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

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **September 30, 2017**

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ________________________ to ________________________

Commission file number **0-5703**

Siebert Financial Corp.

(Exact Name of Registrant as Specified in its Charter)

New York	**11-1796714**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

120 Wall Street, New York, NY 10005
(Address of Principal Executive Offices) (Zip Code)

(212) 644-2400
(Registrant's Telephone Number, Including Area Code)

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller Reporting Company ☒
	Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: As of November 8, 2017, there were 22,085,126 shares of Common Stock, par value $.01 per share, outstanding.

Unless the context otherwise requires, the “Company” shall mean Siebert Financial Corp. and its wholly owned subsidiaries and “Siebert” shall mean Muriel Siebert & Co., Inc., a wholly owned subsidiary of the Company.

Certain statements contained in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” below and elsewhere in this report, as well as oral statements that may be made by us or by our officers, directors or employees acting on our behalf, that are not statements of historical or current fact constitute “forward looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward looking statements involve risks and uncertainties and known and unknown factors that could cause our actual results to be materially different from our historical results or from any future results expressed or implied by such forward looking statements, including, without limitation: changes in general economic and market conditions; changes and prospects for changes in interest rates; fluctuations in volume and prices of securities; demand for brokerage and investment banking services; competition within and without the discount brokerage business, including the offer of broader services; competition from electronic discount brokerage firms offering greater discounts on commissions than we do; the prevalence of a flat fee environment; limited trading opportunities; the method of placing trades by our customers; computer and telephone system failures; our level of spending on advertising and promotion; trading errors and the possibility of losses from customer non-payment of amounts due; other increases in expenses and changes in net capital or other regulatory requirements. We undertake no obligation to publicly release the results of any revisions to these forward-looking statements which may be made to reflect events or circumstances after the date when such statements were made or to reflect the occurrence of unanticipated events. An investment in us involves various risks, including those mentioned above and those which are detailed from time to time in our Securities and Exchange Commission filings.

Part I - FINANCIAL INFORMATION

Item 1. Financial Statements

Siebert Financial Corp. & Subsidiaries
Condensed Consolidated Statements of Financial Condition

	September 30, 2017 (Unaudited)	December 31, 2016
Cash and cash equivalents	$ 3,215,000	$ 2,730,000
Receivable from brokers	1,100,000	606,000
Securities owned, at fair value	—	92,000
Furniture, equipment and leasehold improvements, net	306,000	46,000
Prepaid expenses and other assets	354,000	342,000
	$ 4,975,000	$ 3,816,000
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Accounts payable and accrued liabilities	$ 494,000	$ 738,000
Accrued settlement liabilities	—	825,000
	494,000	1,563,000
Commitments and contingent liabilities		
Stockholders' equity:		
Common stock, $.01 par value; 49,000,000 shares authorized, 22,085,126 shares issued and 22,085,126 shares outstanding at September 30, 2017 and December 31, 2016, respectively	221,000	221,000
Additional paid-in capital	7,692,000	6,889,000
Deficit	(3,432,000)	(4,857,000)
	4,481,000	2,253,000
	$ 4,975,000	$ 3,816,000

See notes to condensed consolidated financial statements.

Siebert Financial Corp. & Subsidiaries
Condensed Consolidated Statements of Operations
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	**2016**	**2017**	**2016**
Revenues:				
Commissions and fees	$ 1,077,000	$ 1,078,000	$ 3,295,000	$ 3,519,000
Margin interest, marketing and distribution	1,850,000	862,000	4,477,000	2,687,000
Investment banking	4,000	11,000	16,000	34,000
Trading profits	154,000	131,000	360,000	521,000
Interest and dividends	4,000	141,000	9,000	422,000
	3,089,000	2,223,000	8,157,000	7,183,000
Expenses:				
Employee compensation and benefits	1,031,000	1,236,000	3,069,000	3,723,000
Clearing fees, including floor brokerage	252,000	203,000	819,000	677,000
Professional fees	372,000	1,178,000	1,265,000	2,763,000
Advertising and promotion	16,000	38,000	61,000	171,000
Communications	56,000	120,000	192,000	382,000
Occupancy	86,000	179,000	306,000	558,000
Other general and administrative	275,000	409,000	1,020,000	1,278,000
	2,088,000	3,363,000	6,732,000	9,552,000
Income/(Loss) from continuing operations	1,001,000	(1,140,000)	1,425,000	(2,369,000)
Income tax benefit/(expense)	—	—	—	—
Net Income/(Loss)	$ 1,001,000	($ 1,140,000)	$ 1,425,000	($ 2,369,000)
Net Income/(Loss) per share of common stock -				
Basic and diluted	$ .05	($ .05)	$ .06	($ .11)
Weighted average shares outstanding -				
Basic and diluted	22,085,126	22,085,126	22,085,126	22,085,126

See notes to condensed consolidated financial statements.

Siebert Financial Corp. & Subsidiaries
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016
Cash flows from operating activities:		
Net income/(loss)	$ 1,425,000	($ 2,369,000)
Adjustments to reconcile net income/(loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	90,000	205,000
Interest accrued on note receivable from business sold to former affiliate	—	(411,000)
Changes in:		
Securities owned, at fair value	92,000	(96,000)
Receivable from brokers	(494,000)	46,000
Prepaid expenses and other assets	(12,000)	237,000
Accounts payable and accrued liabilities	(266,000)	(652,000)
Net cash provided by (used in) operating activities	835,000	(3,040,000)
Cash flows from investing activities:		
Purchase of furniture, equipment and leasehold improvements	(350,000)	(37,000)
Collection of receivable from former affiliate	—	493,000
Net cash provided by (used in) investing activities	(350,000)	456,000
Net increase (decrease) in cash and cash equivalents	485,000	(2,584,000)
Cash and cash equivalents - beginning of period	2,730,000	9,420,000
Cash and cash equivalents - end of period	$ 3,215,000	$ 6,836,000
Supplemental Schedule of Non-Cash Financing Activities:		
Payment by parent of expenses	$ 803,000	—

See notes to condensed consolidated financial statements.

Notes to Condensed Consolidated Financial Statements
Nine Months Ended September 30, 2017 and 2016
(Unaudited)

1. Business and Basis of Presentation:

Siebert Financial Corp. ("SFC"), a New York corporation, incorporated in 1934, is a holding company that conducts its retail discount brokerage business through its wholly-owned subsidiary, Muriel Siebert & Co., Inc., ("MSC") a Delaware corporation and a registered broker-dealer, and its investment advisory business through its wholly-owned subsidiary Siebert Investment Advisors, Inc. ("SIA") a New York corporation which is registered with the Securities and Exchange Commission as a Registered Investment Advisor ("RIA"). For purposes of this Quarterly Report on Form 10-Q, the terms "Siebert," "Company," "we," "us" and "our" refer to Siebert Financial Corp., MSC and SIA collectively, unless the context otherwise requires.

Our principal offices are located at 120 Wall Street, New York, New York 10005, and our phone number is (212) 644-2400. Our Internet address is www.siebertnet.com. Our SEC filings are available through our website at www.siebertnet.com, where you are able to obtain copies of the Company's public filings free of charge. Our common stock, par value $.01 per share (the "Common Stock") trades on the NASDAQ Capital Market under the symbol "SIEB."

The condensed consolidated interim financial statements presented herein are unaudited and include all adjustments (consisting of normal recurring adjustments) which are, in the opinion of management, necessary for a fair presentation of the financial position and results of operations of the interim periods pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC"). Certain information and footnote disclosures normally included in annual financial statements prepared in accordance with generally accepted accounting principles ("GAAP") in the United States of America ("U.S.") have been condensed or omitted pursuant to SEC rules and regulations, although the Company believes that the disclosures made are adequate to make the information not misleading. The balance sheet at December 31, 2016 has been derived from the audited consolidated statement of financial condition at that date, but does not include all information and footnotes required by U.S. GAAP for complete financial statements. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2016. Because of the nature of our business, the results of operations for the nine months ended September 30, 2017 are not necessarily indicative of operating results for the full year.

Certain reclassifications have been made to the 2016 balances to conform to the presentation used in 2017. These reclassifications had no effect on operating results previously reported for the three and nine months ended September 30, 2016 are not necessarily indicative of operating results for the full year.

2. **Securities:**

Securities owned are carried at fair value with realized and unrealized gains and losses reflected in trading profits. MSC clears all its security transactions through an unaffiliated clearing firm on a fully disclosed basis. Accordingly, MSC does not hold funds or securities for, or owe funds or securities to, its customers. Those functions are performed by its clearing firm.

3. **Fair Value of Financial Instruments:**

Authoritative accounting guidance defines fair value, establishes a framework for measuring fair value and establishes a fair value hierarchy. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between participants at the measurement date. Fair value measurements are not adjusted for transaction costs. The fair value hierarchy prioritizes inputs to valuation techniques used to measure fair value into three levels:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 – Inputs, other than quoted prices that are observable, either directly or indirectly, and reasonably available.

Level 3 – Unobservable inputs, which reflect the assumptions that management develops based on available information about the assumptions market participants would use in valuing the asset or liability.

The Company estimates that fair value approximates carrying value for cash and cash equivalents, receivable from broker, and accounts payable and accrued liabilities due to the relatively short maturity of the instruments.

4. **Per Share Data:**

Basic earnings (loss) per share is calculated by dividing net income (loss) by the weighted average outstanding common shares during the period. Diluted earnings per share is calculated by dividing net income by the number of shares outstanding under the basic calculation and adding all dilutive securities, which consist of options. The Company had income of $1,425,000 for the nine months ended September 30, 2017 and incurred a net loss of ($2,369,000) for the nine months ended September 30, 2016 respectively. Basic and diluted net loss per common share are the same during 2016 as the effect of stock options is anti-dilutive. There were no options outstanding in 2017 that would result in any dilutive effect. Shares underlying stock options not included in the diluted computation amounted to 0 in 2017 and 240,000 in 2016.

5. **Net Capital:**

MSC is subject to the SEC's Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum net capital. Siebert has elected to use the alternative method, permitted by the Rule, which requires that MSC maintain minimum net capital, as defined, equal to the greater of $250,000 or two percent of aggregate debit balances arising from customer transactions, as defined. The Net Capital Rule of the New Stock Exchange also provides that equity capital may not be withdrawn or cash dividends paid if resulting net capital would be less than 5% of aggregate debits. As of September 30, 2017, Siebert had net capital of approximately $3,864,000 as compared with net capital requirements of $250,000. Siebert claims exemption from the reserve requirement under section 15c3-3(k)(2)(ii).

6. Other Assets:

During the nine months ended September 30, 2017, the Company incurred $125,000 in professional fees in connection with a potential transaction with an affiliate. These costs will be deferred until the transaction is consummated.

7. Revenue:

Commission revenues, margin interest, marketing and distribution fees and related clearing expenses are recorded on a trade-date basis. Fees, consisting principally of revenue participation with the Company's clearing broker in distribution fees, and interest are recorded as earned.

Investment banking revenue includes advisory fees charged clients thru SIA. Revenues are earned typically on a monthly or quarterly basis in accordance with terms of the contract.

Trading profits are also recorded on a trade-date basis and principally represent riskless principal transactions in which the Company, after receiving an order, buys or sells securities as principal and at the same time sells or buys the securities with a markup or markdown to satisfy the order.

Interest is recorded on an accrual basis and dividends are recorded on the ex-dividend date.

8. Capital Transactions:

During the nine months ended September 30, 2017, SFC's control entity, Kennedy Cabot Acquisition, LLC made a net payment of $803,000 to satisfy certain obligations of the Company. This amount is treated as a capital contribution.

9. Contingencies and Commitments:

Retail customer transactions are cleared through a clearing broker on a fully disclosed basis. If customers do not fulfill their contractual obligations, the clearing broker may charge MSC for any loss incurred in connection with the purchase or sale of securities at prevailing market prices to satisfy the customer obligations. MSC regularly monitors the activity in its customer accounts for compliance with its margin requirements. MSC is exposed to the risk of loss on unsettled customer transactions if customers fail to fulfill their contractual obligations. There were no material losses for unsettled customer transactions for the three months and nine months ended September 30, 2017 and 2016.

In December 2015, a former employee of MSC commenced an arbitration before FINRA against MSC, alleging a single cause of action for employment retaliation under the Sarbanes-Oxley Act of 2002. In February 2016, the employee amended his claim to replace the Sarbanes-Oxley claim with a substantially identical claim arising under the Dodd-Frank Act of 2010. The matter was settled for $825,000 in February 2017 which was paid by the Company's control entity Kennedy Cabot Acquisitions LLC.

10. Income Taxes:

As of December 31, 2016 and September 30, 2017, the Company had approximately $24,223,000 and $23,799,000 of remaining net operating loss carryforwards which management had fully reserved against based on a history of unprofitable operations. Based on a change in control during December 2016, management concluded that they would be limited to utilizing net operating loss carryforwards of $895,000 per year until the balance is utilized or expired as well as other tax deferrals. During the three and nine months ended September 30, 2017, the Company utilized net operating losses and other tax deferrals of $1,001,000 and $1,425,000 to offset its net income earned during this period. The utilization of these carry-forward credits resulted in a reduction of current tax expense and an offsetting increase in the deferred tax benefit of $400,000 and $570,000 for the three and nine months ended, respectively. No tax benefit has been recognized related to the net loss in the three and nine months ended September 30, 2017 as the Company has recorded a full valuation allowance against these credits.

11. Non Recurring Changes:

Included in the nine months net income is approximately $342,000 of non-recurring expenses. These expenses were primarily due to relocating the firm's call center and costs affiliated with staff reductions. There were no non-recurring charges during the quarter ended September 30, 2017.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This discussion should be read in conjunction with our audited consolidated financial statements as of and for the year ended December 31, 2016, and our unaudited condensed consolidated financial statements and the notes thereto contained elsewhere in this Quarterly Report.

Business Environment

Our cash is invested primarily in bank accounts with large financial institutions. Our cash and working capital is sufficient to service the firm's operations.

The following table sets forth certain metrics as of and for the nine months ended September 30, 2017 and 2016, respectively, which we use in evaluating our business.

Retail Customer Activity:	For the Three Months ended September 30, 2017*	2016	For the Nine Months ended September 30, 2017*	2016
Total retail trades:	50,025	54,636	155,043	156,649
Average commission per retail trade:	$ 20.35	$ 22.29	$ 20.63	$ 24.00

Retail customer balances:	As of September 30, 2017	2016
Retail customer net worth (in billions):	$ 7.5	$ 6.9
Retail customer money market fund value (in billions):	$ .7	$ .9
Retail free credit balances (in billions)	.3	—
Retail customer margin debit balances (in million):	$ 250.0	$ 247.6
Retail customer accounts with positions:	27,020	29,493

* Based on new management analysis

<u>Description</u>:

- Total retail trades represent retail trades that generate commissions.
- Average commission per retail trade represents the average commission generated for all types of retail customer trades.
- Retail customer net worth represents the total value of securities and cash in the retail customer accounts before deducting margin debits.
- Retail customer money market fund value represents all retail customers accounts invested in money market funds.
- Retail customer margin debit balances represent credit extended to our customers to finance their purchases against current positions.
- Retail customer accounts with positions represent retail customers with cash and/or securities in their accounts. We, like other securities firms, are directly affected by general economic and market conditions including fluctuations in volume and prices of securities, changes and prospects for changes in interest rates and demand for brokerage and investment banking services, all of which can affect our relative profitability. In periods of reduced financial market activity, profitability is likely to be adversely affected because certain expenses remain relatively fixed, including salaries and related costs, portions of communications costs and occupancy expenses. Accordingly, earnings or loss for any period should not be considered representative of any other period.

Critical Accounting Policies

We generally follow accounting policies standard in the brokerage industry and believe that our policies appropriately reflect our financial position and results of operations. Our management makes significant estimates that affect the reported amounts of assets, liabilities, revenues and expenses and the related disclosure of contingent assets and liabilities included in the financial statements. The estimates relate primarily to revenue and expense items in the normal course of business as to which we receive no confirmations, invoices, or other documentation at the time the books are closed for a period. We use our best judgment, based on our knowledge of these revenue transactions and expenses incurred, to estimate the amount of such revenue and expense. We are not aware of any material differences between the estimates used in closing our books for the last five years and the actual amounts of revenue and expenses incurred when we subsequently receive the actual confirmations, invoices or other documentation. Estimates are also used in determining the useful lives of intangible assets, and the fair market value of intangible assets. Our management believes that its estimates are reasonable.

Results of Operations

Three Months Ended September 30, 2017 Compared to Three Months Ended September 30, 2016

We had a net income of $1,001,000 for the three months ended September 30, 2017 and a net loss of $1,140,000 for the three months ended September 30, 2016.

Total revenues for the three months ended September 30, 2017 were $3.1 million, an increase of $866,000 or 38.9% from the same period in 2016, respectively.

Commission and fee income for the three months ended September 30, 2017 was $1.1 million, a decrease of $1,000 or 0.1 % from the same period in 2016.

Margin interest, marketing and distribution fee income for the three months ended September 30, 2017 was $1,850,000 an increase of $988,000 or 114.6% for the same period in 2016 due to an overall increase in interest rates, rising margin interest and 12b-1 fees from money markets.

Investment banking revenues for the three months ended September 30, 2017 were $4,000, a decrease of $7,000 or 63.6% from the same period in 2016 due to a decrease in advisory fees.

Trading profits were $154,000 for the three months ended September 30, 2017, an increase of $23,000 or 17.6% from the same period in 2016 due to an overall increase in trading volume primarily in the debt markets.

Interest and dividends were $4,000 for the three months ended September 30, 2017, a decrease of $137,000 or 97.2% from the same corresponding period in 2016 primarily due to the distribution of the subordinated notes and capital market notes in 2016 to the former majority shareholder.

Total expenses for the three months ended September 30, 2017 were $2.1 million, a decrease of $1.3 million or 37.9% from the same period in 2016 due to streamlining the firm's operations.

Employee compensation and benefit expenses for the three months ended September 30, 2017 were $1.0 million, a decrease of $205,000 or 16.6% from the same period in 2016 due to a lower head count and lower benefit expenses.

Clearing and floor brokerage expenses for the three months ended September 30, 2017 were $252,000, an increase of $49,000 or 24.1% from the same period in 2016 primarily due to a one-time credit NFS provided in 2016.

Professional fees for the three months ended September 30, 2017 were $372,000, a decrease of $806,000 or 68.4% from the same period in 2016 primarily due to a decrease in legal and consulting fees.

Advertising and promotion expenses for the three months ended September 30, 2017 were $16,000, a decrease of $22,000 or 57.9% from the same period in 2016 due to a reduction in overall advertising.

Communications expense for the three months ended September 30, 2017, was $56,000, a decrease of $64,000 or 53.3% from the same corresponding period in 2016 primarily due to savings in streamlining operations and moving to Jersey City from New York.

Occupancy costs for the three months ended September 30, 2017 were $86,000, a decrease of $93,000 or 52.0% from the same corresponding period in 2016 due to moving the firm's call center.

Other general and administrative expenses for the three months ended September 30, 2017 were $275,000, a decrease of $134,000 or 32.8% from the same period in 2016 due to streamlining the firm's operations.

No tax benefit related to the pre-tax income (loss) was recorded for the three months ended September 30, 2017 and September 30, 2016 due to the recording of a full valuation allowance to offset deferred tax assets based on recent losses and the unlikelihood of realization of such assets.

Nine Months Ended September 30, 2017 Compared to Nine Months Ended September 30, 2016

We had a net income of $1,425,000 for the nine months ended September 30, 2017 and a net loss of $2,369,000 for the nine months ended September 30, 2016.

Total revenues for the nine months ended September 30, 2017 were $8.2 million, an increase of $1,000,000 or 13.6% from the same period in 2016.

Commission and fee income for the nine months ended September 30, 2017 was $3.3 million, a decrease of $224,000 or 6.4% from the same period in 2016 primarily due to a decrease in retail trading volumes.

Margin interest, marketing and distribution fee income for the nine months ended September 30, 2017 was $4,477,000 an increase of $1,790,000 or 66.61% for the same period in 2016 due to an overall increase in interest rates, raising margin interest and 12b-1 fees from money markets.

Investment banking revenues for the nine months ended September 30, 2017 were $16,000, a decrease of $18,000 or 52.9% from the same period in 2016 due to a decrease in advisory fees.

Trading profits for the nine months ended September 30, 2017 were $360,000, a decrease of $161,000 or 30.9% from the same period in 2016 due to an overall decrease in trading volumes in the debt markets.

Interest and dividends were $9,000 for the nine months ended September 30, 2017, a decrease of $413,000 or 97.9% from the same corresponding period in 2016 primarily due to the distribution of the subordinated notes and capital market notes in 2016 to the former majority shareholder.

Total expenses for the nine months ended September 30, 2017 were $6.7 million, a decrease of $2.8 million or 29.5% from the same period in 2016.

Employee compensation and benefit expense for the nine months ended September 30, 2017 were $3.1 million, a decrease of $654,000 or 17.6% due to a lower head count and lower benefit expenses.

Clearing and floor brokerage expenses for the nine months ended September 30, 2017 were $819,000, an increase of $142,000 or 21.0% from the same period in 2016 primarily due to a one-time credit NFS provided in 2016.

Professional fees for the nine months ended September 30, 2017 were $1.3 million, a decrease of $1.5 million or 54.2% from the same period in 2016 primarily due to a decrease in legal and consulting fees.

Advertising and promotion expenses for the nine months ended September 30, 2017 were $61,000, a decrease of $110,000 or 64.3% from the same period in 2016 due to a decrease in overall advertising.

Communications expense for the nine months ended September 30, 2017 was $192,000, a decrease of $190,000 or 49.7% from the same period in 2016 primarily due to savings in streamlining operations and moving to Jersey City from New York.

Occupancy expenses for the nine months ended September 30, 2017 were $306,000, a decrease of $252,000 or 45.2% from the same period in 2016 due to moving the firm's call center.

Other general and administrative expenses for the nine months ended September 30, 2017 were $1.0 million, a decrease of $247,000 or 19.5% from the same period in 2016 due to streamlining the firm's operations.

No tax benefit related to the pre-tax income (loss) was recorded for the nine months ended September 30, 2017 and September 30, 2016 due to the recording of a full valuation allowance to offset deferred tax assets based on recent losses and the unlikelihood of realization of such assets.

Liquidity and Capital Resources

A significant portion of our assets are highly liquid, consisting of cash. Our total assets at September 30, 2017 were $5 million. As of that date, we regarded $3.2 million, or 64% of total assets as highly liquid.

Siebert is subject to the net capital requirements of the SEC, the Financial Industry Regulatory Authority (FINRA) and other regulatory authorities. At September 30, 2017, Siebert's regulatory net capital was $3.9 million, $3.6 million in excess of its minimum capital requirement of $250,000.

On January 22, 2008, the Board of Directors of the Company authorized a buy-back of up to 300,000 shares of common stock. During the nine months ended September 30, 2017, no shares were purchased and 170,863 shares may be purchased under the plan as of September 30, 2017.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Retail customer transactions are cleared through clearing brokers on a fully disclosed basis. If customers do not fulfill their contractual obligations, the clearing broker may charge Siebert for any loss incurred in connection with the purchase or sale of securities at prevailing market prices to satisfy the customers' obligations. Siebert regularly monitors the activity in its customer accounts for compliance with its margin requirements. Siebert is exposed to the risk of loss on unsettled customer transactions if customers and other counterparties are unable to fulfill their contractual obligations. There were no material losses for unsettled customer transaction as of September 30, 2017.

Item 4. Controls and Procedures

We carried out an evaluation, under the supervision and with the participation of management, including our Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report pursuant to Rule 13a-15(e) or Rule 15d-15 (e) of the Securities Exchange Act of 1934, as amended. Based on that evaluation, our management, including the Chief Financial Officer, concluded that our disclosure controls and procedures are effective to ensure that the information we are required to disclose in reports that we file or submit under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission and to ensure that information required to be disclosed is accumulated and communicated to our management, including our Chief Financial Officer, to allow timely decisions regarding timely disclosure.

There were no changes in our internal control over financial reporting during the most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Part II - OTHER INFORMATION

Item 1. Legal Proceedings

The Company is party to certain claims, suits and complaints arising in the ordinary course of business. In the opinion of management, all such matters are without merit, or involve amounts which would not have a significant effect on the financial position of the Company.

Item 1A. Risk Factors

In addition to the other information set forth in this report, you should carefully consider the risk factors discussed in Part I, Item 1A. “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2016, which could materially affect our business, financial position and results of operations. There are no material changes from the risk factors set forth in Part I, Item 1A, “Risk Factors,” of our Annual Report on Form 10-K for the year ended December 31, 2016.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SIEBERT FINANCIAL CORP.

By: */s/ Andrew H. Reich*
Andrew H. Reich
Executive Vice President, Chief Operating Officer,
Chief Financial Officer and Secretary
(Principal executive, financial and accounting officer)

Dated: November 9, 2017

Item 5. Exhibits

Exhibit No.	Description Of Document
31.1	Certification of Andrew H. Reich pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Andrew H. Reich of Periodic Financial Report under Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase

Exhibit 31.1

CERTIFICATION
PURSUANT TO EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a),
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I Andrew H. Reich, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Siebert Financial Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Andrew H. Reich

Date: November 9, 2017

Andrew H. Reich
Executive Vice President, Chief Operating Officer,
Chief Financial Officer and Secretary
(principal executive, financial and accounting officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Siebert Financial Corp. (the “Company”) on Form 10-Q for the quarterly period ended September 30, 2017, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Andrew H. Reich, in my capacity as Executive Vice President, Chief Operating Officer, Chief Financial Officer and Secretary hereby certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) the Report fully complies with the requirements of Section 13(a) of the Securities and Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition of the Company at the end of the period covered by the Report and the results of operations of the Company for the period covered by the Report.

/s/ Andrew H. Reich

Date: November 9, 2017

Andrew H. Reich
Executive Vice President, Chief Operating Officer,
Chief Financial Officer and Secretary
(principal executive, financial and accounting officer)

A signed original of this written statement required by Section 906, or other documents authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by section 906, has been provided to Siebert Financial Corp. and will be retained by Siebert Financial Corp. and furnished to the Securities and Exchange Commission or its staff upon request.