JEFFERIES BACHE, LLC

NFA I.D. No. 0330387

STATEMENT OF FINANCIAL CONDITION
AND SUPPLEMENTARY SCHEDULES
AS OF NOVEMBER 30, 2013
AND INDEPENDENT AUDITORS' REPORT
AND SUPPLEMENTAL REPORT ON INTERNAL CONTROLS

This report is deemed PUBLIC in accordance with
Regulation 1.10(g) under the Commodity Exchange Act.

Jefferies Bache, LLC

Table of Contents

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Independent Auditor's Report

To the Board of Managers of Jefferies Bache, LLC:

We have audited the accompanying statement of financial condition of Jefferies Bache, LLC as of November 30, 2013.

Management's Responsibility for the Statement of Financial Condition

Management is responsible for the preparation and fair presentation of the statement of financial condition 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 a statement of financial condition that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the statement of financial condition based on our audit. 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 statement of financial condition is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement of financial condition. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the statement of financial condition whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the consolidated balance sheet 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 Company'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 statement of financial condition. 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, the accompanying statement of financial condition presents fairly, in all material respects, the financial position of Jefferies Bache, LLC at November 30, 2013 in accordance with accounting principles generally accepted in the United States of America.

PricewaterhouseCoopers LLP

February 27, 2014

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Jefferies Bache, LLC

Statement of Financial Condition
November 30, 2013
(In thousands)

ASSETS		
Cash	$	17,901
Cash and securities segregated under federal and other regulations		2,088,949
Financial instruments owned, at fair value		19,994
Receivables:		
Brokers, dealers and clearing organizations		141,523
Customers (net of allowance for doubtful accounts of $94)		10,863
Due from affiliate		1,136
Exchange memberships (market value $5,818)		5,717
Shares in exchanges (market value $3,952)		2,884
Premises and equipment, net		17,569
Prepaid expenses and other assets		5,607
TOTAL ASSETS	$	2,312,143
LIABILITIES AND MEMBER'S EQUITY		
LIABILITIES:		
Payables:		
Brokers, dealers and clearing organizations	$	2,651
Affiliated brokers and dealers		585,736
Customers		1,350,773
Due to Jefferies Group LLC and affiliates		101,991
Accrued compensation and benefits		11,198
Accrued expenses and other liabilities		9,103
Total		2,061,452
Subordinated liabilities		100,000
Total liabilities		2,161,452
MEMBER'S EQUITY:		
Contributed capital		167,154
Accumulated deficit		(16,463)
Total member's equity		150,691
TOTAL LIABILITIES AND MEMBER'S EQUITY	$	2,312,143

The accompanying notes are an integral part of this Statement of Financial Condition.

1. ORGANIZATION AND BASIS OF PRESENTATION

Organization and Business — Jefferies Bache, LLC (the "Company") is a limited liability company formed under the laws of Delaware. The Company is a wholly owned subsidiary of Jefferies Bache Holdings, LLC (the "Parent"), which in turn is a wholly owned subsidiary of Jefferies Group LLC (formerly Jefferies Group, Inc.). On March 1, 2013, Jefferies Group LLC, through a series of merger transactions, became a wholly owned subsidiary of Leucadia National Corporation ("Leucadia" or the "Ultimate Parent") (the "Merger Transaction"), a diversified holding company incorporated in the state of New York and engaged in a variety of businesses through its consolidated subsidiaries. See Note 3, Merger Transaction for further information as it relates to the Company.

The Company is registered with the Commodity Futures Trading Commission ("CFTC") as a futures commission merchant ("FCM") and is a member of the National Futures Association ("NFA"), an industry self-regulatory agency. Additionally, the Company is a clearing member of all principal commodities exchanges in the United States, as well as ICE Futures Europe, ICE Clear Europe, LCH.Clearnet Ltd. and LCH EnClear OTC Services. The Chicago Mercantile Exchange is the Company's designated self-regulatory organization. The Company primarily executes and/or clears customer transactions, including affiliates, in exchange traded futures and options contracts. The Company also has certain trading and revenue sharing arrangements with affiliates.

Basis of Presentation — The Merger Transaction between Jefferies Group LLC and Leucadia was accounted for using the acquisition method of accounting, which requires that the assets and liabilities of Jefferies Group LLC be fair valued. The application of the acquisition method of accounting has been pushed down and reflected in the Statement of Financial Condition of the Company establishing a new basis of accounting for the assets and liabilities of the Company.

The accompanying Statement of Financial Condition has been prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP"). These principles require management to make estimates and assumptions that may affect the amounts reported in the Statement of Financial Condition and accompanying notes. The most significant of these estimates and assumptions relate to fair value measurements, compensation and benefits, legal reserves and income taxes. Although these and other estimates and assumptions are based on the best available information, actual results could be materially different from these estimates.

Subsequent events — The Company has evaluated events and transactions that occurred subsequent to November 30, 2013 through February 27, 2014, the date that this Statement of Financial Condition was issued, and determined that there were no events or transactions during such period that would require recognition or disclosure in this financial statement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash — Cash represents cash in banks. The Company maintains its cash accounts with several large banks. At November 30, 2013, approximately $11.7 million was on deposit at one bank.

Cash and Securities Segregated under Federal and Other Regulations — As a FCM, the Company is obligated by rules mandated by the CFTC under the Commodity Exchange Act to segregate or set aside cash and/or qualified securities to satisfy such regulations, which have been promulgated to protect customer assets. In addition, certain exchanges and/or clearing organizations require cash and/or securities to be deposited by the Company to conduct day to day activities.

Financial Instruments — Financial instruments owned and financial instruments sold, not yet purchased are recorded at fair value on a trade date basis. Fair value is defined as the amount 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 (the exit price).

Fair Value Hierarchy. In determining fair value, the Company maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect the Company's assumptions that market participants would use in pricing the asset or liability, developed based on the best information available in the circumstances. The Company applies a hierarchy to categorize fair value measurements broken down into three levels based on the transparency of inputs:

Level 1: Quoted prices are available in active markets for identical assets or liabilities as of the reported date.

Level 2: Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reported date. The nature of these financial instruments include cash instruments for which quoted prices are available but traded less frequently, derivative instruments whose fair value have been derived using a model where inputs to the model are directly observable in the market, or can be derived principally from or corroborated by observable market data, and instruments that are fair valued using other financial instruments, the parameters of which can be directly observed.

Level 3: Instruments that have little to no pricing observability as of the reported date. These financial instruments are measured using management's best estimate of fair value, where the inputs into the determination of fair value require significant management judgment or estimation.

Financial instruments are valued at quoted market prices, if available. Certain financial instruments have bid and ask prices that can be observed in the marketplace. For financial instruments whose inputs are based on bid-ask prices, the financial instrument is valued at the point within the bid-ask range that meets the Company's best estimate of fair value. The Company uses prices and inputs that are current as of the measurement date. For financial instruments that do not have readily determinable fair values using quoted market prices, the determination of fair value is based upon consideration of available information, including types of financial instruments, current financial information, restrictions on dispositions, fair values of underlying financial instruments and quotations for similar instruments.

The valuation of financial instruments may include the use of valuation models and other techniques. Adjustments to valuations derived from valuation models may be made when, in management's judgment, the features of the financial instrument, such as its complexity, the market in which the financial instrument is traded and risk uncertainties about market conditions, require that an adjustment be made to the value derived from the models. Adjustments from the price derived from a valuation model reflect management's judgment that other participants in the market for the financial instrument being measured at fair value would also consider in valuing that same financial instrument. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment.

The availability of observable inputs can vary and is affected by a wide variety of factors, including, for example, the type of financial instrument and market conditions. As the observability of prices and inputs may change for a financial instrument from period to period, this condition may cause a transfer of an instrument among the fair value hierarchy levels. Transfers among the levels are recognized at the beginning of each period. The degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

Valuation Process for Financial Instruments

The Independent Price Verification ("IPV") Group, which is part of Finance, in partnership with Market Risk Management, is responsible for establishing the Company's valuation policies and procedures. The IPV Group and Market Risk Management, which are independent of the business functions, play an important role and serve as a control function in determining that the Company's financial instruments are appropriately valued and that fair value measurements are reliable. This is particularly important where prices or valuations that require inputs are less observable. In the event that observable inputs are not available, the control processes are designed to assure that the valuation approach utilized is appropriate and consistently applied and that the assumptions are reasonable. The IPV

Group reports to the Global Controller of Jefferies Group LLC and is subject to the oversight of the IPV Committee, which is comprised of Jefferies Group LLC's Chief Financial Officer, Global Controller, Global Head of Product Control, Chief Risk Officer and the Principal Accounting Officer, among other personnel. The Company's IPV policies and procedures are reviewed, at a minimum annually, and changes to the policies require the approval of the IPV Committee.

Price Testing Process. Business units are responsible for determining the fair value of the Company's financial instruments using approved valuation models and methodologies. In order to ensure that the business unit valuations represent a fair value exit price, the IPV Group tests and validates the fair value of financial instruments inventory. In the testing process, the IPV Group obtains prices and valuation inputs from sources independent of the Company, consistently adheres to established procedures set forth in the Company's valuation policies for sourcing prices, valuation inputs and valuation methodologies. Sources used to validate fair value prices and inputs include, but are not limited to, exchange data, recently executed transactions, pricing data obtained from third party vendors, pricing and valuation services, broker quotes and observed comparable transactions.

To the extent discrepancies between the business unit valuations and the pricing or valuations resulting from the price testing process are identified, such discrepancies are investigated by the IPV Group and fair values are adjusted, as appropriate. The IPV Group maintains documentation of its testing, results, rationale and recommendations and prepares a monthly summary of its valuation results. This process also forms the basis for the classification of fair values within the fair value hierarchy (i.e., Level 1, Level 2 or Level 3). The results of the valuation testing are reported to the IPV Committee on a monthly basis, which discusses the results and is charged with the final conclusions as to the financial instrument fair values in the financial statement.

Judgment exercised in determining Level 3 fair value measurements is supplemented by daily analysis of profit and loss performed by the Finance Product Control functions. Valuation techniques generally rely on recent transactions of suitably comparable financial instruments and use the observable inputs from those comparable transactions as a validation basis for level 3 inputs. Level 3 fair value measurements are further validated through subsequent sales testing and market comparable sales, if such information is available. Level 3 fair value measurements require documentation of the valuation rationale applied, which is reviewed for consistency in application from period to period; and the documentation includes benchmarking the assumptions underlying the valuation rationale against relevant analytic data.

Third Party Pricing Information. Pricing information obtained from external data providers and pricing services may incorporate a range of market quotes from dealers, recent market transactions and benchmarking model derived prices to quoted market prices and trade data for comparable securities. External pricing data is subject to evaluation for reasonableness using a variety of means including comparisons of prices to those of similar product types, quality and maturities, consideration of the narrowness or wideness of the range of prices obtained, knowledge of recent market transactions and an assessment of the similarity in prices to comparable dealer offerings in a recent time period. The Company has a process whereby it challenges the appropriateness of pricing information obtained from data providers and pricing services in order to validate the data for consistency with the definition of a fair value exit price. The Company's process includes understanding and evaluating the service providers' valuation methodologies. The composite pricing information received from the independent pricing service is not based on unobservable inputs or proprietary models. Further, the Company considers pricing data from multiple service providers as available as well as comparing pricing data to prices observed for recent transactions, if any, in order to corroborate valuation inputs.

Model Review Process. Where a pricing model is to be used to determine fair value, the pricing model is reviewed for theoretical soundness and appropriateness by Market Risk Management, independent from the trading desks, and then approved to be used in the valuation process. Review and approval of a model for use includes benchmarking the model against relevant third party valuations, testing sample trades in the model, backtesting the results of the model against actual trades and stress-testing the sensitivity of the valuation model using varying inputs and assumptions. In addition, recently executed comparable transactions and other observable market data are considered for purposes of validating assumptions underlying the model. Models are independently reviewed and validated annually or more frequently, if market conditions or use of the valuation model changes.

Receivable from Brokers, Dealers and Clearing Organizations — Receivables from brokers, dealers and clearing organizations include deposits of cash and/or securities with exchange clearing organizations to meet margin requirements, amounts due from clearing organizations for daily variation settlements and fees receivable from correspondent brokers. The balance as of November 30, 2013 includes $95,000 of money market funds pledged with exchange clearing organizations to meet margin requirements.

Payable to Brokers, Dealers and Clearing Organizations — Payables to brokers, dealers and clearing organizations represent amounts owed for daily variation settlements and clearing fees due to clearing organizations.

Receivable from and Payable to Customers — Receivables from and payables to customers represent balances arising in connection with customers' commodities transactions, including cash margin deposits and gains and losses on open commodity futures contracts. Securities owned by customers and held by the Company as collateral for receivables from customers and as margin deposits for trading are not reflected on the Statement of Financial Condition. At November 30, 2013, customer owned securities received as collateral were $149,437, none of which had been deposited as margin collateral with clearing organizations.

Exchange memberships, at cost — Memberships in commodity exchanges and clearing organizations recorded at cost are not amortized but assessed for impairment annually, or more frequently, when events or changes in circumstances indicate that it is more likely than not that the indefinite-lived intangible asset is impaired. Impairment exists when the carrying amount of the intangible asset exceeds its fair value. In testing for impairment, we have the option to first perform a qualitative assessment to determine whether it is more likely than not that an impairment exists. If it is determined that it is not more likely than not that an impairment exists, a quantitative impairment test is not necessary. If we conclude otherwise, we are required to perform a quantitative impairment test. To the extent an impairment loss is recognized, the loss establishes the new cost basis of the asset. Subsequent reversal of impairment losses is not permitted. The Company's annual intangible asset impairment testing date was changed from June 1 to August 1 following the Merger Transaction.

Shares in exchanges, at cost — Equity interests in commodity exchanges required by an exchange to be held for membership privileges are valued at cost and are evaluated annually for impairment, or more frequently if warranted. On August 22, 2013 the CME Group announced a reduction in the requisite number of Class A Shares of CME Group Inc. that certain clearing members with shares and corporate equity members of the CME, CBOT and NYMEX are required to have assigned for their member firm privileges. The Company's requisite shares were reduced from 60,000 to 40,000 shares. In September 2013, the Company sold the 20,000 shares held in excess of its requisite number.

Premises and Equipment — Premises and equipment are carried at cost less accumulated depreciation and amortization. The Company computes depreciation using the straight-line method over the estimated useful lives of the related assets, which is generally three to ten years. Leasehold improvements are amortized using the straight-line method over the term of the related leases or the estimated useful lives of the assets, whichever is shorter. Included within Premises and equipment are computer software costs developed for internal use of $16,229 that is tested annually for impairment and amortized on a straight-line basis over three and seven years. As of November 30, 2013, furniture, fixtures and equipment amounted to $4,870 and leasehold improvements amounted to $289. The related accumulated depreciation and amortization was $3,819 in aggregate as of November 30, 2013.

Foreign Currency Transactions — Assets and liabilities denominated in foreign currencies are remeasured at the spot exchange rates.

Share-based Compensation — Certain employees participate in the Incentive Compensation Plan (the "Incentive Plan"), which prior to the merger was sponsored by Jefferies Group, Inc. and subsequent to the merger is sponsored by Leucadia. The Incentive Plan allows awards in the form of incentive stock options (within the meaning of Section 422 of the Internal Revenue Code), nonqualified stock options, stock appreciation rights, restricted stock, unrestricted stock, performance awards, restricted stock units ("RSUs"), dividend equivalents or other share-based awards. In connection with the merger with Leucadia, the Incentive Plan was amended to provide for awards to be issued relating to shares of Leucadia, the Ultimate Parent, as of March 1, 2013. Share-based awards of Jefferies Group, Inc. outstanding at March 1, 2013 were converted into awards for shares of Leucadia at the exchange ratio of 0.81 of a Leucadia common share for each share of Jefferies Group, Inc., with all such awards subject to the same terms and conditions that existed prior to the merger (except for the elimination of fractional shares). For grants of RSUs, employees are granted restricted shares of common stock subject to forfeiture. RSUs give a participant the right to receive fully vested shares at the end of a specified deferral period, allowing a participant to hold an interest tied to common stock on a tax deferred basis. Prior to settlement, RSUs carry no voting or dividend rights associated with the stock ownership, but dividend equivalents are accrued to the extent there are dividends declared on the Ultimate Parent's common stock.

Restricted stock and RSUs are granted to new employees as "sign-on" awards, to existing employees as "retention" awards and to certain senior executives. Sign-on and retention awards are generally subject to annual ratable vesting upon a four year service requirement and are amortized as compensation expense on a straight line basis over the related four years. The subsequent expense of the cost of the restricted stock and RSUs is allocated to the Company by Jefferies Group LLC.

Income Taxes — The Company is a single-member LLC which is disregarded for federal and state income tax purposes. The results of operation of the Company are included in the consolidated Federal and state income tax returns filed by the Ultimate Parent. Amounts provided for income taxes are based on income reported for financial statement purposes and do not necessarily represent amounts currently payable. Pursuant to a tax sharing agreement entered into between the Company and Jefferies Group LLC, payments are made to Jefferies Group LLC to settle current and deferred tax assets and liabilities.

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under acquisition accounting for the Merger Transaction, the recognition of certain assets and liabilities at fair value created a change in the financial reporting basis for the Company's assets and liabilities, while the tax bases of the Company's assets and liabilities remained the same. As a result, deferred tax assets and liabilities were recognized for the change in the basis differences. The realization of deferred tax assets is assessed and a valuation allowance is recorded to the extent that it is more-likely-than-not that any portion of the deferred tax asset will not be realized in the consolidated or combined tax returns of Jefferies Group LLC.

The Company records uncertain tax positions using a two-step process: (i) it determines whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position; and (ii) for those tax positions that meet the more-likely-than-not recognition threshold, it recognizes the largest amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority.

Legal Reserves — In the normal course of business, the Company has been named, from time to time, as a defendant in various legal and regulatory proceedings. The Company is also involved, from time to time, in reviews, investigations and proceedings, both formal and informal, by governmental and self-regulatory agencies regarding its businesses, certain of which may result in judgments, settlements, fines, penalties or other injunctions.

The Company recognizes a liability for a contingency in Accrued expenses and other liabilities when it is probable that a liability has been incurred and the amount of loss can be reasonably estimated. If a reasonable estimate of the probable loss is a range the Company accrues the most likely amount of such loss, and if such amount is not determinable, then the Company accrues the minimum in the range as the loss accrual. The determination of the outcome and loss estimates requires significant judgment on the part of management.

In many instances, it is not possible to determine whether any loss is probable or even possible, or to estimate the amount of any loss or the size of any range of loss. Management believes that, in the aggregate, the pending legal actions or regulatory proceedings and other exams, investigations or similar reviews (both formal and informal) should not have a material adverse effect on its results of operations, cash flows or financial condition. In addition, Management believes that any amount that could be reasonably estimated of potential loss or range of potential loss in excess of what has been provided in the financial statement is not material.

Recent Accounting Developments

New Accounting Standards to be Adopted in Future Period

Income Taxes. In July 2013, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2013-11, *Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists* to eliminate diversity in practice. The guidance requires an entity to net their unrecognized tax benefit, or a portion of an unrecognized tax benefit, in the financial statements against a deferred tax asset for a net operating loss carryforward, a similar tax loss or tax credit carryforward, unless such tax loss or credit carryforward is not available at the reporting date under the tax law of the applicable jurisdiction to settle any additional income taxes resulting from the disallowance of a tax position. In the event that the tax position is disallowed or the tax law of the applicable jurisdiction does not require the entity to use, and the entity does not intend to use, the deferred tax asset for such purpose, the unrecognized tax benefit shall be presented in the financial statements as a liability and shall not be combined with deferred tax assets. The guidance is effective for annual reporting periods beginning after December 15, 2013 and is to be applied prospectively. We do not expect that the adoption of this ASU will have a material effect on the Company's financial condition, results of operations or cash flows.

Balance Sheet Offsetting Disclosures. In December 2011, the FASB issued ASU No. 2011-11, Disclosures about Offsetting Assets and Liabilities and in January 2013 the FASB issued ASU No. 2013-01, Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities. The updates require new disclosures regarding balance sheet offsetting and related arrangements. For derivatives, repurchase agreements and reverse repurchase agreements, and securities borrowing and securities lending transactions, the updates require disclosure of gross asset and liability amounts, amounts offset on the balance sheet, and amounts subject to the offsetting requirements but not offset on the balance sheet. The guidance is effective for annual reporting periods beginning on or after January 1, 2013 and is to be applied retrospectively. This guidance does not amend the existing guidance on when it is appropriate to offset; as a result, this guidance will not affect the Company's financial condition, results of operations or cash flows.

Adopted Accounting Standards

Indefinite-Lived Intangible Asset Impairment. In July 2012, the FASB issued ASU No. 2012-02, Testing Indefinite-Lived Intangible Assets for Impairment. The guidance permits an entity to first assess qualitative factors to determine whether it is more likely than not that an indefinite-lived intangible asset, other than goodwill, is impaired as a basis for determining whether it is necessary to perform the quantitative impairment test. The update does not revise the requirement to test indefinite-lived intangible assets annually for impairment, or more frequently if deemed appropriate. The adoption of this guidance on December 1, 2013 did not affect the Company's financial condition, results of operations or cash flows as it did not affect how impairment is calculated.

3. MERGER TRANSACTION

On March 1, 2013, Jefferies Group LLC merged with Leucadia. The Merger Transaction was accounted for by Jefferies Group LLC under the acquisition method of accounting; and through the application of push down accounting \$207.2 million of the total purchase price of \$4.8 billion was allocated to the Company. The allocation of the consideration is based on several factor's including, but not limited to, valuation assessments of tangible and intangible assets and liabilities. The fair value of the identifiable assets of the Company at the date of the merger was \$2.7 billion, including intangible assets of \$6.1 million, and the fair value of liabilities was \$2.5 billion. The following table summarizes the new basis for the Company's assets and liabilities at the date of acquisition, which have been reflected in the Statement of Financial Condition:

(Dollars in thousands, except where noted)

Assets acquired:		
Cash and cash equivalents	$	25,784
Cash and securities segregated under federal and other regulations		2,373,640
Receivables:		
Brokers, dealers and clearing organizations		234,041
Customers		11,508
Due from affiliates		4,911
Exchange memberships		6,095
Shares in exchanges		4,082
Premises and equipment, net		13,551
Prepaid and other assets		8,545
Total assets	$	2,682,157
Liabilities assumed:		
Payables:		
Brokers, dealers and clearing organizations	$	7,956
Affiliated brokers and dealers		710,799
Customers		1,588,936
Due to affiliates		50,187
Accrued compensation and benefits		5,541
Accrued expenses and other liabilities		11,584
		2,375,003
Subordinated liabilities		100,000
Total liabilities	$	2,475,003
Fair value of net assets acquired	$	207,154

4. CASH AND SECURITIES SEGREGATED UNDER FEDERAL AND OTHER REGULATIONS

Cash and qualified securities owned segregated under the Commodity Exchange Act and other regulations and requirements include funds deposited by customers and funds accruing to customers as a result of trades or contracts, and deposits with exchange-clearing organizations. As at November 30, 2013, funds segregated with clearing and depository organizations to satisfy customer margin requirements included investments in U.S. Treasury securities and CFTC approved money market funds with fair values of $232,938 and $610,000, respectively. Additionally, included within this balance are U.S Treasury securities with a fair value of $51,284 which were on deposit with clearing organizations as guaranty or clearing fund deposits.

5. FINANCIAL INSTRUMENTS

The following table presents the Company's assets and liabilities measured at fair value on a recurring basis as of November 30, 2013 by level within the fair value hierarchy:

(Dollars in thousands, except where noted)

	Level 1	Level 2	Counterparty Netting	Cash Collateral Netting	Total
Assets:					
Financial instruments owned:					
U.S. Treasury bills	$ 19,994	$ -	$ -	$ -	$ 19,994
Foreign exchange forward contracts with affiliate	-	826	(219)	(607)	-
Cash	17,901	-	-	-	17,901
Cash and securities segregated under federal and other regulations:					
U.S. Treasury bills	284,222	-	-	-	284,222
Money market funds	610,000	-	-	-	610,000
Segregated cash	1,194,727	-	-	-	1,194,727
	$ 2,126,844	$ 826	$ (219)	$ (607)	$ 2,126,844
Liabilities:					
Financial instruments sold, not yet purchased:					
Foreign exchange forward contracts with affiliate	$ -	$ 219	$ (219)	$ -	$ -
	$ -	$ 219	$ (219)	$ -	$ -

The Company did not have any assets or liabilities categorized as Level 3 in the fair value hierarchy at November 30, 2013. For the year ended November 30, 2013, the Company did not have transfers between Levels 1, Level 2 and Level 3 of the fair value hierarchy.

The following is a description of the valuation basis, including valuation techniques and inputs, used in measuring the Company's financial assets and liabilities that are accounted for at fair value on a recurring basis:

- U.S. Treasury Securities: U.S. Treasury securities are measured based on quoted market prices.

- Foreign Exchange Forward Contracts: Foreign exchange derivative contracts are generally valued using a discounted cash flow model incorporating observable inputs related to foreign currency spot rates and forward curves and reflect assumptions that the Company believes market participants would use in valuing the derivative in a current period transaction. Inputs to valuation models are appropriately calibrated to market data. Accordingly, given the observability of the inputs to the valuation model, such derivative contracts are categorized in Level 2 of the fair value hierarchy.

Receivables – Brokers, dealers and clearing organizations, Receivables – Customers, Payables - Brokers, dealers and clearing organizations, Payables – Affiliated brokers and dealers, Payables – Customers, are not accounted for at fair value; however, the recorded amounts approximate fair value due to their liquid or short-term nature.

6. DERIVATIVE FINANCIAL INSTRUMENTS

The Company enters into transactions involving derivatives including foreign exchange futures, forward and option contracts to mitigate its exposure to fluctuations in foreign exchange rates. Futures and forward contracts represent an agreement to receive or deliver a commodity at a specified future date and price. Option contracts provide the option purchaser with the right but not the obligation to buy or sell the underlying commodity. The option writer is obligated to sell or buy the underlying commodity if the option purchaser chooses to exercise.

The Company's derivative positions are valued daily. Derivative activities are recorded at fair value on the Statement of Financial Condition, net of cash paid or received under credit support agreements and on a net counterparty basis when a legal right to offset exists under a master netting agreement. Fair value is determined based upon quoted market prices when available, while OTC derivative financial instruments, principally forwards, are valued based on the present value of estimated future cash flows that would be received from or paid to a third party in settlement of these derivative contracts. Values are affected by changes in interest rates, currency exchange rates and liquidity.

Derivatives are subject to various risks similar to other financial instruments, including market, credit and operational risk. In addition, the Company may be exposed to legal risks related to derivative activities. The risks of derivatives should not be viewed in isolation, but rather should be considered on an aggregate basis along with the Company's other trading-related activities. The Company manages the risks associated with derivatives on an aggregate basis along with the risks associated with proprietary trading as part of its firm wide risk management policies. In connection with its derivative activities, the Company may enter into master netting agreements and collateral arrangements with counterparties. These agreements provide the Company with the ability to offset a counterparty's rights and obligations, request additional collateral when necessary or liquidate the collateral in the event of counterparty default.

The following table presents the fair value and related number of derivative contracts at November 30, 2013, categorized by predominant risk exposure. The fair value of assets and liabilities related to derivative contracts represents the Company's receivable/payable for derivative financial instruments, gross of counterparty netting and cash collateral received and pledged (in thousands except contract amounts):

	Assets		Liabilities	
	Fair Value	Number of Contracts	Fair Value	Number of Contracts
Foreign exchange forward contracts with affiliate	$ 826	29	$ 219	34
Total	826		219	
Counterparty/cash-collateral netting	(826)		(219)	
Total	$ -		$ -	

The table below presents the remaining contract maturity of the fair value of OTC derivative assets, on a net by counterparty basis, as of November 30, 2013 (gross of collateral received):

	OTC derivative assets			
	0–12 Months	1–5 Years	Cross-Maturity netting	Total
Foreign exchange forward contracts with affiliate	$ 607	$ -	$ -	$ 607
	$ 607	$ -	$ -	$ 607

7. INTANGIBLE ASSETS

In connection with the Merger Transaction the Company's assets, including intangible assets, and liabilities were recorded at their fair value. See Note 3, Merger Transaction for further information. At November 30, 2013, the carrying value of intangible assets, comprising exchange and clearing organization membership interests and registrations, total $5,717.

8. CREDIT FACILITY

On August 26, 2011, the Company together with two affiliates entered into a committed senior secured revolving credit facility (the "Credit Facility") with a group of commercial banks in U.S. Dollars, Euros and Sterling, in aggregate totaling $950.0 million, with availability subject to one or more borrowing bases and of which $250.0 million can be borrowed by an affiliate without a borrowing base requirement. The Credit Facility is guaranteed by Jefferies Group LLC and contains financial covenants that, among other things, imposes restrictions on future indebtedness of certain subsidiaries of Jefferies Group LLC, requires Jefferies Group LLC to maintain specified level of tangible net worth and liquidity amounts, and requires certain subsidiaries of Jefferies Group LLC to maintain specified levels of regulated capital. Interest is based on the Federal funds rate or, in the case of Euro and Sterling borrowings, the Euro Interbank Offered Rate and the London Interbank Offered Rate, respectively. The Credit Facility terminates on August 26, 2014.

The Company did not have any borrowings under this facility during the year ended November 30, 2013 and was in compliance with the debt covenants under the Credit Facility.

9. SUBORDINATED LIABILITIES TO CLAIMS OF GENERAL CREDITORS

At November 30, 2013, the Company had outstanding borrowings of $100.0 million, in aggregate, from Jefferies Group LLC under two subordinated loan agreements dated August 1, 2012 and October 29, 2012 for $75.0 million and $25.0 million, respectively. The subordinated loan agreements have an initial five year term and bear interest at 9% per annum.

All subordinated liabilities of the Company have been approved by the CME and, therefore, qualify as equity capital in computing net capital under the CFTC Regulation 1.17, Minimum Financial Requirements. To the extent that such borrowings are required for the Company's continued compliance with minimum net capital requirements, they may not be repaid.

10. INCOME TAXES

The Company is subject to U.S. Federal income tax as well as income tax in multiple state jurisdictions. The Company's results of operations are included in the consolidated Federal and applicable state income tax returns filed by the Company's Ultimate Parent. The Company accounts for income taxes on a separate–return basis with benefit for losses. In the event of a loss, the Company recognizes a tax benefit to the extent that the loss is utilized in the consolidated or combined tax return to reduce consolidated taxable income.

Deferred income tax assets and liabilities are provided for temporary differences between the tax basis of an asset or liability and its reported amount in the Statement of Financial Condition. These temporary differences result in taxable or deductible amounts in future years and are measured utilizing tax rates that will be in effect when such differences are expected to reverse. Pursuant to the tax sharing agreement between the Company and Jefferies Group LLC, the Company currently settles its deferred tax assets and liabilities with Jefferies Group LLC. In the absence of such an agreement, the Company would have reported a net deferred tax asset of $2.3 million as of November 30, 2013, which consists primarily of compensation related deferred tax assets and is offset by deferred tax liabilities primarily related to exchange membership interests.

The Company's unrecognized tax benefits are recorded on Jefferies Group LLC. The total amount of unrecognized benefits attributable to the Company that, if recognized, would affect the effective tax rate is $0.9 million (net of Federal benefit of state issues) at November 30, 2013. The Company does not expect the total amount of the unrecognized tax benefits to materially increase or decrease in the next twelve months.

The earliest tax year that remains subject to examination by the Internal Revenue Service is 2004. Prior to July 1, 2011, the Company was an indirect wholly owned subsidiary of Prudential Financial, Inc. ("Prudential"). In accordance with the Sale and Purchase agreement, whereby Jefferies Group LLC acquired the Company on July 1, 2011, Prudential has agreed to certain indemnifications for income taxes and related interest and penalties that may relate to periods prior to the acquisition date.

11. EMPLOYEE BENEFIT PLANS

The Company's employees are seconded from Jefferies LLC, a broker-dealer under the Securities and Exchange Act of 1934 and a wholly owned subsidiary of Jefferies Group LLC. The employees are eligible to participate in various benefit plans sponsored by Jefferies Group LLC and, post the Merger Transaction, Leucadia, including an Employee Stock Ownership Plan, an Employee Stock Purchase Plan ("ESPP"), which is considered non-compensatory, and a profit sharing plan, which includes a salary reduction feature designed to qualify under Section 401(k) of the IRC. There are no separate plans solely for the employees of the Company.

12. SHARE-BASED COMPENSATION

Share-based compensation expense associated with restricted stock and RSUs are allocated to certain employees of the Company.

13. RISK MANAGEMENT

Transactions involving derivative and non-derivative financial instruments involve varying degrees of both market and credit risk. The Company monitors its exposure to market and credit risk on a daily basis through a variety of reporting and control procedures.

Market Risk

Market risk is the exposure to an adverse change in the market value caused by a change in market prices or rates. Market risk is identified, measured, monitored and controlled by the Risk Management group of Jefferies Group LLC through a series of limits which reflect the Company's risk appetite in the context of the market environment and business strategy.

Credit Risk in Proprietary Transactions

Credit losses could arise should counterparties fail to perform under the terms of the contracts and the value of collateral, to the extent there is any, proves inadequate. The Company manages credit risk by dealing with creditworthy counterparties, monitoring net exposure to individual counterparties, monitoring compliance with established credit limits on a daily basis, and obtaining collateral where appropriate.

Credit Risk in Client and Broker Activities

In the normal course of business, the Company's activities include execution and settlement of institutional client exchange-traded transactions. These activities may expose the Company to risk arising from price volatility which can reduce the clients' or brokers' ability to meet their obligations. In the event a client or broker is unable to meet their commitments to the Company and margin deposits are insufficient to cover the clients' outstanding liabilities, the Company may be required to purchase or sell financial instruments at prevailing market prices in order to fulfill the client's obligations. The Company monitors required margin levels daily and, pursuant to such guidelines, require customers to deposit additional collateral or reduce positions, when necessary. The Company accepts securities and certain other assets as margin deposits from customers that the Company is permitted by contract or custom to sell or repledge.

Concentrations of Credit Risk

Concentrations of credit risk exist for groups of counterparties when they have similar economic characteristics that would cause their ability to meet obligations to be similarly affected by economic, industry or geographic factors. In its trade facilitation activities, the Company is actively involved in commodities brokerage and trading with a broad range of institutional clients.

The Company's exposure to credit risk associated with the nonperformance of these counterparties in fulfilling their contractual obligations can be directly impacted by volatile trading markets which may impair the counterparties' abilities to satisfy their obligations to the Company. From time to time the Company may have significant exposure to specific counterparties, but the Company monitors and manages its exposure and seeks to control its concentration of credit risk through a variety of reporting and control procedures described in preceding discussions of market and credit risk.

14. GUARANTEES

Derivative and Other Transactions — In the normal course of business, the Company may enter into various types of guarantees with counterparties in connection with certain derivative and other transactions. Such guarantees include contracts that contingently require a guarantor to make payments to the guaranteed party based on changes in an underlying measure that is related to an asset, a liability or an equity security of the guaranteed party, contracts that contingently require the guarantor to make payments to the guaranteed party based on another entity's failure to perform under an agreement, and indirect guarantees of the indebtedness of others, even though the payment to the guaranteed party may not be based on changes related to an asset, a liability or an equity security of the guaranteed party. The Company has not recorded any liabilities in the Statement of Financial Condition as of November 30, 2013 related to these guarantees as management believes that it is unlikely that it will have to make material payments under such guarantees.

Exchange and Clearing Houses — The Company is a member of various U.S. and European exchanges and clearing houses that trade and clear futures and options on futures contracts. Guarantees are generally required under the standard membership agreements such that, members are required to pay a proportionate share of the financial obligations of another member that may default on its obligations to the exchanges or clearing houses. While the rules governing different exchange memberships vary, in general, the Company's obligations would arise only if the exchange and clearing house had previously exhausted its resources. To mitigate these performance risks, the exchanges and clearing houses often require members to post collateral. The Company's obligations under such guarantees could exceed the collateral amounts posted. The maximum potential liability under these arrangements cannot be quantified; however, the potential for the Company to be required to make payments under such guarantees is deemed remote. Accordingly, no contingent liability has been recorded in the Company's Statement of Financial Condition at November 30, 2013 for these agreements.

15. NET CAPITAL REQUIREMENTS

As a FCM the Company is subject to the net capital requirements of CFTC Regulation 1.17, Minimum Financial Requirements for Futures Commission Merchants and Introducing Brokers. Under this rule, a FCM is required to maintain "adjusted net capital" equal to, or in excess of, the greater of: (A) $1,000 or (B) the FCM's risk-based capital requirement, being the sum of (i) eight percent of the total risk margin requirement for positions carried by the FCM in customer accounts, plus (ii) eight percent of the total risk margin requirement for positions carried by the FCM in non-customer accounts. At November 30, 2013, the Company had adjusted net capital, as defined under such rules, of $197,957 which exceeded the minimum required net capital of $111,664 by $86,293. The minimum capital requirement may effectively restrict the withdrawal of member's equity.

In addition, the Company's ability to make capital and certain other distributions is subject to the rules and regulations of various exchanges, clearing organizations and other regulatory agencies of which it is a member, and which may have capital requirements that are greater than those of the CFTC. During the year the Company obtained necessary approvals and in complying with applicable rules and regulations returned capital to the Parent in the amount of $40,000.

16. RELATED PARTY TRANSACTIONS

Payables – Affiliated Brokers and Dealers - Jefferies Bache Financial Services, Inc.'s ("JBFSI") commodities trading accounts are carried by the Company. As of November 30, 2013, Payables – Affiliated brokers and dealers includes $69,259 pertaining to JBFSI's commodity trading accounts and open OTC transactions, net of cash collateral and counterparty netting.

The Company is the clearing broker for trades on certain U.S. commodities exchanges introduced by an affiliated broker-dealer, Jefferies Bache Ltd. ("JBL"). The Company also introduces trades on certain non-U.S. commodities exchanges to JBL. As of November 30, 2013, in connection with this activity, the Company has a trading account payable balance with JBL of $498,577 which is included in Payables – Affiliated brokers and dealers.

Two other affiliates have commodities trading accounts with the Company as part of a clearing arrangement. Under the arrangement, the Company executes and clears futures trades for Jefferies LLC and Jefferies International Limited ("JIL"). At November 30, 2013, the Company has payables of $17,377 and $523 to Jefferies LLC and JIL, respectively, included within Payables - Affiliated brokers and dealers in connection with these accounts, including deposits related to initial and variation margin on futures trades.

Receivables from /Payables to Affiliates - The Company receives advances from several affiliates and makes advances on behalf of affiliates, typically for operating cash funding and administrative convenience of expense allocations. The advances, allocated benefits plan charges, and the amounts receivable of $1,136 and payable of $101,991 in connection with the agreements described below have been netted by affiliate and are reported on the Statement of Financial Condition as Receivables – Due from affiliate and Payables – Due to Jefferies Group LLC and affiliates, respectively.

The Company and three of its affiliates are engaged in the business of trading in metals and providing trading and advisory services to customers who wish to trade in metals. This business is conducted principally through the facilities of the London Metal Exchange, of which one of the affiliates is a member. In connection with this business, the Company and its affiliates have entered into an agreement whereby profits from this business are apportioned based upon the level of services and assistance provided by each company.

The Company and an affiliate are engaged in brokering in a global sugar trading business, including sugar options contracts. In connection with this business, profits from this business are apportioned based upon the level of services and assistance provided by each company.

Service agreements - The Company provides management and administrative support to JBFSI. The Company receives management and administrative services from Jefferies LLC under a services agreement which was executed on August 28, 2013.

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Jefferies Bache, LLC

Computation of Net Capital Pursuant to Regulation 1.17 of the Commodity Exchange Act
November 30, 2013 (In thousands)

Supplementary Schedule I

Net capital:	
Current assets	$ 2,479,351
Increase (decrease) to U.S. clearing organization stock to reflect margin value	-
Net current assets	2,479,351
Total liabilities	2,365,655
Deductions from total liabilities	(100,000)
Adjusted liabilities	2,265,655
Net capital:	213,696
Charges against net capital	
Haircuts on investment of customer deposits/securities	15,331
Additional charges for proprietary accounts	112
Other deductions and/or charges	296
Total charges	15,739
Adjusted net capital:	$ 197,957
Net capital required:	
8% of the CFTC total risk margin requirement for positions of noncustomer accounts and customer accounts, respectively (a)	$ 111,664
Minimum dollar net capital requirement (b)	1,000
Net capital requirement (greater of (a) or (b))	111,664
Excess net capital	$ 86,293

Statement pursuant to CFTC Rule 1.10(d)(2)(vi), there are no material adjustments to the above computation of adjusted net capital and excess net capital from that reported in the Company's unaudited and amended Form 1-FR as of November 30, 2013, filed on February 27, 2014.

Jefferies Bache, LLC

Reconciliation of the Statement of Financial Condition to the Computation of the Net Capital Requirements Pursuant to Regulation 1.10(d)(3) Under the Commodity Exchange Act
November 30, 2013 (In thousands)

Supplementary Schedule II

Total assets per Statement of Financial Condition			$	2,312,143
Add customer securities and option values not reflected on the Statement of Financial Condition				160,023
Deduct noncurrent assets (as defined):				
Receivables	$	(4,980)		
Exchange memberships		(8,601)		
Furniture, equipment and leasehold improvements		(17,569)		
Prepaid expenses and deferred charges		(5,845)		
				(36,995)
1-FR vs. GAAP reclassifications				
Broker or settlement balances				44,180
Current assets (as defined)			$	2,479,351
Total liabilities per Statement of Financial Condition			$	2,161,452
Add liability for customer securities and option values not reflected on the Statement of Financial Condition				160,023
1-FR vs. GAAP reclassifications				
Broker or settlement balances				44,180
Total liabilities (per Schedule I)			$	2,365,655

Jefferies Bache, LLC

Schedule of Segregation Requirements and Funds in Segregation For Customers Trading on U.S. Commodity Exchanges Pursuant to Section 4d(2) under the Commodity Exchange Act November 30, 2013 (In thousands)

Supplementary Schedule III

Segregation requirements:		
Net ledger balances		
Cash	$	1,628,400
Securities, at market		141,878
Net unrealized profit on open trades held for regulated commodity customers		106,947
Exchange traded options		
Add: market value of open option contracts purchased on a contract market		180,626
Less: market value of open option contracts granted (sold) on a contract market		(173,055)
Net equity		1,884,796
Add: accounts liquidating to a deficit and accounts with debit balances - gross amount		2,126
Less: amounts offset by customer owned securities		(1,427)
Amount required to be segregated	$	1,885,495
Funds in segregated accounts:		
Deposited in segregated funds bank accounts:		
Cash	$	373,824
Securities held for particular customers or option customers in lieu of cash, at market		114,708
Margins on deposit with derivative clearing organizations of contract markets:		
Cash		652,117
Securities representing investment of customers' funds, at market		792,970
Net settlement to derivatives clearing organizations of contract markets		19,904
Exchange traded options:		
Value of open long option contracts		180,626
Value of open short option contracts		(173,055)
Net equities with other FCMs		1,189
Segregated funds on hand (warehouse receipts)		27,170
Total amount in segregation	$	1,989,453
Excess funds in segregation	$	103,958

Statement pursuant to CFTC Rule 1.10(d)(2)(vi), there are no material adjustments to the above computation of segregation requirements pursuant to CFTC Regulation 1.20 included in the Company's unaudited and amended Form 1-FR as of November 30, 2013 filed on February 27, 2014.

Jefferies Bache, LLC

Schedule of Secured Amounts and Funds Held in Separate Accounts for Foreign Futures and Foreign Options Customers Pursuant to Regulation 30.7 of the Commodity Exchange Act
November 30, 2013 (In thousands)

Supplementary Schedule IV

Amounts to be set aside in separate section 30.7 accounts	$	109,947
Funds in separate section 30.7 accounts		
Cash in banks		78,012
Securities in safekeeping, at market: customer owned		7,560
company owned		41,971
Amounts held by members of foreign boards of trade		53,585
Total funds in separate section 30.7 accounts	$	181,128
Excess funds in section 30.7 accounts	$	71,181

Statement pursuant to CFTC Rule 1.10(d)(2)(vi), there are no material adjustments to the above computation of secured amounts pursuant to CFTC Regulation 30.7 included in the Company's unaudited and amended Form 1-FR as of November 30, 2013 filed on February 27, 2014.

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To the Board of Managers of Jefferies Bache, LLC:

In planning and performing our audit of the financial statements of Jefferies Bache, LLC (the Company) as of November 30, 2013 and for the period from December 1, 2012 to November 30, 2013, in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by Regulation 1.16 of the Commodity Futures Trading Commission (the "CFTC"), we have made a study of the practices and procedures followed by the Company, including consideration of control activities for safeguarding securities. This study included tests of compliance with such practices and procedures that we considered relevant to the objectives stated in Regulation 1.16, in the following:

1. The periodic computations of minimum financial requirements pursuant to Regulation 1.17

2. The daily computations of the segregation requirements of Section 4d(a)(2) of the Commodity Exchange Act and the regulations thereunder, and the segregation of funds based on such computations

3. The daily computations of the foreign futures and foreign options secured amount requirements pursuant to Regulation 30.7 of the CFTC.

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraphs. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraphs and to assess whether those practices and procedures can be expected to achieve the CFTC's previously mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit preparation of financial statements in conformity with generally accepted accounting principles. Regulation 1.16(d)(2) list additional objectives of the practices and procedures listed in the preceding paragraphs.

Because of inherent limitations in internal control and the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the company's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities for safeguarding securities and certain regulated commodity customer and firm assets that we consider to be material weaknesses, as defined previously.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the CFTC to be adequate for their purposes in accordance with the Commodity Exchange Act and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures, as described in the second paragraph of this report, were adequate at November 30, 2013 to meet the CFTC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the CFTC, Financial Industry Regulatory Authority, and other regulatory agencies that rely on Regulation 1.16 of the CFTC in their regulation of registered broker-dealers and futures commissions merchants, and is not intended to be and should not be used by anyone other than these specified parties.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
February 27, 2014