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

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

REPORT FOR THE PERIOD BEGINNING 01/01/09 AND ENDING 12/31/09  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER:

Sunrise Securities Corp.

OFFICIAL USE ONLY
FIRM ID. NO.

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

641 Lexington Ave

(No. and Street)

New York

(City)

New York

(State)

10022

(Zip Code)

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

Nathan Low

(212) 421-1616

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Eisner LLP

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

750 Third Avenue

New York

New York

10017

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

FOR OFFICIAL USE ONLY

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


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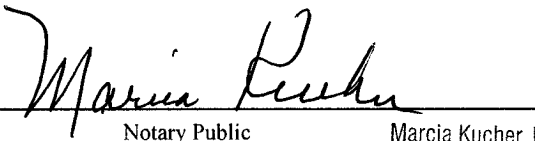
OATH OR AFFIRMATION

I, Nathan Low, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Sunrise Securities Corp., as of December 31, 2009, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

  
Signature

Chief Executive Officer  
Title

  
Notary Public

Marcia Kucher, Notary Public  
State of New York No.03-466-7377  
Qualified in Bronx County  
Certificate filed in New York County  
Commission Expires Sept. 30, 2012

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

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Changes in Financial Condition.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital.
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

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

**Eisner**

Eisner LLP  
Accountants and Advisors

**SUNRISE SECURITIES CORP.**

**STATEMENT OF FINANCIAL CONDITION**

**DECEMBER 31, 2009**

**Sunrise Securities Corp.**  
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**December 31, 2009**

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# Eisner

Eisner LLP  
Accountants and Advisors

750 Third Avenue  
New York, NY 10017-2703  
Tel 212.949.8700 Fax 212.891.4100  
www.eisnerllp.com

## INDEPENDENT AUDITORS' REPORT

To the Shareholder  
Sunrise Securities Corp.

We have audited the accompanying statement of financial condition of Sunrise Securities Corp. (the "Company") as of December 31, 2009 that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement 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 financial statement is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of Sunrise Securities Corp. as of December 31, 2009 in conformity with accounting principles generally accepted in the United States of America.



New York, New York  
March 24, 2010

## Sunrise Securities Corp.

### Statement of Financial Condition December 31, 2009

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#### Assets

Cash and cash equivalents	\$ 357,082
Due from brokers	1,411,198
Securities owned, at fair value	6,524,459
Due from shareholder	290,695
Due from employees	253,000
Accounts receivable	410,586
Prepaid expenses and other assets	200,960
Total assets	<u>\$ 9,447,980</u>

#### Liabilities and Shareholder's Equity

Accounts payable and accrued expenses	\$ 303,490
Securities sold, not yet purchased, at fair value	<u>33,476</u>
Total liabilities	<u>336,966</u>
Common stock, no par value, 200 shares authorized, 150 shares issued and outstanding	297,000
Additional paid-in capital	15,757,106
Deficit	<u>(6,943,092)</u>
Total shareholder's equity	<u>9,111,014</u>
Total liabilities and shareholder's equity	<u>\$ 9,447,980</u>

**Sunrise Securities Corp.**  
**Notes to Statement of Financial Condition**  
**December 31, 2009**

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**1. Nature of Operations**

Sunrise Securities Corp. (the "Company") is a broker-dealer registered with the Securities and Exchange Commission (the "SEC") and a member of the Financial Industry Regulatory Authority ("FINRA").

The Company provides financing and corporate financial advisory services to small to mid-sized companies. The Company clears all of its securities transactions through a clearing broker on a fully-disclosed basis. Accordingly, the Company claims exemption from the requirements of Rule 15c3-3 under paragraph (k)(2)(ii).

**2. Summary of Significant Accounting Policies**

**Basis of Presentation**

This financial statement was prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement.

**Cash and cash equivalents**

The Company considers its investments in money market accounts to be cash equivalents. All cash deposits are held by one financial institution and therefore are subject to the credit risk at that financial institution. The Company has not experienced any losses in such accounts and does not believe there to be any significant credit risk with respect to these deposits.

**Income Taxes**

The Company has elected to be taxed as an S corporation under the Internal Revenue Code. A similar election was made for state tax purposes. Net income is directly taxable to the shareholder of the Company for federal and state purposes. The Company is subject to New York City corporation taxes.

**Due from Broker**

Due from broker consists of cash and net amounts receivable for unsettled security transactions.

**Securities**

Proprietary securities transactions and related expenses are recorded on a trade-date basis.

Fair Value Measurement guidance establishes a hierarchy that prioritizes the inputs to valuation techniques giving the highest priority to readily available unadjusted quoted prices in active markets for identical assets (Level I measurements) and the lowest priority to unobservable inputs (Level III measurements) when market prices are not readily available or reliable. The three levels of hierarchy are described below:

**Level I** - Quoted prices are available in active markets for identical securities as of the reporting date. The types of investments which would generally be included in Level I include listed equities and listed derivatives. As required by GAAP, the Company does not adjust the quoted prices for these investments, even in a situation where the Company holds a large position and a purchase or sale could reasonably impact the quoted price.

**Sunrise Securities Corp.**  
**Notes to Statement of Financial Condition**  
**December 31, 2009**

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**2. Summary of Significant Accounting Policies (continued)**

**Securities (continued)**

**Level II** - Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. The types of investments which would generally be included in this category include less liquid and restricted equity securities and certain over-the-counter derivatives.

**Level III** - Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation. The types of investments which would generally be included in this category include equity and/or debt securities issued by private entities.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. Management's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment.

Securities are classified within Level III of the fair value hierarchy because they trade infrequently (or not at all) and therefore have little or no readily available pricing. Unobservable inputs are used to measure fair value to the extent that observable inputs are not available. Securities for which market prices are not readily available are valued at such value as management may reasonably determine in good faith to be its fair value, in consideration of either earnings, financial condition of the companies or recent equity transactions by a significant investor and other investment criteria.

The following table presents the Company's fair value hierarchy for securities owned as of December 31, 2009:

	<b>Level I</b>	<b>Level II</b>	<b>Level III</b>	
<b>Securities owned at fair value:</b>	<b>Quoted prices in active markets for identical assets</b>	<b>Significant other observable inputs</b>	<b>Unobservable inputs</b>	<b>Balance as of 12/31/09</b>
Equities	\$ 37,599	\$ 187,434	\$ 4,983,836	\$ 5,208,869
Warrants and options		135,899	11,932	147,831
U. S. Treasury	1,082,957			1,082,957
Other		84,802		84,802
	<u>\$ 1,120,556</u>	<u>\$ 408,135</u>	<u>\$ 4,995,768</u>	<u>\$ 6,524,459</u>

**Securities sold, not yet purchased,  
at fair value:**

Equities	<u>\$ 33,476</u>	<u>\$ 33,476</u>
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**Sunrise Securities Corp.**  
**Notes to Statement of Financial Condition**  
**December 31, 2009**

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**3. Income Taxes**

Income taxes are accounted for under the asset and liability method. 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 and for net operating loss carryforwards. 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 settled or recovered. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

At December 31, 2009, management has determined that the Company had no uncertain tax positions that would require financial statement recognition and there are currently no income tax returns under audit. The Company is no longer subject to U.S. federal and state income tax audits for periods prior to 2006.

Deferred taxes consist of the following at December 31, 2009:

	<u>Assets</u>
Net operating loss carryover	\$ 1,102,000
Unrealized gain on investment securities owned	(14,000)
Charitable contribution carryover	<u>573,000</u>
	1,661,000
Valuation Allowance	<u>(1,661,000)</u>
	<u>\$ 0</u>

At December 31, 2009, the Company had approximately \$6,478,000 of charitable contribution carryovers that expire between 2010 and 2014 and approximately \$12,447,000 of net operating loss carryovers which expire in 2029.

The change in the valuation allowance from 2008 amounts to an increase of \$253,000.

**4. Regulatory Requirements**

The Company is subject to SEC Uniform Net Capital Rule 15c3-1 under the Securities Exchange Act of 1934, which requires the maintenance of minimum net capital, as defined. The Company has elected to compute its net capital under the alternative method allowed by these rules. At December 31, 2009, the Company had net capital of approximately \$2,700,000 as compared to net capital requirements of \$250,000.

The Company is exempt from the provisions of Rule 15c3-3 under the Securities Exchange Act of 1934 as the Company's activities are limited to clearing all transactions with and for customers on a fully disclosed basis with a clearing broker.

**Sunrise Securities Corp.**  
**Notes to Statement of Financial Condition**  
**December 31, 2009**

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**5. Off-Balance-Sheet-Risk and Concentration of Risk**

As a nonclearing broker, the Company has its customers' transactions cleared through another broker/dealer pursuant to a clearance agreement. Nonperformance by its customers in fulfilling their contractual obligations to the clearing broker may expose the Company to risk and potential loss. The Company regularly monitors the activity in its customer accounts for compliance with margin requirements. The Company utilizes a clearing broker that is a member of major securities exchanges.

In the normal course of business, the Company enters into transactions in various financial instruments with off-balance-sheet risk. Off-balance-sheet risks include both market and credit risk, which may be in excess of the amounts recognized in the statement of financial condition.

Unexpected volatility or illiquidity in the markets in which the Company holds positions could cause losses to be incurred.

Market risk represents the potential loss that can be caused by increases or decreases in the fair value of the Company's investments due to market fluctuation.

Liquidity risk is the risk that the Company will not be able to sell investments quickly or at close to fair value.

The Company's securities owned are held in custodial accounts by its clearing broker. In addition, the Company is due \$1,411,198 from its clearing broker.

**6. Derivative Instruments**

The Company may receive warrants and options (derivative instruments) as compensation in connection with its business activities. Such instruments held at December 31, 2009 are included in securities owned, not readily marketable, in the statement of financial condition.

**7. Subsequent Events**

Management has evaluated events through March 24, 2010, the date that this financial statement was available to be issued.