

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL  
OMB Number: 3235-0123  
Expires: October 31, 2023  
Estimated average burden  
hours per response..... 12.00

ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III

SEC FILE NUMBER  
8-00071

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01/01/20 AND ENDING 12/31/20  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: RICHARDS MERRILL & PETERSON INC

OFFICIAL USE ONLY

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

FIRM I.D. NO.

US BANK BLDG ONE SKYWALK 422 WEST RIVERSIDE AVENUE

(No. and Street)

SPOKANE

WA

99201

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

TOM McDONALD

(509)-624-3174

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

MOSS ADAMS LLP

(Name - if individual, state last, first, middle name)

601 WEST RIVERSIDE AVE STE 1800 SPOKANE

WA

99201

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

Certified Public Accountant

Public Accountant

Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

OATH OR AFFIRMATION

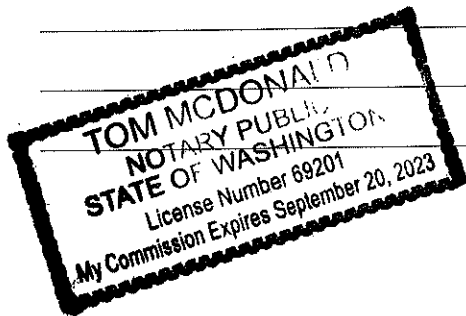
I, JOHN S LARSON

, swear (or affirm) that, to the best of

my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of RICHARDS MERRILL & PETERSON INC

, as

of DECEMBER 31, 2020, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:



Handwritten signature of John S. Larson

Signature

PRESIDENT

Title

Handwritten signature of Tom McDonald

Notary Public

This report \*\* contains (check all applicable boxes):

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss) or, if there is other comprehensive income in the period(s) presented, a Statement of Comprehensive Income (as defined in §210.1-02 of Regulation S-X).
- (d) Statement of Changes in Financial Condition.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital.
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.
- (o) Management Statement Regarding Compliance with Certain Exemption Provisions Under 15c3-3.
- (p) Report of Independent Registered Public Accounting Firm

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).



MOSSADAMS

## **Report of Independent Registered Public Accounting Firm**

To the Board of Directors and Stockholders of  
Richards, Merrill & Peterson, Inc.

### **Opinion on the Financial Statements**

We have audited the accompanying statement of financial condition of Richards, Merrill & Peterson, Inc. (Company), as of December 31, 2020, the related statements of income, changes in stockholders' equity, and cash flows for the year then ended, and the related notes (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020, and the results of its operations and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures to respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

### **Opinion on the Supplemental Information**

The supplemental information in Schedule I has been subjected to audit procedures performed in conjunction with the audit of the Company's financial statements. The information in Schedule I is the responsibility of the Company's management. Our audit procedures include determining whether the information in Schedule I reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in Schedule I. In forming our opinion on the information in Schedule I, we evaluated whether the information in Schedule I, including its form and content, is presented in accordance with 17 C.F.R. §240.17a-5. In our opinion, the information in Schedule I is fairly stated in all material respects in relation to the financial statements as a whole.

*Moss Adams LLP*

Spokane, Washington  
February 22, 2021

We have served as the Company's auditor since 2003.

Report of Independent Registered Public  
Accounting Firm and Financial Statements  
with Supplemental Information for

Richards, Merrill & Peterson, Inc.

December 31, 2020

## CONTENTS

---

	PAGE
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM	2
FINANCIAL STATEMENTS	
Statement of financial condition	3
Statement of income	4
Statement of changes in stockholders' equity	5
Statement of cash flows	6
Notes to financial statements	7-10
SUPPLEMENTAL INFORMATION	
Schedule I - Computation of net capital under Securities & Exchange Commission Rule 15c3-1	11

**RICHARDS, MERRILL & PETERSON, INC.**  
**STATEMENT OF FINANCIAL CONDITION**

---

**ASSETS**

	December 31, 2020
Cash	\$ 217,492
Receivable from clearing organization	196,591
Furniture and equipment, at cost, less accumulated depreciation of \$103,969	36,371
Prepaid expenses	11,627
Deposit with clearing organization	<u>250,000</u>
Total assets	<u>\$ 712,081</u>

**LIABILITIES AND STOCKHOLDERS' EQUITY**

**LIABILITIES**

Deferred revenue	200,000
Accounts payable and accrued liabilities	7,938
Federal income tax payable	3,967
Deferred income taxes	<u>5,259</u>
Total liabilities	<u>217,164</u>

**STOCKHOLDERS' EQUITY**

Common stock \$1 par value; 50,000 shares authorized; 600 shares issued and outstanding	600
Additional paid-in capital	89,610
Retained earnings	<u>404,707</u>
Total stockholders' equity	<u>494,917</u>
Total liabilities and stockholders' equity	<u>\$ 712,081</u>

**RICHARDS, MERRILL & PETERSON, INC.**  
**STATEMENT OF INCOME**

---

	Year Ended December 31, 2020
REVENUES	
Commission income	\$ 2,517,265
Investment advisory fee income	1,231,346
Clearing organization business transaction income	50,000
	<u>3,798,611</u>
EXPENSES	
Commissions	2,331,650
Employee compensation	801,763
Service provider charges	120,522
Professional services	180,900
Occupancy	112,842
Sales expenses	31,303
Communications	32,414
Subscriptions	24,921
Taxes other than income taxes	68,254
Regulatory fees	25,517
Quotation services	31,855
Other operating expenses	35,869
	<u>3,797,810</u>
Income from operations	<u>801</u>
OTHER INCOME	
Other	68,439
Loss on assets disposed	(912)
	<u>67,527</u>
Income before income tax	<u>68,328</u>
Income tax expense (benefit)	
Current	18,787
Deferred	2,817
	<u>21,604</u>
Net income	<u><u>\$ 46,724</u></u>

**RICHARDS, MERRILL & PETERSON INC.**  
**STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY**

---

	Common Stock	Additional Paid-In Capital	Retained Earnings	Total
Balance, December 31, 2019	\$ 600	\$ 89,610	\$ 396,959	\$ 487,169
Net income	-	-	46,724	46,724
Dividends paid to stockholders	-	-	(38,976)	(38,976)
Balance, December 31, 2020	\$ 600	\$ 89,610	\$ 404,707	\$ 494,917

**RICHARDS, MERRILL & PETERSON, INC.**  
**STATEMENT OF CASH FLOWS**

---

	Year Ended December 31, 2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Net income	\$ 46,724
Adjustments to reconcile net income to net cash from operating activities	
Depreciation expense	12,323
Change in assets and liabilities	
Receivable from clearing organization	(121,264)
Other assets	(870)
Net federal income tax	10,460
Deferred revenue	200,000
Deferred federal income tax	2,817
Accounts payable and accrued liabilities	1,473
Loss on assets disposed	912
Net cash provided by operating activities	<u>152,575</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of furniture and equipment	<u>(10,545)</u>
Net cash used in investing activities	<u>(10,545)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Dividends paid to stockholders	<u>(38,976)</u>
<b>NET CHANGE IN CASH</b>	103,054
Cash, beginning of year	<u>114,438</u>
Cash, end of year	<u><u>\$ 217,492</u></u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION</b>	
Cash paid during the year for income taxes	<u><u>\$ 8,327</u></u>

**RICHARDS, MERRILL & PETERSON, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

---

**Note 1 – Organization and Nature of Business**

Richards, Merrill & Peterson, Inc. (Company) is a registered broker-dealer engaged primarily in providing brokerage and investment advisory services to clients in Spokane, Washington, and the surrounding area.

The Company is incorporated in the state of Washington and is registered with the Securities and Exchange Commission (SEC). The Company is also a member of the Financial Industry Regulatory Authority (FINRA).

**Note 2 – Significant Accounting Policies**

**Basis of accounting** – Customers' securities transactions are recorded on a settlement-date basis, generally three business days after trade date for municipal, corporate, and equity securities and one business day after trade date for U.S. government securities. Related commission income and expenses are recorded on a settlement date basis. As of December 31, 2020, and for the year then ended, the Company's financial condition and results of operations using the settlement-date basis are not materially different from recording transactions on a trade-date basis.

**Cash and cash equivalents** – For the purposes of reporting cash flows, cash and cash equivalents include deposits with financial institutions. See Note 5 for additional details.

**Receivables** – Receivables consist primarily of commissions due from mutual funds and the Company's clearing broker, and are typically received upon settlement of the transaction. On January 1, 2020, the Company adopted ASU No. 2016-13 *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, using the modified retrospective method. The ASU requires the Company to measure and recognize expected credit losses for financial assets and certain other instruments held at amortized cost, replacing the incurred loss impairment model. This includes the receivable from the clearing organization. Under ASU 2016-13, the Company is required to consider whether expected credit losses should be recognized for receivables that are considered current and the Company is required to recognize estimated credit losses expected to occur over the estimated life or remaining contractual life of an asset using a broader range of information including reasonable and supportable forecasts about future economic conditions to estimate credit losses. Adoption of ASU 2016-13 did not have a material impact on the Company's financial statements and did not result in an adjustment to the opening balance of retained earnings at January 1, 2020.

The Company records its receivable from the clearing organization when revenue is earned that is to be received from this organization. The Company reviews the outstanding receivable amount, the age of the receivable, past credit history with the clearing organization, historical collection information, current financial condition of the clearing organization, external market factors, and reasonable and supportable forecasts about future economic conditions. At December 31, 2020, management determined that no allowance for doubtful accounts was required.

**Depreciation** – Furniture and equipment are stated at cost, less accumulated depreciation. Depreciation is computed by the straight-line method over estimated useful lives of five to seven years. Depreciation expense for the year ended December 31, 2020 was \$12,323.

## RICHARDS, MERRILL & PETERSON, INC. NOTES TO FINANCIAL STATEMENTS

---

**Leases** – The Company conducts operations in leased space for which the lease term expired in October 2020. The Company is currently leasing the space on a month-to-month basis.

**Deposits** – The Company has an agreement with First Clearing Corporation (FCC), whereby FCC clears all security transactions, carries all customer accounts, finances and holds the Company's trading inventory, and performs certain other services. The agreement is cancelable upon 30 days prior written notice of either party. The contract was renewed in December 2019 and is extended to December 31, 2024. As part of this agreement, the Company is required to, and does maintain a deposit in the amount of \$250,000 held at FCC as of December 31, 2020.

**Paid time off** – Employees are entitled to paid vacation, sick, and personal days off depending on job classification, length of service, and other factors. These benefits do not carry over and must be used by year end. Accordingly, no provision for such benefits is appropriate in the accompanying financial statements.

**Accounting estimates** – The preparation of 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.

**Managed account fees** – Managed account fees are billed on a quarterly basis at the beginning of the quarter, and allocated over three months. Any account refunds or credits are prorated over the remainder of the quarter.

**Commission income** – Commission income is recognized on a settlement date basis on traditional brokerage accounts.

**Revenue from Contracts with Customers** -ASC 606 *Revenue from Contracts with Customers* (i) creates a single framework for recognizing revenue from contracts with customers that fall within its scope and (ii) revises when it is appropriate to recognize a gain (loss) from the transfer of nonfinancial assets. The Company's assessment of key revenue sources includes:

**Brokerage commissions.** The Company buys and sells securities on behalf of its customers. Each time a customer enters into a buy or sell transaction, the Company charges a commission. Commissions and related clearing expenses are recorded on the trade date (the date that the Company fills the trade order by finding and contracting with a counterparty and confirms the trade with the customer). The Company believes that the performance obligation is satisfied on the trade date because that is when the underlying financial instrument or purchaser is identified, the pricing is agreed upon and the risks and rewards of ownership have been transferred to/from the customer.

**Investment advisory fees.** The Company provides investment advisory services on a daily basis. The Company believes the performance obligation for providing advisory services is satisfied over time because the customer is receiving and consuming the benefits as they are provided by the Company. Fee arrangements are based on a percentage applied to the customer's assets under management. Fees are received quarterly and are recognized as revenue at that time as they relate specifically to the services provided in that period, which are distinct from the services provided in other periods.

**RICHARDS, MERRILL & PETERSON, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

---

**Income taxes** – Income taxes are accounted for using an asset and liability approach that requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the financial statement and tax basis of assets and liabilities at the applicable enacted tax rates. A valuation allowance is provided when it is more likely than not that some portion or all of the deferred tax assets will not be realized. The Company evaluates the realizability of its deferred tax assets by assessing its valuation allowance and by adjusting the amount of such allowance, if necessary. For the year ended December 31, 2020, the Company recorded a \$2,817 deferred tax expense. As of December 31, 2020, the company recorded a \$5,259 deferred tax liability.

The Company applies the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740-10, *Income Taxes*, relating to accounting for uncertain tax positions. The Company recognizes the tax benefit from uncertain tax positions only if it is more likely than not the tax positions will be sustained on examination by the tax authorities, based on the technical merits of the position. The tax benefit is measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement.

**Subsequent events** – The Company has evaluated subsequent events through February 22, 2020, the date the audited financial statements were available to be issued, and has recognized the effects of those subsequent events, if any, as required by accounting principles generally accepted in the United States of America.

**Note 3 – Net Capital Requirement**

The Company is subject to the Securities and Exchange Commission's (SEC) Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum net capital of \$100,000. The SEC also requires the ratio of aggregate indebtedness to net capital shall not exceed 1500% (15 to 1). At December 31, 2020, the Company had net capital of \$446,919 which was \$346,919 in excess of its total Rule 15c3-1 required net capital of \$100,000. The Company's ratio of aggregate indebtedness to net capital was .0267 to 1.

**Note 4 – Defined Contribution 401(k) Plan**

The Company sponsors a defined contribution 401(k) plan that covers all employees who regularly work 1,000 hours or more per year. Employees may contribute up to 100% of eligible compensation up to a federally mandated maximum. Employer contributions are discretionary with a minimum contribution of 4% of participants' compensation. For the year ended December 31, 2020 the Company made discretionary contributions of \$70,106.

**Note 5 – Concentration of Credit Risk**

The Company is engaged in various trading and brokerage activities in which counterparties primarily include broker-dealers, banks, and other financial institutions. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty of issuer of the instrument. It is the Company's policy to review, as

**RICHARDS, MERRILL & PETERSON, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

---

necessary, the credit standing of each counterparty.

The amount on deposit with financial institutions fluctuates but does not exceed the insured limit by the U.S. Federal Deposit Insurance Corporation. As of December 31, 2020, the Company had no uninsured deposits held at corresponding financial institutions.

**Note 6 – Lease Agreement**

Leases are classified as operating or finance leases at the lease commencement date. Lease expense for operating leases and short-term leases is recognized on a straight-line basis over the lease term. Right-of-use assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Right of use assets and lease liabilities are recognized at the lease commencement date based on the estimated present value of lease payments over the lease term. The Company conducts operations in leased space for which the lease term expired in October 2020. The Company is currently leasing the space on a month-to-month basis thus no right-of-use asset or lease liability are recorded as of December 31, 2020. Total lease expense for the year ended December 31, 2020 was \$79,740.

**Note 7 – Income Taxes**

The deferred tax liability at December 31, 2020, relates to differences between book and tax depreciation. The components of the deferred income tax liability in the statement of financial condition are as follows:

Deferred income tax liability	
Depreciation	<u><u>\$5,259</u></u>

The effective tax rate differs from the statutory federal rate at December 31, 2020, presented as follows:

Federal income tax at statutory rates	\$ 14,385
Effect of permanent differences	5,365
Other	<u>1,854</u>
Income tax expense	<u><u>\$ 21,604</u></u>

The Company files income tax returns in the U.S. federal jurisdiction. The Company does not have any uncertain tax positions. As of December 31, 2020, there is no accrued interest or penalties recorded in the financial statements.

**RICHARDS, MERRILL & PETERSON, INC.**  
**SCHEDULE I – COMPUTATION OF NET CAPITAL UNDER SEC RULE 15c3-1**

	December 31, 2020
<b>NET CAPITAL</b>	
Total stockholders' equity	\$ 494,917
Deduct nonallowable assets:	
Furniture & equipment less accumulated depreciation	36,371
Prepaid expenses	11,627
Net capital	<u>\$ 446,919</u>
 <b>AGGREGATE INDEBTEDNESS</b>	
Total liabilities	\$ 217,164
Deduct deferred revenue	\$ 200,000
Deduct deferred income tax	<u>5,259</u>
Total aggregate indebtedness	<u>\$ 11,905</u>
 <b>COMPUTATION OF BASIC NET CAPITAL REQUIREMENT</b>	
Net capital	\$ 446,919
Minimum net capital required	<u>100,000</u>
Capital in excess of minimum requirement	<u>\$ 346,919</u>
Ratio of aggregate indebtedness to net capital	<u>2.66%</u>

No material differences exist between net capital and aggregate indebtedness reported above and net capital and aggregate indebtedness reported on the Focus Report Form X-17A-5.



MOSSADAMS

## **Report of Independent Registered Public Accounting Firm on Applying Agreed-Upon Procedures**

To the Board of Directors  
Richards, Merrill & Peterson, Inc.

We have performed the procedures included in Rule 17a-5(e)(4) under the Securities Exchange Act of 1934 and in the Securities Investor Protection Corporation (SIPC) Series 600 Rules, which are enumerated below and were agreed to by Richards, Merrill & Peterson, Inc. (Company), and the Securities Investor Protection Corporation (SIPC), solely to assist you and the SIPC in evaluating the Company's compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7) for the year ended December 31, 2020. Management of the Company is responsible for its Form SIPC-7 and for its compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed and our findings are as follows:

1. Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records entries, noting no differences.
2. Compared the Total Revenue amounts reported on the Annual Audited Report Form X-17A-5 Part III for the year ended December 31, 2020, with the Total Revenue amounts reported in Form SIPC-7 for the year ended December 31, 2020, noting no differences.
3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers, noting no differences.
4. Recalculated the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting the adjustments, noting no differences.
5. Compared the amount of any overpayment applied to the current assessment with the Form SIPC-7 on which it was originally computed, noting no overpayment was made.

We were not engaged to and did not conduct an examination or a review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Company's compliance with the applicable instructions of the Form SIPC-7 for the year ended December 31, 2020. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Company and the SIPC, and is not intended to be, and should not be, used by anyone other than these specified parties.

*Moss Adams LLP*

Spokane, Washington  
February 22, 2021



RICHARDS, MERRILL & PETERSON

One Skywalk, US Bank Bldg., 422 West Riverside  
Spokane, WA 99201

(509) 624 3174  
(800) 572 5296  
rmpinvest.com

**Management Statement Regarding Compliance with Certain  
Exemption Provisions Under Rule 15c3-3 of the Securities  
Exchange Act of 1934**

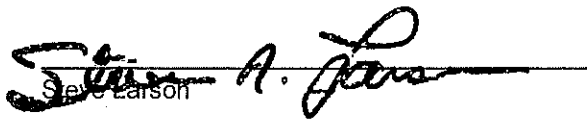
Richards, Merrill and Peterson, Inc. (the "Company") is a registered broker-dealer subject to Rule 17a-5 promulgated by the Securities and Exchange Commission (17 C.F.R. §240.17a-5, "Reports to be made by certain brokers and dealers"). This Exemption Report was prepared as required by 17 C.F.R. §240.17a-5(d)(1) and (4). To the best of its knowledge and belief, the Company states the following:

1. The Company claimed exemption from 17 C.F.R. §240.15c3-3 under the following provisions of 17 C.F.R. §240.15c3-3 (k)(2): (ii)
2. The Company met the identified exemption provisions in 17 C.F.R. §240.15c3-3(k) throughout the most recent fiscal year without exception.

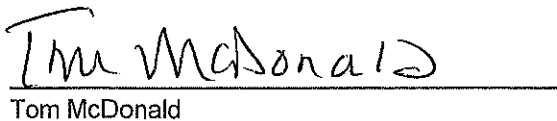
Richards, Merrill and Peterson, Inc.

  
John Larson

2-22-2021  
Date

  
Steve Larson

2-22-2021  
Date

  
Tom McDonald

2-22-2021  
Date

  
Monique Corigliano

2-22-2021  
Date

*We're invested in your life*



MOSSADAMS

## Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of  
Richards, Merrill & Peterson, Inc.

We have reviewed management's statements, included in the accompanying Richards, Merrill & Peterson, Inc.'s Exemption Report in which,

- 1) Richards, Merrill & Peterson, Inc. states Richards, Merrill & Peterson, Inc. claims an exemption under paragraph (k)(2)(ii) of 17 C.F.R. §240.15c3-3 (the exemption provisions); and
- 2) Richards, Merrill & Peterson, Inc. states Richards, Merrill & Peterson, Inc. met the identified exemption provisions throughout the most recent fiscal year without exception.

Richards, Merrill & Peterson, Inc.'s management is responsible for compliance with the exemption provisions and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about Richards, Merrill & Peterson, Inc.'s compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in paragraph (k)(2)(ii) of 17 C.F.R. §240.15c3-3.

*Moss Adams LLP*

Spokane, Washington  
February 22, 2021