approximately $19,000. For the year ended December 31, 2016, the Company's proportionate share of the net loss of HIOF approximated $2,000, which is included as a component of earnings from equity method investments in the accompanying statement of operations. At December 31, 2016, the Company's investment in HIOF amounted to $1,793,307 and is included as a component of invesments in the consolidated statement of financial condition. As of December 31, 2016, the Fund's investment portfolio consisted of $933,078 of loan participations purchased from the Company. Subsequent to year-end, the Company ceased providing investment services and liquidated 100% of its position in the fund at no gain or loss.

Hencorp Loan Fund ("Loan Fund")

In November 2014, the Company entered into an agreement with the Loan Fund, which is related by virtue of common management, to act as the Loan Fund's administrator which includes making investment decisions on behalf of the Loan Fund; accordingly the Company can exercise significant influence over the Loan Fund and thus accounts for its investment under the equity method of accounting. The Loan Fund shall pay the Company an administrative fee of up to 1.5% per annum, payable monthly, based on the average daily investment portfolio balance. The Company earned approximately $355,000 of administrative fees for the year ended December 31, 2016, which are included as a component of other income in the accompanying statement of operations.

Substantially all of HLF's assets are comprised of loan participations purchased from the Company. HLF accounts for its investments under the historical cost method of accounting, which approximates fair value.

During 2016, the Company invested $18,955,000 into the Loan Fund, of which $17,352,000 was liquidated prior to year-end at no gain or loss, resulting in a 5.34% ownership stake in the Loan Fund. The Company's proportionate share of the net income of the Loan Fund approximated $153,000 for the year ended December 31, 2016, which is included as a component of earnings from equity method investments in the accompanying statement of operations. Distributions received amounted to $153,000 during the year ended December 31, 2016. At December 31, 2016, the Company's investment balance in the Loan Fund amounts to $1,603,000 and is included as a component of investments in the consolidated statement of financial condition.

Consulting Income

HB Capital earned approximately $295,000 in consulting related income for services provided to an entity related by virtue of common management during the year ended December 31, 2016, which is included as a component of advisory and consulting fees in the accompanying statement of operations.

Bonus Payable

As of December 31, 2016, the Company accrued for a discretionary bonus of approximately $1,400,000 related to HB Capital.

NOTE 13. COMMITMENTS AND CONTINGENCIES

Employment Agreements

Global has employment agreements with various executives of Global. Certain of the executives are eligible to receive, amongst other things, membership interests and bonuses based on the performance of Global. During 2016, no membership interests were issued under these agreements.

Additionally, certain annual salaries and bonuses earned by the executives of Global may be paid in the form of membership interests in Global. During 2016, no membership interests were issued as a bonus.

Commitments

On December 15, 2014, the Company entered into a Bond Purchase and Sale Agreement with a financial institution. The agreement required the Company to purchase $10,000,000 in bonds issued by an entity related to the Company by common ownership beginning in January 2015 and continuing through December 2015. Per the Company's request, the repurchase obligations were extended for completion during 2017. The agreement allows the Company to solicit third parties to buy the bonds in satisfaction of the commitment. As of December 31, 2016, the Company is committed to repurchasing approximately $1,000,000 in bonds.

Litigation Matters

During the normal course of operations, the Company, from time to time, may be involved in lawsuits, arbitration, claims, and other legal or regulatory proceedings. The Company does not believe that these matters will have a material adverse effect on the Company's financial position, results of operations, or cash flows.

NOTE 14. RISK CONCENTRATIONS

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.

NOTE 14. RISK CONCENTRATIONS (Continued)

The Company’s customer securities activities are transacted on either a cash or margin basis. In margin transactions, the clearing broker extends credit to the Company's customers, subject to various regulatory and internal margin requirements, collateralized by cash and securities in the customers’ accounts. In connection with these activities, the Company executes customer transactions involving the sale of securities not yet purchased, all of which are transacted on a margin basis subject to individual exchange regulations. Such transactions may expose the Company to significant 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 its 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. The Company monitors required margin levels daily and, pursuant to such guidelines, requires the customer to deposit additional collateral or to reduce positions when necessary.

A significant portion of the Company's customers are domiciled in Central and South America, and the Caribbean. It is reasonably possible that changes in the laws, economy or political conditions in these regions could significantly affect the Company's operations.

NOTE 15. FAIR VALUE MEASUREMENT

The interest-only strip receivable, which at December 31, 2016 totaled $2,832,551 is measured on a recurring basis at fair value.

Changes in Level 3 assets measured at fair value for the year ended December 31, 2016 are as follows:

ASSETS, fair value		Interest-only Receivable
Beginning balance	$	3,599,024
Total gains included in earnings		1,102,303
Amortization of interest-only strip receivable	(	1,868,776)
Ending balance	$	2,832,551

Realized gains from the sale of loans are included in the accompanying statement of operations.

NOTE 15. FAIR VALUE MEASUREMENT (Continued)

At December 31, 2016, the fair value of the interest-only strip receivable was based on a discounted cash flow valuation model that incorporates market driven assumptions such as discount rate, delinquency rates and prepayment speeds. Specifically, the model assumes cash flows from borrower repayments are made in accordance with contractual terms with nominal delinquency or prepayments with a discount rate of approximately 8.65%.

Delinquency levels and discount rate are considered the key assumptions in the determination of the interest-only strip receivable calculation. At December 31, 2016, a 10% and 20% adverse change in borrower delinquency levels yield a $(110,000) and $(220,000) impact on the initial interest-only strip receivable calculation, respectively. At December 31, 2016, a 10% and 20% adverse change in discount rate yields a $(15,000) and $(29,000) impact on the initial interest-only strip receivable calculation, respectively.

These sensitivities are hypothetical and should be used with caution as the results cannot necessarily be extrapolated because the relationship of the change in assumption to the fair value may not be linear. Furthermore, estimated fair values disclosed should not be considered indicative of future earnings on these assets.

NOTE 16. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through October 4, 2017, which is the date the accompanying consolidated financial statements were available to be issued.

Effective January 31, 2017, the Parent's ownership interest in Global, Global Advisory, and HB Asset was acquired by RHH Financial Group, LLC, a related party.

Effective January 31, 2017, the Parent's ownership interest in HB Financial was acquired by Hencorp, Inc. and FHH Corp, both related parties.

CONSOLIDATING SUPPLEMENTARY INFORMATION

HENCORP BECSTONE, L.C. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2016

ASSETS	Parent	HB Financial	Global	HB Capital	Latam
CASH AND CASH EQUIVALENTS	$ 242,246	$(91,144)	$ 3,735,687	$ 7,601,706	$ 136,272
DEPOSIT AT CLEARING BROKER	-	-	100,000	-	-
RESTRICTED CASH	-	-	-	-	-
LOANS HELD FOR SALE	-	-	-	67,602,299	-
LOANS RECEIVABLE	-	-	-	-	-
DUE FROM BROKERS	-	-	1,406,699	-	-
FIXED INCOME MARKETABLE SECURITIES	-	-	-	8,705,162	-
INVESTMENTS	3,683,681	-	-	3,396,307	-
INTEREST RECEIVABLE	-	-	-	1,026,141	-
INTEREST-ONLY STRIP RECEIVABLE	-	-	-	2,832,551	-
PROPERTY AND EQUIPMENT, NET	-	1,615,625	-	196,591	134,510
BROKER ADVANCES AND NOTES RECEIVABLE	-	-	174,034	-	-
DUE FROM RELATED PARTIES	150,000	1,652,311	-	125,097	-
LOANS RECEIVABLE - RELATED PARTY	3,531,142	-	-	-	-
SUBORDINATED LOANS RECEIVABLE - RELATED PARTY	372,230	-	-	-	-
OTHER ASSETS	4,257	552,832	554,595	247,431	285,240
INVESTMENT IN SUBSIDIARIES	21,616,111	-	-	-	-
	$ 29,599,667	$ 3,729,624	$ 5,971,015	$ 91,733,285	$ 556,022

LIABILITIES AND MEMBERS' EQUITY	Parent	HB Financial	Global	HB Capital	Latam
SERVICER REMITTANCE PAYABLE, NET	$ -	$ -	$ -	$ 4,643,268	$ -
COMMISSIONS PAYABLE	-	-	1,435,066	-	29,642
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	(5,732)	2,640,881	1,257,875	1,904,152	29,032
BONUS PAYABLE	1,384,185	-	-	-	-
DEFERRED LOAN ORIGINATION FEES	-	-	-	29,737	-
LOAN SERVICING LIABILITY	-	-	-	76,090	-
SECURITIES SOLD UNDER AGREEMENTS TO REPURCHASE	-	-	-	5,493,540	-
LINE OF CREDIT FACILITIES	3,000,000	-	-	61,036,335	-
DUE TO RELATED PARTIES	-	-	505,429	483,431	-
TOTAL LIABILITIES	4,378,453	2,640,881	3,198,370	73,666,553	58,674
MEMBERS' EQUITY	25,221,214	1,088,743	2,772,645	18,066,732	497,348
	$ 29,599,667	$ 3,729,624	$ 5,971,015	$ 91,733,285	$ 556,022

See independent auditors' report.

HENCORP BECSTONE, L.C. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF FINANCIAL CONDITION (Continued)
DECEMBER 31, 2016

ASSETS	HCO	Global Advisory	Others	Eliminations	Consolidated
CASH AND CASH EQUIVALENTS	$ -	$ 35,986	$ 114,408	$ -	$ 11,775,161
DEPOSIT AT CLEARING BROKER	-	-	-	-	100,000
RESTRICTED CASH	295,447	-	-	-	295,447
LOANS HELD FOR SALE	-	-	-	-	67,602,299
LOANS RECEIVABLE	11,624,944	-	-	-	11,624,944
DUE FROM BROKERS	-	-	-	-	1,406,699
FIXED INCOME MARKETABLE SECURITIES	-	-	-	-	8,705,162
INVESTMENTS	-	-	-	(3,530,431)	3,549,557
INTEREST RECEIVABLE	2,035	-	-	-	1,028,176
INTEREST-ONLY STRIP RECEIVABLE	-	-	-	-	2,832,551
PROPERTY AND EQUIPMENT, NET	-	-	-	-	1,946,726
BROKER ADVANCES AND NOTES RECEIVABLE	-	-	-	-	174,034
DUE FROM RELATED PARTIES	-	-	-	(1,072,577)	854,831
LOANS RECEIVABLE - RELATED PARTY	-	-	-	(3,008,058)	523,084
SUBORDINATED LOANS RECEIVABLE - RELATED PARTY	-	-	-	(372,230)	-
OTHER ASSETS	51,689	70,622	370,493	(101,873)	2,035,286
INVESTMENT IN SUBSIDIARIES	-	-	-	(21,616,111)	-
	$ 11,974,115	$ 106,608	$ 484,901	$(29,701,280)	$ 114,453,957

LIABILITIES AND MEMBERS' EQUITY	HCO	Global Advisory	Others	Eliminations	Consolidated
SERVICER REMITTANCE PAYABLE, NET	$ -	$ -	$ -	$ -	$ 4,643,268
COMMISSIONS PAYABLE	-	-	-	-	1,464,708
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	29,775	86,066	109,992	(122,161)	5,929,880
BONUS PAYABLE	-	-	-	-	1,384,185
DEFERRED LOAN ORIGINATION FEES	-	-	-	-	29,737
LOAN SERVICING LIABILITY	-	-	-	-	76,090
SECURITIES SOLD UNDER AGREEMENTS TO REPURCHASE	-	-	-	-	5,493,540
LINE OF CREDIT FACILITIES	9,175,000	-	-	(3,000,000)	70,211,335
DUE TO RELATED PARTIES	58,708	20,543	364,465	(1,432,576)	-
TOTAL LIABILITIES	9,263,483	106,609	474,457	(4,554,737)	89,232,743
MEMBERS' EQUITY	2,710,632	(1)	10,444	(25,146,543)	25,221,214
	$ 11,974,115	$ 106,608	$ 484,901	$(29,701,280)	$ 114,453,957

See independent auditors' report.

HENCORP BECSTONE, L.C. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2016

	Parent	HB Financial	Global	HB Capital	Latam
REVENUES					
Commissions	$ -	$ -	$ 19,718,410	$ -	$ 960,691
Interest and dividends	136,788	168	582,682	8,997,833	-
Mutual fund fees	-	-	6,239,348	-	-
Advisory and consulting fees	-	15,000	-	740,528	-
Other income	-	541,723	598,916	369,702	-
Account maintenance fees	-	-	1,150,061	-	-
Gain on sale of loans	-	-	-	998,304	-
Revenue from foreign fee based managed accounts	-	-	244,750	-	-
Earnings from equity method investments	-	-	-	151,529	-
Management fee income	-	13,659,649	-	-	-
Income from subsidiaries	1,861,159	-	-	-	-
Total revenues	1,997,947	14,216,540	28,534,167	11,257,896	960,691
OPERATING EXPENSES					
Commissions	-	946,683	18,354,014	380,270	595,784
Salaries, bonuses and related costs	1,384,185	8,054,025	-	-	243,062
Other general and administrative expenses	25	3,216,241	110,181	147,717	79,844
Interest	67,320	-	-	3,011,389	-
Contract and professional fees	4,850	1,440,356	114,007	709,825	23,726
Rent	-	1,013,975	-	-	51,153
Communication and quotation services	288	313,178	422,518	-	28,054
Foreign offices	-	89,649	-	667,420	-
Clearing charges	-	-	692,602	-	-
Provision for loan losses	-	10,000	-	300,000	-
Taxes - other	1,536	-	-	148,364	-
Depreciation and amortization	-	149,845	-	22,446	58,597
Management fees	-	-	7,486,536	4,538,431	-
Other	-	-	17,500	1,500	-
Total operating expenses	1,458,204	15,233,952	27,197,358	9,927,362	1,080,220
NET INCOME (LOSS)	$ 539,743	$(1,017,412)	$ 1,336,809	$ 1,330,534	$(119,529)

See independent auditors' report.

HENCORP BECSTONE, L.C. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF OPERATIONS (Continued)
YEAR ENDED DECEMBER 31, 2016

	HCO	Global Advisory	Others	Eliminations	Consolidated
REVENUES					
Commissions	$ -	$ -	$ -	$ -	$ 20,679,101
Interest and dividends	739,913	-	-	(89,407)	10,367,977
Mutual fund fees	-	-	-	-	6,239,348
Advisory and consulting fees	-	237,766	3,052,848	-	4,046,142
Other income	-	-	2,000	-	1,512,341
Account maintenance fees	-	-	-	-	1,150,061
Gain on sale of loans	-	-	-	-	998,304
Revenue from foreign fee based managed accounts	-	-	-	-	244,750
Earnings from equity method investments	-	-	-	-	151,529
Management fee income	-	-	-	(13,659,649)	-
Income from subsidiaries	-	-	-	(1,861,159)	-
Total revenues	739,913	237,766	3,054,848	(15,610,215)	45,389,553
OPERATING EXPENSES					
Commissions	-	187,224	1,389,998	-	21,853,973
Salaries, bonuses and related costs	-	-	-	-	9,681,272
Other general and administrative expenses	-	-	3,260	(12,230)	3,545,038
Interest	339,363	-	-	(77,177)	3,340,895
Contract and professional fees	15,474	-	105,255	-	2,413,493
Rent	-	-	-	-	1,065,128
Communication and quotation services	-	-	-	-	764,038
Foreign offices	-	-	-	-	757,069
Clearing charges	-	-	-	-	692,602
Provision for loan losses	-	-	-	-	310,000
Taxes - other	-	-	-	-	149,900
Depreciation and amortization	26,968	-	-	-	257,856
Management fees	1,674	50,543	1,582,465	(13,659,649)	-
Other	-	-	(454)	-	18,546
Total operating expenses	383,479	237,767	3,080,524	(13,749,056)	44,849,810
NET INCOME (LOSS)	$ 356,434	$(1)	$(25,676)	$(1,861,159)	$ 539,743

See independent auditors' report.