



# **SBG**

**SMITH, BROWN**  

---

**AND GROOVER, INC.**  
**WEALTH MANAGEMENT**

**SMITH, BROWN & GROOVER, INC. AND SUBSIDIARY**

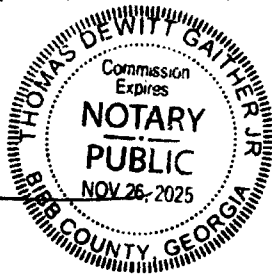
**CONSOLIDATED FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**For the Year Ended December 31, 2024**

OATH OR AFFIRMATION

I, Raymond H. Smith, Jr., swear (or affirm) that, to the best of my knowledge and belief, the financial report pertaining to the firm of Smith, Brown & Groover, Inc., as of 12/31, 2024, is true and correct. I further swear (or affirm) that neither the company nor any partner, officer, director, or equivalent person, as the case may be, has any proprietary interest in any account classified solely as that of a customer.

[Signature]  
Notary Public



Signature: [Signature]  
Title: Chief Executive Officer

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

- (a) Statement of financial condition.
- (b) Notes to consolidated 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 cash flows.
- (e) Statement of changes in stockholders' or partners' or sole proprietor's equity.
- (f) Statement of changes in liabilities subordinated to claims of creditors.
- (g) Notes to consolidated financial statements.
- (h) Computation of net capital under 17 CFR 240.15c3-1 or 17 CFR 240.18a-1, as applicable.
- (i) Computation of tangible net worth under 17 CFR 240.18a-2.
- (j) Computation for determination of customer reserve requirements pursuant to Exhibit A to 17 CFR 240.15c3-3.
- (k) Computation for determination of security-based swap reserve requirements pursuant to Exhibit B to 17 CFR 240.15c3-3 or Exhibit A to 17 CFR 240.18a-4, as applicable.
- (l) Computation for Determination of PAB Requirements under Exhibit A to § 240.15c3-3.
- (m) Information relating to possession or control requirements for customers under 17 CFR 240.15c3-3.
- (n) Information relating to possession or control requirements for security-based swap customers under 17 CFR 240.15c3-3(p)(2) or 17 CFR 240.18a-4, as applicable.
- (o) Reconciliations, including appropriate explanations, of the FOCUS Report with computation of net capital or tangible net worth under 17 CFR 240.15c3-1, 17 CFR 240.18a-1, or 17 CFR 240.18a-2, as applicable, and the reserve requirements under 17 CFR 240.15c3-3 or 17 CFR 240.18a-4, as applicable, if material differences exist, or a statement that no material differences exist.
- (p) Summary of financial data for subsidiaries not consolidated in the statement of financial condition.
- (q) Oath or affirmation in accordance with 17 CFR 240.17a-5, 17 CFR 240.17a-12, or 17 CFR 240.18a-7, as applicable.
- (r) Compliance report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- (s) Exemption report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- (t) Independent public accountant's report based on an examination of the statement of financial condition.
- (u) Independent public accountant's report based on an examination of the financial report or financial statements under 17 CFR 240.17a-5, 17 CFR 240.18a-7, or 17 CFR 240.17a-12, as applicable.
- (v) Independent public accountant's report based on an examination of certain statements in the compliance report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- (w) Independent public accountant's report based on a review of the exemption report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- (x) Supplemental reports on applying agreed-upon procedures, in accordance with 17 CFR 240.15c3-1e or 17 CFR 240.17a-12, as applicable.
- (y) Report describing any material inadequacies found to exist or found to have existed since the date of the previous audit, or a statement that no material inadequacies exist, under 17 CFR 240.17a-12(k).
- (z) Other: \_\_\_\_\_

\*\*To request confidential treatment of certain portions of this filing, see 17 CFR 240.17a-5(e)(3) or 17 CFR 240.18a-7(d)(2), as applicable.

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Service + Expertise = Value  
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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors  
of Smith, Brown & Groover, Inc.

### Opinion on the Financial Statements

We have audited the accompanying consolidated statement of financial condition of Smith, Brown & Groover, Inc. as of December 31, 2024, the related consolidated statements of income, changes in stockholder's equity, and cash flows for the year then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Smith, Brown & Groover, Inc. as of December 31, 2024, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### Basis for Opinion

These consolidated financial statements are the responsibility of Smith, Brown & Groover, Inc.'s management. Our responsibility is to express an opinion on Smith, Brown & Groover, Inc.'s consolidated 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 Smith, Brown & Groover, Inc. 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 consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated 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 consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

### Auditor's Report on Supplemental Information

The Computation of Net Capital Under Rule 15c3-1 of the Securities and Exchange Commission, the Computation for Determination of Reserve Requirements Under Rule 15c3-3 of the Securities and Exchange Commission, the Information Relating to Possession or Control Requirements Under Rule 15c3-3 of the Securities and Exchange Commission, and Reconciliation with Company's Computations (collectively, the "Schedules") has been subjected to audit procedures performed in conjunction with the audit of Smith, Brown & Groover, Inc.'s consolidated financial statements. The supplemental information is the responsibility of Smith, Brown & Groover, Inc.'s management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with 17 C.F.R. §240.17a-5. In our opinion, the Schedules are fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

*AGL CPA Group, LLC*

We have served as Smith, Brown & Groover, Inc.'s auditor since 2016.

Duluth, Georgia  
February 21, 2025

SMITH, BROWN & GROOVER, INC. AND SUBSIDIARY  
CONSOLIDATED STATEMENT OF FINANCIAL CONDITION

December 31, 2024

<b>ASSETS</b>	
Cash	\$ 641,472
Cash in segregated accounts	101,908
Cash - clearing service escrow deposit	59,181
Securities owned, at fair value	318,239
Fees receivable	395,000
Commissions receivable	3,801
Receivable from clearing broker	7,735
Income tax refund receivable	65,000
Prepaid expenses	44,927
Note receivable from Stockholder	69,219
Employee advances	42,001
Deferred tax asset	187,725
Furniture, equipment, and leasehold improvements, at cost, less accumulated depreciation and amortization of \$349,459	255,474
Finance right-of-use asset	12,823
Total assets	<u>\$ 2,204,505</u>
<b>LIABILITIES</b>	
Accounts payable, accrued expenses and other liabilities	\$ 149,109
Finance lease liability	16,740
Total liabilities	<u>165,849</u>
<b>STOCKHOLDER'S EQUITY</b>	
Common stock, \$100 par value, 500 shares authorized, 260 shares issued	26,000
Retained earnings	2,015,325
	<u>2,041,325</u>
Cost of 1 share of common stock held by the Company	(2,669)
Total stockholder's equity	<u>2,038,656</u>
Total liabilities and stockholder's equity	<u>\$ 2,204,505</u>

The accompanying notes are an integral  
part of these financial statements.

SMITH, BROWN & GROOVER, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF INCOME

For the Year Ended December 31, 2024

REVENUES	
Distribution fees	\$ 2,260,777
Investment advisory fees	2,257,484
Brokerage commissions	7,030
Net trading income (loss)	69,853
Interest	8,565
Margin interest	1,236
Other revenue related to securities business	314
Total revenues	<u>4,605,259</u>
EXPENSES	
Compensation and benefits	2,455,487
Occupancy and equipment costs	189,665
Exchange, clearance fees and expenses	208,362
Other	341,875
Regulatory fees and expenses	133,446
Communications	99,839
Losses in error account and restitution	1,705,195
Data processing costs	48,930
Total expenses	<u>5,182,799</u>
INCOME (LOSS) BEFORE INCOME TAX PROVISION	<u>(577,540)</u>
PROVISION FOR INCOME TAXES	
Deferred income tax (benefit) provision	(208,669)
Current income tax provision	-
	<u>(208,669)</u>
NET INCOME (LOSS)	<u>\$ (368,871)</u>

The accompanying notes are an integral part of these financial statements.

SMITH, BROWN & GROOVER, INC. AND SUBSIDIARY  
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY

For the Year Ended December 31, 2024

	Common Stock		Retained Earnings	Treasury Stock	Total
	Shares	Amount			
Balances at January 1, 2024	260	\$ 26,000	\$2,384,196	\$ (2,669)	\$ 2,407,527
Net income (loss)	-	-	(368,871)	-	(368,871)
Balances at December 31, 2024	<u>260</u>	<u>\$ 26,000</u>	<u>\$2,015,325</u>	<u>\$ (2,669)</u>	<u>\$ 2,038,656</u>

The accompanying notes are an integral part of these financial statements.

SMITH, BROWN & GROOVER, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES

Net income (loss)	\$ (368,871)
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	60,818
Amortization of ROU asset	9,809
(Increase) decrease in:	
Securities owned, net	775,033
Fees receivable	(95,000)
Commissions receivable	5,691
Receivable from clearing broker	(3,726)
Income tax refunds receivable	39,854
Prepaid expenses	(3,296)
Deferred tax benefit	(187,725)
Increase (decrease) in:	
Accounts payable and other liabilities	3,903
Contingent liability	(300,000)
Deferred tax liability	(20,944)
Net cash used by operating activities	<u>(84,454)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of fixtures and leasehold improvements	(81,109)
Loan to shareholder, net	<u>9,281</u>
Net cash used by investing activities	<u>(71,828)</u>

The accompanying notes are an integral  
part of these financial statements.

SMITH, BROWN & GROOVER, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS  
(Continued)

For the Year Ended December 31, 2024

CASH FLOWS FROM FINANCING ACTIVITIES	
Reduction of finance lease liability	<u>\$ (13,101)</u>
Net cash used by financing activities	<u>(13,101)</u>
NET DECREASE IN CASH	(169,383)
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, beginning	<u>971,944</u>
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, ending	<u>\$ 802,561</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION	
Interest paid	<u>\$ 1,390</u>
Income taxes paid	<u>\$ 65,000</u>

The accompanying notes are an integral  
part of these financial statements.

SMITH, BROWN & GROOVER, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. NATURE OF OPERATIONS

Smith, Brown & Groover, Inc. is a securities broker-dealer registered with the SEC and a member of FINRA. The Company's principal products and services are stocks, bonds, mutual funds, insurance, annuities and investment advisory. The Company's customers are primarily individuals in the middle Georgia area. The subsidiary, SBG Transportation, LLC, is wholly-owned by Smith, Brown & Groover, Inc. and was formed December 8, 2017, to provide travel services to Smith, Brown & Groover, Inc. The LLC had no material assets in 2024 and was terminated in 2025.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The consolidated financial statements include the accounts of Smith, Brown & Groover, Inc. and its wholly-owned subsidiary, SBG Transportation, LLC. The consolidated entities are referred to as the "Company" throughout these notes. All significant inter-company transactions have been eliminated.

Securities Owned

Proprietary securities (trading securities) transactions in regular-way trades are recorded on the trade-date, as if they had settled at cost. Profit and loss arising from all securities transactions entered into for the account and risk of the Company are recorded on a trade-date basis. Customers' securities transactions are reported on a settlement-date basis with related commission income and expenses reported on a trade-date basis.

Amounts receivable and payable for securities transactions that have not reached their contractual settlement date are recorded net on the statement of financial condition.

All securities are classified as trading securities and are recorded at fair value in accordance with Financial Accounting Standards Board (FASB) ASC 820, *Fair Value Measurements and Disclosures*. As a result, unrealized gains and losses resulting from the difference between fair value and acquisition costs are recorded in the statement of income.

Net Trading Income (Loss)

Securities transactions entered into for the account and risk of the Company are recorded on a trade date basis. Net trading income (loss) comprises gains less losses related to trading assets and liabilities and includes all realized and unrealized gains and losses.

SMITH, BROWN & GROOVER, INC. AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Depreciation and Amortization

The Company capitalizes property with a cost of at least \$1,000 and a useful life of more than one year. Furniture, equipment, and automobiles are depreciated over a period of five to ten years using the straight-line depreciation method. Leasehold improvements are amortized over the economic useful life of the improvement. Depreciation and amortization expense for the year totaled \$60,818.

Statement of Cash Flows

For the purpose of reporting cash flows, cash and cash equivalents include operating cash in bank accounts and cash segregated and held in escrow under federal and other regulations. Money market funds held in the investment account are treated as investments.

Current Expected Credit Losses (CECL)

Company accounts for estimated credit losses on financial assets measured at an amortized cost basis and certain off-balance sheet credit exposures in accordance with FASB ASC 326-20, *Financial Instruments — Credit Losses*. FASB ASC 326-20 requires the Company to estimate expected credit losses over the life of its financial assets and certain off-balance sheet exposures as of the reporting date based on relevant information about past events, current conditions, and reasonable and supportable forecasts.

The Company records the estimate of expected credit losses as an allowance for credit losses. For financial assets measured at an amortized cost basis the allowance for credit losses is reported as a valuation account on the balance sheet that adjusts the asset's amortized cost basis. Changes in the allowance for credit losses are reported in Credit Loss expense.

*Receivables from broker-dealers and clearing organizations.* The Company's receivables from broker-dealers and clearing organizations include commissions receivable from unsettled trades, amounts receivable for securities failed to deliver, accrued interest receivables and fees receivable from sale of investment company shares. A portion of the Company's trades and contracts are cleared through a clearing organization and settled daily between the clearing organization and the Company. Because of this daily settlement, the amount of unsettled credit exposures is limited to the amount owed the Company for a very short period of time. The Company continually reviews the credit quality of its counterparties.

SMITH, BROWN & GROOVER, INC. AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Advertising

The Company expenses the cost of advertising the first time the advertising activity takes place. Advertising expenses total \$72,655 for the year ended December 31, 2024.

Income Taxes

Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes related primarily to differences between tax and book depreciation of property and equipment, the basis of marketable securities, and the deductibility of net operating, capital and contingent income and losses for financial and income tax reporting. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled.

Use of Estimates

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

Leases

The Company recognizes and measures its leases in accordance with FASB ASC 842, Leases. The Company determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed. The Company recognizes a lease liability and a right of use (ROU) asset at the commencement date of the lease. The lease liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. The discount rate is the implicit rate if it is readily determinable or otherwise the Company uses its incremental borrowing rate. The Company's incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms and in a similar economic environment. The ROU asset is subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized.

The Company has elected to not recognize right-of-use assets or lease liabilities for short term leases of all asset classes and recognizes short term leases on a straight-line basis over the lease term. The Company did not elect the practical expedient to use hindsight

SMITH, BROWN & GROOVER, INC. AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

when determining lease term. The Company made an accounting policy election by class of underlying asset to account for each separate lease component of a contract and its associated non-lease components as a single lease component.

3. CASH SEGREGATED UNDER FEDERAL AND OTHER REGULATIONS

In accordance with Rule 15c3-3 of the Securities Exchange Act of 1934, we as a broker-dealer carrying client accounts, are subject to requirements related to maintaining cash or qualified securities in a segregated reserve account for the exclusive benefit of clients. As of December 31, 2024, cash of \$75,000 is segregated in a reserve account.

As of December 31, 2024, cash of \$26,908 representing customer funds are also segregated in accordance with Securities and Exchange Commission rules.

4. RECEIVABLE FROM AND PAYABLE TO BROKER-DEALERS AND CLEARING ORGANIZATIONS

The Company clears most of its proprietary and customer transactions through another broker-dealer on a fully disclosed basis. The receivable from the clearing broker represents commissions receivable from the clearing broker in excess of clearing and administrative fees due to the clearing broker.

5. FAIR VALUE MEASUREMENT

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

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Company has the ability to access.
- Level 2 inputs are inputs (other than quoted prices included within level 1) that are observable for the asset or liability, whether directly or indirectly.

SMITH, BROWN & GROOVER, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

5. FAIR VALUE MEASUREMENT (continued)

- Level 3 are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. (The unobservable inputs should be developed based on the best information available in the circumstances and may include the Company's own data.)

The following presents the fair value of the Company's assets measured on a recurring basis as of December 31, 2024:

	<u>Fair Value</u>	<u>Level 1</u>
Money market funds	<u>\$ 318,239</u>	<u>318,239</u>

Total marketable securities at cost were \$318,239 during the year ended December 31, 2024. There were no Level 2 or 3 inputs as of December 31, 2024. There were no liabilities requiring fair market value measurement.

6. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following, at cost:

Office furniture and equipment	\$ 154,888
Leasehold improvements	87,729
Automobiles	<u>362,316</u>
	604,933
Less accumulated depreciation	<u>(349,459)</u>
	<u>\$ 255,474</u>

7. REVENUE FROM CONTRACTS WITH CUSTOMERS

Significant Judgements

Revenue from contracts with customers includes commission income, which consists of brokerage and distribution fees, and advisory fees from customers. The recognition and measurement of revenue is based on the assessment of individual contract terms. Significant judgement is required to determine whether performance obligations are satisfied at a point in time or over time; how to allocate transaction prices where multiple performance obligations are identified; when to recognize revenue based upon the

SMITH, BROWN & GROOVER, INC. AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

7. REVENUE FROM CONTRACTS WITH CUSTOMERS (continued)

Significant Judgements (continued)

appropriate measure of the Company's progress under the contract; whether revenue should be presented gross or net of certain costs; and whether constraints on variable consideration would be applied due certain future events.

Distribution Fees

The Company enters arrangements with pooled investment vehicles (funds) to distribute shares to investors. The Company may receive distribution fees paid by the fund up front, over time, upon the investor's exit from the fund (that is, a contingent deferred sales charge), or as a combination thereof. The Company recognizes upfront distribution fees on the trade date, while variable amounts are constrained until uncertainty related to market value fluctuations is resolved. Revenue for such fees is recognized when it is probable that a significant reversal will not occur.

Investment Advisory Fees

The Company provides investment advisory services on a daily basis, and the performance obligation is satisfied over time as customers continuously receive and consume the benefits of advisory services. Advisory fees are calculated as a percentage of assets under management and are recognized quarterly as services are rendered. The Company assesses whether contract modifications (e.g., fee rate changes) require a new performance obligation or a cumulative adjustment to revenue.

Brokerage Commissions

The Company executes securities transactions for customers and earns commissions on these trades. Revenue is recognized on the trade date, which is the point at which the Company's performance obligation is met. No additional performance obligations exist beyond the execution of trades.

Life and Annuity Commissions

The Company earns commissions from selling annuity and life insurance products. Upfront commissions, typically 5% of the product value, are recognized when the product is sold. Trail commissions, which are earned on future premium payments, are recognized only when premiums are paid, as these future amounts are not reasonably estimable due to customer decisions affecting premium payments.

12B-1 Fees

These fees represent revenue-sharing commissions earned from investment companies for selling mutual funds and annuities. Revenue is recognized when earned, typically on a monthly or quarterly basis.

SMITH, BROWN & GROOVER, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

7. REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregated revenue from contracts with customers:

Revenue Type	Recognition Timing	2024 Revenue (\$)
Investment advisory fees	Quarterly	\$ 2,257,484
Brokerage commissions	Trade Date	7,030
Life & Annuity commissions (upfront)	Trade Date	192,425
Life & Annuity commissions (trail)	Over Time	1,548,983
Mutual fund commissions (upfront)	Trade Date	14,206
Municipal fund commissions (upfront)	Trade Date	246
12B-1 Fees	Monthly/Quarterly	504,916
Other securities-related revenue	Various	<u>314</u>
Total revenue from contracts with customers		<u>\$ 4,525,605</u>

8. NET CAPITAL REQUIREMENTS

As a registered broker-dealer, the company is subject to the requirements of the Uniform Net Capital Rule (Rule 15c3-1) under the Securities Exchange Act of 1934. As a member of FINRA, we are subject to the rules of FINRA, whose capital requirements are substantially the same as Rule 15c3-1. Rule 15c3-1 requires that aggregate indebtedness, as defined, not exceed 15 times net capital, as defined. FINRA may require a member firm to reduce its business if its net capital is less than four percent of aggregate debit items and may prohibit a member firm from expanding its business and declaring cash dividends if its net capital is less than five percent of aggregate debit items. At December 31, 2024, the Company had net capital, as defined by Rule 15c3-1 of \$960,122 which is \$710,122 above its required net capital of \$250,000. The Company's net capital ratio was .17 to 1.

9. LOAN

The Company has a \$500,000 line of credit with Cadence Bank, with interest accrued on the outstanding balance at the prime rate with a floor rate of 5.5%. The line is renewable annually in September 2026 and is guaranteed by the stockholder. At December 31, 2024, there was no debt outstanding.

10. EMPLOYEE BENEFITS

The Company has a 401k safe harbor matching plan in which all employees age 21 and over with one year of service are eligible to participate. The Company matches up to 4% of eligible compensation. Employer matching contributions totaled \$64,131.

SMITH, BROWN & GROOVER, INC. AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

11. RELATED PARTY TRANSACTIONS

Lease

The Company leases office and storage space from the stockholder. Rent is \$12,000 per month for a term of one year beginning January 01, 2024, and ending on December 31, 2024. The lease can be terminated by either party with a 30 day notice. Total rent paid under the lease was \$144,000 for the year ended December 31, 2024.

Note Receivable

The shareholder note is renewable annually and bears interest at the stated rate of 3.25% per annum. When the average monthly Applicable Federal Rate (AFR) is greater than the stated rate, an adjustment to interest is made annually to equal the AFR effective monthly average. Interest on the note is due on or before December 31 of each year.

12. INCOME TAXES

The components of the provision for income taxes at December 31, 2024 is as follows:

Current expense:	
Federal	\$ -
State	-
	-
Deferred expense (benefit):	
Federal	(163,940)
State	(44,729)
	(208,669)
Total income tax provision	\$ (208,669)

The net deferred tax assets in the accompanying statement of financial condition include the following amounts of deferred tax assets and liabilities:

Deferred tax liabilities	\$ (28,039)
Deferred tax assets	215,764
	187,725
Net deferred tax assets	\$ 187,725

The deferred tax asset (liability) results from the timing differences in the recognition of revenues and expenses for income tax and financial reporting purposes. The difference between the tax and book basis of depreciable property generates a deferred tax liability and the net operating loss carryforward generates a deferred tax asset.

SMITH, BROWN & GROOVER, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

12. INCOME TAXES (continued)

The Company's 2024 net operating loss for federal and state of \$854,667 and \$854,136, respectively, are available to be used to reduce taxable income in future years.

The Company's provision for 2024 income taxes differs from applying the statutory U. S. income tax rate to income before income taxes. The primary differences result from a provision for state income taxes, federal tax depreciation deduction that is less than book depreciation expense, and a loss contingency reversal that is not taxable until realized. Income tax expense computed from applying federal statutory rates to pretax income is \$0.

Under the provisions of FASB ASC 740-10-25, the company must recognize the tax benefit associated with uncertain tax positions taken for tax purposes when it is more likely than not the position will be sustained under review by the Internal Revenue Service (IRS). The Company does not believe there are any uncertain tax positions and, accordingly, it has not recognized any liability for unrecognized tax benefits.

13. LEASES

The Company has elected not to apply the recognition requirements of Topic 842 to short-term leases and has no operating leases with a term greater than 12 months.

The Company entered into five-year finance leases for new copiers in March of 2019 and April of 2021, and a three-year finance lease for computer equipment in March 2023. The present values of \$22,582, \$29,038, and \$18,536, respectively, for the leases are recognized as a finance right-of-use asset with a related finance lease liability in the consolidated statement of financial condition. A lease incentive of \$13,000 was realized as a reduction to the 2021 copier right-of-use asset at inception. The asset is presented net of \$44,333 accumulated amortization. Amortization expense totaled \$9,809 for the year ended December 31, 2024.

Future payments due under the finance lease as of December 31, 2024, are as follows:

Due in	
2025	\$ 13,510
2026	<u>3,765</u>
	17,275
Less effects of discounting	<u>(535)</u>
Lease liability recognized	<u>\$ 16,740</u>

As of December 31, 2024, the weighted average remaining lease term is 1.49 years and the weighted average discount rate is 5.59%. The discount rate used is the incremental borrowing rate since there was no access to the rate implicit in the lease.

SMITH, BROWN & GROOVER, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

14. CONCENTRATIONS

The Company has diversified its credit risk for cash by maintaining deposits in three banks. Accounts at each institution are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). Balances on deposit in excess of FDIC insurance were \$180,597 as of December 31, 2024. Cash held in brokerage accounts is fully protected by the Securities Investor Protection Corporation.

The Company derived 10% of its total revenue from the sale of mutual funds and mutual fund dealer commissions and 38% of its total revenue from the sale of annuities during the year ended December 31, 2024. The Company received 79% of its commissions from annuity sales from three issuers.

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 or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counterparty.

15. RISKS AND UNCERTAINTIES

The consequences of a substantial decline in the financial markets could have a significant impact on the securities owned by the Company and on the Company's performance.

16. CONTINGENT LIABILITY RESOLUTION

The Company at times may be subject to various claims, government regulations and fines, and legal proceedings covering a wide range of matters that arise in the ordinary course of its business. Management estimated a contingent liability of \$300,000 as of December 31, 2023, to resolve any current legal or regulatory claims and proceedings based on its current assessment of such issues. The claims were resolved in 2024 when the Company paid \$2,000,000 in restitution.

17. SUBSEQUENT EVENTS

As disclosed in Note 1, the wholly-owned subsidiary, SBG Transportation, LLC, was terminated in February 2025.

The Company has performed an evaluation of subsequent events through February 21, 2025, the date upon which the Company's financial statements were available for issue. The Company has not evaluated subsequent events after this date.



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**INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY  
SCHEDULE OF EXPENSES**

To the Board of Directors of  
Smith, Brown & Groover, Inc.

We have audited the financial statements of Smith, Brown & Groover, Inc. as of and for the year ended December 31, 2024, and our report thereon dated February 21, 2025, which expressed an unmodified opinion on those financial statements, appears on page 1. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Expenses is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

*AGL CPA Group, LLC*

Duluth, Georgia

February 21, 2025

SMITH, BROWN & GROOVER, INC. AND SUBSIDIARY

SUPPLEMENTARY SCHEDULE OF EXPENSES

For the Year Ended December 31, 2024

COMPENSATION AND BENEFITS

Commissions to registered representatives	\$ 493,018
Stockholder's compensation	586,178
Clerical salaries	1,080,645
Temporary labor	55,200
Insurance - employee benefits	94,566
Payroll taxes	80,518
Profit sharing plan expense	65,362
	<hr/>
	2,455,487
	<hr/>

OCCUPANCY AND EQUIPMENT COST

Rent	144,000
Building insurance	1,842
Utilities	41,803
Equipment rental	2,020
	<hr/>
	189,665
	<hr/>

EXCHANGE, CLEARANCE FEES AND EXPENSES

Exchange fees	2,853
Clearing broker administrative fees	58,318
Clearance fees	147,191
	<hr/>
	208,362
	<hr/>

OTHER

Automobile expense	5,021
Dues and subscriptions	2,836
Depreciation and amortization	70,627
Interest	1,390
Penalties	524
Repairs and maintenance	36,215
Office miscellaneous	31,358
Meals and entertainment	12,255
Conference and travel	20,094
Consulting and legal	157,528
Dues, fees and assessments	4,027
	<hr/>
	341,875
	<hr/>

SMITH, BROWN & GROOVER, INC. AND SUBSIDIARY  
SUPPLEMENTARY SCHEDULE OF EXPENSES (continued)

For the Year Ended December 31, 2024

REGULATORY FEES AND EXPENSES

Professional fees	\$ 71,223
Insurance - errors and omissions	12,291
Insurance and bond - required	5,169
Taxes, licenses, and fees	44,763
	<u>133,446</u>

COMMUNICATIONS

Office supplies	13,513
Telephone	1,900
Postage	7,426
Advertising and marketing	77,000
	<u>99,839</u>

LOSSES IN ERROR ACCOUNT

Errors and omissions	5,195
Restitution payments, net of prior loss contingency liability	1,700,000
	<u>1,705,195</u>

DATA PROCESSING COSTS

Computer software service and maintenance fees	48,930
	<u>\$ 5,182,799</u>

SMITH, BROWN & GROOVER, INC. AND SUBSIDIARY

SCHEDULE I  
 COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1 OF THE  
 SECURITIES AND EXCHANGE COMMISSION

December 31, 2024

NET CAPITAL	
Total stockholder's equity from statement of financial condition	\$ 2,038,656
Deduct stockholder's equity not allowable for net capital	<u>-</u>
Total stockholder's equity qualified for net capital	2,038,656
Add:	
Other (deductions) or allowable credits	<u>-</u>
Total capital	<u>2,038,656</u>
Deductions and/or charges:	
Nonallowable assets:	
Furniture, equipment, and leasehold improvements, net	268,298
Employee loans, uncollateralized	111,219
Prepaid expenses	44,927
Income tax refund claim	65,000
Deferred tax asset	187,725
Commissions and fees receivable	<u>395,000</u>
Total deductions and/or charges	<u>1,072,169</u>
Net capital before haircuts on securities positions	<u>966,487</u>
Haircuts on securities:	
Trading and investment securities	
Other securities	<u>6,365</u>
Total haircuts on securities	<u>6,365</u>
Net capital	<u>\$ 960,122</u>

SMITH, BROWN & GROOVER, INC. AND SUBSIDIARY

SCHEDULE I (continued)  
 COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1 OF THE  
 SECURITIES AND EXCHANGE COMMISSION

December 31, 2024

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT (continued)

Minimum net capital required (6-2/3% of aggregate indebtedness)	\$ 11,057
Minimum dollar net capital requirement of reporting broker	<u>\$ 250,000</u>
Net capital requirement (greater of the above)	<u>\$ 250,000</u>
Excess net capital	<u>\$ 710,122</u>
Net capital less the greater of 10% of AI or 120% of minimum net capital	<u>\$ 660,122</u>

COMPUTATION OF AGGREGATE INDEBTEDNESS

Total aggregate indebtedness liabilities from Statement of Financial Condition	<u>165,849</u>
Total aggregate indebtedness	<u>\$ 165,849</u>
Percentage of aggregate indebtedness to net capital	<u>17.27%</u>

SMITH, BROWN & GROOVER, INC. AND SUBSIDIARY

SCHEDULE II  
COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS  
UNDER RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION

December 31, 2024

CREDIT BALANCES:

Free and other credit balances in customers' security accounts \$ -

DEBIT BALANCES:

Debit balances in customers' cash and margin accounts \$ -

RESERVE COMPUTATION:

Excess of total credits over total debits \$ -

105% of total credits over total debits \$ -

Amount held on deposit in Reserve Bank Account 75,000

Required deposit \$ -

SMITH, BROWN & GROOVER, INC. AND SUBSIDIARY

SCHEDULE III  
INFORMATION RELATING TO POSSESSION OR CONTROL REQUIREMENTS UNDER  
RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION

December 31, 2024

State the market value and the number of items of:

1. Customers' fully paid securities and excess margin securities not in respondent's possession or control as of the report date (for which instructions were issued as of the report date but for which the required action was not taken by respondent within the time frames specified under Rule 15c3-3).

\$ 0

Number of items

0

2. Customers' fully paid and excess margin securities for which instructions to reduce to possession or control had not been issued as of the report date, excluding items arising from "temporary lags resulting from normal business operations" as permitted under Rule 15c3-3.

\$ 0

Number of items

0

3. Possession and control procedures have been tested and are functioning as required by Rule 15c3-3. (Y or N)

X Yes  
       No

SMITH, BROWN & GROOVER, INC. AND SUBSIDIARY

SCHEDULE IV  
RECONCILIATION WITH COMPANY'S COMPUTATIONS

December 31, 2024

Net capital, as reported in Company's Part II (Unaudited) FOCUS report	<u>\$ 960,122</u>
Decrease in nonallowable assets from closing adjustments	-
Net increase (decrease) in income and equity from closing adjustments	<u>-</u>
	<u>-</u>
Net capital per audited Schedule I	<u>\$ 960,122</u>

There were no differences between the Company's computation of reserve requirements and the audited computation of reserve requirements under Rule 15c3-3.



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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON  
APPLYING AGREED-UPON PROCEDURES

Board of Directors of Smith, Brown & Groover, 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 on the accompanying General Assessment Reconciliation (Form SIPC-7) for the year ended December 31, 2024. Management of Smith, Brown & Groover, Inc. (Company) is responsible for its Form SIPC-7 and for its compliance with the applicable instructions on Form SIPC-7.

Management of the Company has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting you and SIPC in evaluating the Company's compliance with the applicable instructions on Form SIPC-7 for the year ended December 31, 2024. Additionally, SIPC has agreed to and acknowledged that the procedures performed are appropriate for their intended purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. 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 described 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, 2024 with the Total Revenue amount reported in Form SIPC-7 for the year ended December 31, 2024, 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; and
- 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 differences.

We were engaged by the Company to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA and in accordance with the standards of the Public Company Accounting Oversight Board (United States). We were not engaged to and did not conduct an examination or a review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Company's Form SIPC-7 and for its compliance with the applicable instructions on Form SIPC-7 for the year ended December 31, 2024. 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.

We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

*AGL CPA Group, LLC*

Duluth, Georgia

February 21, 2025

**GENERAL ASSESSMENT FORM**

For the fiscal year ended 12/31/2024

Determination of "SIPC NET Operating Revenues" and General Assessment for:

MEMBER NAME

SMITH BROWN & GROOVER INC

SEC No.

8-13079

For the fiscal period beginning 1/1/2024 and ending 12/31/2024

<b>1</b>	Total Revenue (FOCUS Report – Statement of Income (Loss) – Code 4030)	<u>\$ 4,605,259.00</u>
<b>2</b>	Additions:	
<b>a</b>	Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above.	_____
<b>b</b>	Net loss from principal transactions in securities in trading accounts.	_____
<b>c</b>	Net loss from principal transactions in commodities in trading accounts.	_____
<b>d</b>	Interest and dividend expense deducted in determining item 1.	_____
<b>e</b>	Net loss from management of or participation in the underwriting or distribution of securities.	_____
<b>f</b>	Expenses other than advertising, printing, registration fees and legal fees deducted in determining net profit management of or participation in underwriting or distribution of securities.	_____
<b>g</b>	Net loss from securities in investment accounts.	_____
<b>h</b>	Add lines 2a through 2g. This is your <b>total additions</b> .	<u>\$ 0.00</u>
<b>3</b>	Add lines 1 and 2h	<u>\$ 4,605,259.00</u>
<b>4</b>	Deductions:	
<b>a</b>	Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, from the business of insurance, from investment advisory services rendered to registered investment companies or insurance company separate accounts and from transactions in security futures products.	<u>\$ 2,261,189.00</u>
<b>b</b>	Revenues from commodity transactions.	_____
<b>c</b>	Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.	<u>\$ 147,191.00</u>
<b>d</b>	Reimbursements for postage in connection with proxy solicitations.	_____
<b>e</b>	Net gain from securities in investment accounts.	<u>\$ 69,853.00</u>
<b>f</b>	100% commissions and markups earned from transactions in (i) certificates of deposit and (ii) Treasury bills, bankers acceptances or commercial paper that mature nine months or less from issuance date.	_____
<b>g</b>	Direct expenses of printing, advertising, and legal fees incurred in connection with other revenue related to the securities business (revenue defined by Section 16(9)(L) of the Act).	<u>\$ 72,655.00</u>
<b>h</b>	Other revenue not related either directly or indirectly to the securities business.	_____
	<b><i>Deductions in excess of \$100,000 require documentation</i></b>	
<b>5</b>	<b>a</b> Total interest and dividend expense (FOCUS Report - Statement of Income (Loss) - Code 4075 plus line 2d above) but not in excess of total interest and dividend income	_____
	<b>b</b> 40% of margin interest earned on customers securities accounts (40% of FOCUS Report - Statement of Income (Loss) - Code 3960)	<u>\$ 494.00</u>
	<b>c</b> Enter the greater of line 5a or 5b	<u>\$ 494.00</u>
<b>6</b>	Add lines 4a through 4h and 5c. This is your <b>total deductions</b> .	<u>\$ 2,551,382.00</u>

**GENERAL ASSESSMENT FORM**

For the fiscal year ended 12/31/2024

<b>7</b>	Subtract line 6 from line 3. This is your <b>SIPC Net Operating Revenues</b> .	\$ 2,053,877.00
<b>8</b>	Multiply line 7 by .0015. This is your <b>General Assessment</b> .	\$ 3,080.00
<b>9</b>	Current overpayment/credit balance, if any	\$ 0.00
<b>10</b>	General assessment from last filed <u>2024</u> SIPC-6 or 6A	\$ 1,413.00
<b>11 a</b>	Overpayment(s) applied on all <u>2024</u> SIPC-6 and 6A(s)	\$ 0.00
<b>b</b>	Any other overpayments applied	\$ 0.00
<b>c</b>	All payments applied for <u>2024</u> SIPC-6 and 6A(s)	\$ 1,413.00
<b>d</b>	Add lines 11a through 11c	\$ 1,413.00
<b>12</b>	<b>LESSER</b> of line 10 or 11d.	\$ 1,413.00
<b>13 a</b>	Amount from line 8	\$ 3,080.00
<b>b</b>	Amount from line 9	\$ 0.00
<b>c</b>	Amount from line 12	\$ 1,413.00
<b>d</b>	Subtract lines 13b and 13c from 13a. This is your <b>assessment balance due</b> .	\$ 1,667.00
<b>14</b>	Interest (see instructions) for <u>0</u> days late at 20% per annum	\$ 0.00
<b>15</b>	<b>Amount you owe SIPC. Add lines 13d and 14.</b>	\$ 1,667.00
<b>16</b>	Overpayment/credit carried forward (if applicable)	\$ 0.00

<b>SEC No.</b> 8-13079	<b>Designated Examining Authority</b> DEA: FINRA	<b>FYE</b> 2024	<b>Month</b> Dec
<b>MEMBER NAME</b>	SMITH BROWN & GROOVER INC		
<b>MAILING ADDRESS</b>	4001 VINEVILLE AVENUE MACON, GA 31210 UNITED STATES		

Subsidiaries (S) and predecessors (P) included in the form (give name and SEC number)

By checking this box, you certify that you have the authority of the SIPC member to sign this form; that all information in this form is true and complete; and that on behalf of the SIPC member, you are authorized, and do hereby consent, to the storage and handling by SIPC of the data in accordance with SIPC's Privacy Policy

SMITH BROWN & GROOVER INC  
 (Name of SIPC Member)  
  
2/14/2025  
 (Date)

Holli C. Edwards  
 (Authorized Signatory)  
  
holli@sbgwealth.com  
 (e-mail address)

Completion of the "Authorized Signatory" line will be deemed a signature.

**This form and the assessment payment are due 60 days after the end of the fiscal year.**



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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors of  
Smith, Brown & Groover, Inc.

We have examined Smith, Brown & Groover, Inc.'s statements, included in the accompanying Compliance Report, that (1) Smith, Brown & Groover, Inc.'s internal control over compliance was effective during the most recent fiscal year ended December 31, 2024; (2) Smith, Brown & Groover, Inc.'s internal control over compliance was effective as of December 31, 2024; (3) Smith, Brown & Groover, Inc. was in compliance with 17 C.F.R. §§ 240.15c3-1 and 240.15c3-3(e) as of December 31, 2024; and (4) the information used to state that Smith, Brown & Groover, Inc. was in compliance with 17 C.F.R. §§ 240.15c3-1 and 240.15c3-3(e) was derived from Smith, Brown & Groover, Inc.'s books and records. Smith, Brown & Groover, Inc.'s management is responsible for establishing and maintaining a system of internal control over compliance that has the objective of providing Smith, Brown & Groover, Inc. with reasonable assurance that non-compliance with 17 C.F.R. § 240.15c3-1, 17 C.F.R. § 240.15c3-3, 17 C.F.R. § 240.17a-13, or NASD Rule 2340 of the Financial Industry Regulatory Authority that requires account statements to be sent to the customers of Smith, Brown & Groover, Inc. will be prevented or detected on a timely basis. Our responsibility is to express an opinion on Smith, Brown & Groover, Inc.'s statements based on our examination.

We conducted our examination in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the examination to obtain reasonable assurance about whether Smith, Brown & Groover, Inc.'s internal control over compliance was effective as of and during the most recent fiscal year ended December 31, 2024; Smith, Brown & Groover, Inc. complied with 17 C.F.R. §§ 240.15c3-1 and 240.15c3-3(e) as of December 31, 2024; and the information used to assert compliance with 17 C.F.R. §§ 240.15c3-1 and 240.15c3-3(e) as of December 31, 2024 was derived from Smith, Brown & Groover, Inc.'s books and records. Our examination includes testing and evaluating the design and operating effectiveness of internal control over compliance, testing and evaluating Smith, Brown & Groover, Inc.'s compliance with 17 C.F.R. §§ 240.15c3-1 and 240.15c3-3(e), determining whether the information used to assert compliance with 240.15c3-1 and 240.15c3-3(e) was derived from Smith, Brown & Groover, Inc.'s books and records, and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, Smith, Brown & Groover, Inc.'s statements referred to above are fairly stated, in all material respects.

*AGL CPA Group, LLC*

Duluth, Georgia  
February 21, 2025



SMITH, BROWN AND GROOVER, INC.  
4001 VINEVILLE AVENUE  
MACON, GEORGIA 31210  
TELEPHONE (478) 474-7004  
FAX (478) 474-8114  
1-800-474-7004

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## Smith Brown & Groover, Inc.'s Compliance Report

Smith, Brown & Groover, 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"). As required by 17 C.F.R. § 240.17a-5(d)(1) and (3), the Company states as follows:

- (1) The Company has established and maintained Internal Control Over Compliance, as that term is defined in paragraph (d)(3)(ii) of Rule 17a-5.
- (2) The Company's Internal Control Over Compliance was effective during the most recent fiscal year ended December 31, 2024;
- (3) The Company's Internal Control Over Compliance was effective as of the end of the most recent fiscal year ended December 31, 2024;
- (4) The Company was in compliance with 17 C.F.R. § 240.15c3-1 and 17 C.F.R. §240.15c3-3(e) as of the end of the most recent fiscal year ended December 31, 2024; and
- (5) The information the Company used to state that the Company was in compliance with 17 C.F.R. §240.15c3-1 and 17 C.F.R. §240.15c3-3(e) was derived from the books and records of the Company.

I, Raymond H. Smith, Jr., or affirm that, to my best knowledge and belief, this Compliance Report is true and correct.

A handwritten signature in black ink, appearing to read "Raymond H. Smith, Jr.", is written over a horizontal line.

February 21, 2025