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

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

SEC Mail Process  
Section

MAY 11 2010  
Washington, DC

SEC FILE NUMBER
8-801-41928

8-36916

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: VAUGHAN & COMPANY SECURITIES, INC.

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

68 PASSAIC STREET

(No. and Street)

RIDGEBWOOD

NJ

(City)

(State)

07450

(Zip Code)

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

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

ALBANESE, MICHAEL F.

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

18 LISA COURT

(Address)

PARSIPPANY

(City)

NJ

(State)

07054

(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)

SEC 1410 (06-02)

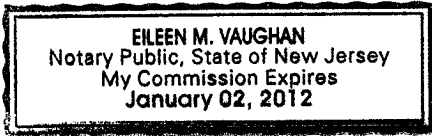
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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5/13

OATH OR AFFIRMATION

I, JAMES D. VAUGHAN, III, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of VAUGHAN + COMPANY SECURITIES, INC., 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:



James D. Vaughan  
Signature

CEO

Title

Eileen M. Vaughan  
Notary Public

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).

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

FOCUS REPORT

(FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT)

PART IIA 12

FORM  
X-17A-5

(Please read instructions before preparing Form)

This report is being filed pursuant to (Check Applicable Block(s)):

1) Rule 17a-5(a) 16

2) Rule 17a-5(b) 17

3) Rule 17a-11 18

4) Special request by designated examining authority 19

5) Other 26

NAME OF BROKER-DEALER

SEC. FILE NO.

VAUGHAN AND COMPANY SECURITIES, INC. 13

8-36916 14

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

FIRM ID NO.

18826 15

38 PASSAIC STREET 20

FOR PERIOD BEGINNING (MM/DD/YY)

(No. and Street)

10/01/09 24

AND ENDING (MM/DD/YY)

RIDGEWOOD 21 NJ 22 07450-9998 23

12/31/09 25

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT (Area code) - Telephone No.

30

31

NAME(S) OF SUBSIDIARIES OR AFFILIATES CONSOLIDATED IN THIS REPORT

OFFICIAL USE

32

33

34

35

36

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DOES RESPONDENT CARRY ITS OWN CUSTOMER ACCOUNTS ?

YES 40

NO X 41

CHECK HERE IF RESPONDENT IS FILING AN AUDITED REPORT

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EXECUTION:

The registrant/broker or dealer submitting this Form and its attachments and the person(s) by whom it is executed represent hereby that all information contained therein is true, correct and complete. It is understood that all required items, statements, and schedules are considered integral parts of this Form and that the submission of any amendment represents that all unamended items, statements and schedules remain true, correct and complete as previously submitted.

Dated the \_\_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_\_

Manual Signatures of:

1) \_\_\_\_\_  
Principal Executive Officer or Managing Partner

2) \_\_\_\_\_  
Principal Financial Officer or Partner

3) \_\_\_\_\_  
Principal Operations Officer or Partner

ATTENTION - Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C. 78:f (a) )

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART IIA

<b>BROKER OR DEALER</b> VAUGHAN AND COMPANY SECURITIES, INC.	N	3									
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**STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING AND CERTAIN OTHER BROKERS OR DEALERS**

as of (MM/DD/YY) 12/31/09 99

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Consolidated  198

Unconsolidated  199

ASSETS

	<u>Allowable</u>	<u>Non-Allowable</u>	<u>Total</u>
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Cash	\$	8,807	200	\$	8,807	750
<b>Receivables from brokers or dealers:</b>						
A. Clearance account						
		61,635	295			
B. Other						
		133,685	300	\$	550	195,320
<b>Receivables from non-customers</b>						
			355		600	830
<b>Securities and spot commodities owned, at market value:</b>						
A. Exempted securities						
			418			
B. Debt securities						
			419			
C. Options						
			420			
D. Other securities						
			424			
E. Spot commodities						
						850
<b>Securities and/or other investments not readily marketable:</b>						
A. At cost						
	\$		130			
B. At estimated fair value						
			440		610	860
<b>Securities borrowed under subordination agreements and partners' individual and capital securities accounts, at market value:</b>						
			460		630	880
A. Exempted securities						
	\$		150			
B. Other securities						
	\$		160			
<b>Secured demand notes:</b>						
			470		640	890
<b>Market value of collateral:</b>						
A. Exempted securities						
	\$		170			
B. Other securities						
	\$		180			
<b>Memberships in exchanges:</b>						
A. Owned, at market						
	\$		190			
B. Owned, at cost						
					650	
C. Contributed for use of the company, at market value						
					660	900
<b>Investment in and receivables from affiliates, subsidiaries and associated partnerships</b>						
			480		670	910
<b>Property, furniture, equipment, leasehold improvements and rights under lease agreements, at cost-net of accumulated depreciation and amortization.</b>						
			490		680	920
<b>Other assets</b>						
			535		735	930
<b>2. Total Assets</b>	\$	204,127	540	\$	740	\$ 204,127
						940

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA**

**BROKER OR DEALER**

VAUGHAN AND COMPANY SECURITIES, INC.

as of

12/31/09

**STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING,  
NONCLEARING AND CERTAIN OTHER BROKERS OR DEALERS  
LIABILITIES AND OWNERSHIP EQUITY**

<u>Liabilities</u>	<u>A.I. Liabilities</u>	<u>Non-A.I. Liabilities</u>	<u>Total</u>
13. Bank loans payable	\$ 1045	\$ 1255	\$ 1470
14. Payable to brokers or dealers:			
A. Clearance account	1114	1315	1560
B. Other	1115	1305	1540
15. Payable to non-customers	1155	1355	1610
16. Securities sold not yet purchased, at market value		1360	1620
17. Accounts payable, accrued liabilities, expenses and other	99,385 1205	1385	99,385 1685
18. Notes and mortgages payable:			
A. Unsecured	1210		1690
B. Secured	1211	1390	1700
19. Liabilities subordinated to claims of general creditors:			
A. Cash borrowings:			
1. from outsiders	\$ 970		1710
2. Includes equity subordination (15c3-1(d)) of	\$ 980		
B. Securities borrowings, at market value from outsiders		\$ 1410	1720
C. Pursuant to secured demand note collateral agreements		1420	1730
1. from outsiders	\$ 1000		
2. includes equity subordination (15c3-1(d)) of	\$ 1010		
D. Exchange memberships contributed for use of company, at market value		1430	1740
E. Accounts and other borrowings not qualified for net capital purposes	1220	1440	1750
20. TOTAL LIABILITIES	\$ 99,385 1230	\$ 1450	\$ 99,385 1760

Ownership Equity

21. Sole proprietorship			\$ 1770
22. Partnership (limited partners)	\$ 1020		1780
23. Corporation:			
A. Preferred stock			1791
B. Common stock		30,000	1792
C. Additional paid-in capital			1793
D. Retained earnings		74,742	1794
E. Total		104,742	1795
F. Less capital stock in treasury			( ) 1796
24. TOTAL OWNERSHIP EQUITY			\$ 104,742 1800
25. TOTAL LIABILITIES AND OWNERSHIP EQUITY			\$ 204,127 1810

OMIT PENNIES

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA**

<b>BROKER OR DEALER</b> VAUGHAN AND COMPANY SECURITIES, INC.	as of	<u>12/31/09</u>
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**COMPUTATION OF NET CAPITAL**

1. Total ownership equity from Statement of Financial Condition .....	\$	104,742	3480
2. Deduct ownership equity not allowable for Net Capital .....			3490
3. Total ownership equity qualified for Net Capital .....		104,742	3500
4. Add:			
A. Liabilities subordinated to claims of general creditors allowable in computation of net capital .....			3520
B. Other (deductions) or allowable credits (List) .....			3525
5. Total capital and allowable subordinated liabilities .....	\$	104,742	3530
3. Deductions and/or charges:			
A. Total non-allowable assets from			
Statement of Financial Condition (Notes B and C) .....	\$		3540
B. Secured demand note deficiency .....			3590
C. Commodity futures contracts and spot commodities- proprietary capital charges .....			3600
D. Other deductions and/or charges .....			3610
7. Other additions and/or allowable credits (List) .....			3630
3. Net Capital before haircuts on securities positions .....	\$	104,742	3640
3. Haircuts on securities (computed, where applicable, pursuant to 15c3-1(f)) :			
A. Contractual securities commitments .....	\$		3660
B. Subordinated securities borrowings .....			3670
C. Trading and investment securities:			
1. Exempted securities .....			3735
2. Debt securities .....			3733
3. Options .....			3730
4. Other securities .....			3734
D. Undue concentration .....			3650
E. Other (List) .....			3736
10. Net Capital .....	\$	104,742	3750

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**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA**

**BROKER OR DEALER**

VAUGHAN AND COMPANY SECURITIES, INC.

as of

12/31/09

**COMPUTATION OF BASIC NET CAPITAL REQUIREMENT**

**Part A**

11. Minimum net capital required (6-2/3% of line 19)	\$	6,626	<u>3756</u>
12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	\$	5,000	<u>3758</u>
13. Net capital requirement (greater of line 11 or 12)	\$	6,626	<u>3760</u>
14. Excess net capital (line 10 less 13)	\$	98,116	<u>3770</u>
15. Net capital less greater of 10% of line 19 or 120% of line 12	\$	94,804	<u>3780</u>

**COMPUTATION OF AGGREGATE INDEBTEDNESS**

16. Total A.I. liabilities from Statement of Financial Condition	\$	99,385	<u>3790</u>
17. Add:			
A. Drafts for immediate credit	\$		<u>3800</u>
B. Market value of securities borrowed for which no equivalent value is paid or credited	\$		<u>3810</u>
C. Other unrecorded amounts (List)	\$		<u>3820</u>
19. Total aggregate indebtedness	\$	99,385	<u>3840</u>
20. Percentage of aggregate indebtedness to net capital (line 19 divided by line 10)	%	94.89	<u>3850</u>
21. Percentage of debt to debt-equity total computed in accordance with Rule 15c-3-1(d)	%	0.00	<u>3860</u>

**COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT**

**Part B**

22. 2% of combined aggregate debit items as shown in Formula for Reserve Requirements pursuant to Rule 15c3-3 prepared as of the date of net capital computation including both brokers or dealers and consolidated subsidiaries' debits	\$		<u>3870</u>
23. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	\$		<u>3880</u>
24. Net capital requirement (greater of line 22 or 23)	\$		<u>3760</u>
25. Excess net capital (line 10 less 24)	\$		<u>3910</u>
26. Net capital in excess of the greater of:			
5% of combined aggregate debit items or 120% of minimum net capital requirement	\$		<u>3920</u>

**NOTES:**

(A) The minimum net capital requirement should be computed by adding the minimum dollar net capital requirement of the reporting broker dealer and, for each subsidiary to be consolidated, the greater of:

1. Minimum dollar net capital requirement, or
2. 6-2/3% of aggregate indebtedness or 4% of aggregate debits if alternative method is used.

(B) Do not deduct the value of securities borrowed under subordination agreements or secured demand notes covered by subordination agreements not in satisfactory form and the market values of the memberships in exchanges contributed for use of company (contra to item 1740) and partners' securities which were included in non-allowable assets.

(C) For reports filed pursuant to paragraph (d) of Rule 17a-5, respondent should provide a list of material non-allowable assets.

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA**

**BROKER OR DEALER**

VAUGHAN AND COMPANY SECURITIES, INC.

For the period (MMDDYY) from 10/01/09 3932 to 12/31/09 3933  
 Number of months included in this statement                      3931

REVENUE	STATEMENT OF INCOME (LOSS)	
1. Commissions:		
a. Commissions on transactions in exchange listed equity securities executed on an exchange	\$ 52,713	<u>3935</u>
b. Commissions on listed option transactions		<u>3938</u>
c. All other securities commissions	45,398	<u>3939</u>
d. Total securities commissions	98,111	<u>3940</u>
2. Gains or losses on firm securities trading accounts		
a. From market making in options on a national securities exchange		<u>3945</u>
b. From all other trading		<u>3949</u>
c. Total gain (loss)		<u>3950</u>
3. Gains or losses on firm securities investment accounts		
4. Profits (losses) from underwriting and selling groups		<u>3955</u>
5. Revenue from sale of investment company shares		<u>3970</u>
6. Commodities revenue		<u>3990</u>
7. Fees for account supervision, investment advisory and administrative services	166,429	<u>3975</u>
8. Other revenue	5,097	<u>3995</u>
9. Total revenue	\$ 269,637	<u>4030</u>

EXPENSES		
10. Salaries and other employment costs for general partners and voting stockholder officers	40,100	<u>4120</u>
11. Other employee compensation and benefits	67,199	<u>4115</u>
12. Commissions paid to other brokers-dealers		<u>4140</u>
13. Interest expense		<u>4075</u>
a. Includes interest on accounts subject to subordination agreements	<u>4070</u>	
14. Regulatory fees and expenses		<u>4195</u>
15. Other expenses	138,228	<u>4100</u>
16. Total expenses	\$ 245,527	<u>4200</u>

NET INCOME		
17. Net Income (loss) before Federal income taxes and items below (Item 9 less Item 16)	\$ 24,110	<u>4210</u>
18. Provision for Federal income taxes (for parent only)		<u>4220</u>
19. Equity in earnings (losses) of unconsolidated subsidiaries not included above		<u>4222</u>
a. After Federal income taxes of	<u>4238</u>	
20. Extraordinary gains (losses)		<u>4224</u>
a. After Federal income taxes of	<u>4239</u>	
21. Cumulative effect of changes in accounting principles		<u>4225</u>
22. Net income (loss) after Federal income taxes and extraordinary items	\$ 24,110	<u>4230</u>

MONTHLY INCOME		
23. Income (current month only) before provision for Federal Income taxes and extraordinary items	32,405	<u>4211</u>



**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA**

**BROKER OR DEALER**

VAUGHAN AND COMPANY SECURITIES, INC.

For the period (MMDDYY) from 10/01/09 to 12/31/09

**STATEMENT OF CHANGES IN OWNERSHIP EQUITY  
(SOLE PROPRIETORSHIP, PARTNERSHIP OR CORPORATION)**

Balance, beginning of period	.....	\$	100,632	<u>4240</u>
A. Net income (loss)	.....		24,110	<u>4250</u>
B. Additions (includes non-conforming capital of	.....	\$	<u>4262</u>	) <u>4260</u>
C. Deductions (includes non-conforming capital of	.....	\$	<u>4272</u>	) <u>4270</u>
Balance, end of period (from item 1800)	.....	\$	104,742	<u>4290</u>

**STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED  
TO CLAIMS OF GENERAL CREDITORS**

Balance, beginning of period	.....	\$		<u>4300</u>
A. Increases	.....			<u>4310</u>
B. Decreases	.....			<u>4320</u>
Balance, end of period (from item 3520)	.....	\$		<u>4330</u>

OMIT PENNIES

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA**

<b>BROKER OR DEALER</b> VAUGHAN AND COMPANY SECURITIES, INC.	as of <u>12/31/09</u>
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**Exemptive Provision Under Rule 15c3-3**

5. If an exemption from Rule 15c3-3 is claimed, identify below the section upon which such exemption is based :

- A. (k) (1) - Limited business (mutual funds and/or variable annuities only) ..... \$ 4550
- B. (k) (2) (i) - "Special Account for the Exclusive Benefit of customers" maintained ..... 4560
- C. (k) (2) (ii) - All customer transactions cleared through another broker-dealer on a fully disclosed basis.  
Name(s) of Clearing Firm(s) - Please separate multiple names with a semi-colon  
Pershing, LLC 4335 X 4570
- D. (k) (3) - Exempted by order of the Commission ..... 4580

**Ownership Equity and Subordinated Liabilities maturing or proposed to be  
withdrawn within the next six months and accruals, (as defined below),  
which have not been deducted in the computation of Net Capital.**

Type of Proposed Withdrawal or Accrual (See below for code to enter)	Name of Lender or Contributor	Insider or Outsider ? (In or Out)	Amount to be with- drawn (cash amount and/or Net Capital Value of Securities)	(MMDDYY) Withdrawal or Maturity Date	Expect to Renew (Yes or No)
<u>4600</u>	<u>4601</u>	<u>4602</u>	<u>4603</u>	<u>4604</u>	<u>4605</u>
<u>4610</u>	<u>4611</u>	<u>4612</u>	<u>4613</u>	<u>4614</u>	<u>4615</u>
<u>4620</u>	<u>4621</u>	<u>4622</u>	<u>4623</u>	<u>4624</u>	<u>4625</u>
<u>4630</u>	<u>4631</u>	<u>4632</u>	<u>4633</u>	<u>4634</u>	<u>4635</u>
<u>4640</u>	<u>4641</u>	<u>4642</u>	<u>4643</u>	<u>4644</u>	<u>4645</u>
<u>4650</u>	<u>4651</u>	<u>4652</u>	<u>4653</u>	<u>4654</u>	<u>4655</u>
<u>4660</u>	<u>4661</u>	<u>4662</u>	<u>4663</u>	<u>4664</u>	<u>4665</u>
<u>4670</u>	<u>4671</u>	<u>4672</u>	<u>4673</u>	<u>4674</u>	<u>4675</u>
<u>4680</u>	<u>4681</u>	<u>4682</u>	<u>4683</u>	<u>4684</u>	<u>4685</u>
<u>4690</u>	<u>4691</u>	<u>4692</u>	<u>4693</u>	<u>4694</u>	<u>4695</u>
<b>TOTAL</b>			<b>\$ <u>4699</u></b>		

OMIT PENNIES

Instructions: Detail listing must include the total of items maturing during the six month period following the report date, regardless of whether or not the capital contribution is expected to be renewed. The schedule must also include proposed capital withdrawals scheduled within the six month period following the report date including the proposed redemption of stock and payments of liabilities secured by fixed assets (which are considered allowable assets in the capital computation pursuant to Rule 15c3-1(c) (2) (iv)), which could be required by the lender on demand or in less than six months.

WITHDRAWAL CODE:	DESCRIPTION
1.	Equity Capital
2.	Subordinated Liabilities
3.	Accruals
4.	15c3-1(c) (2) (iv) Liabilities



**VAUGHAN & CO. SECURITIES, INC.**

*Financial Services To Small Business Owners, Professionals, and their Families for Generations*

68 PASSAIC STREET · RIDGEWOOD, NEW JERSEY 07450

1-201-444-1361 · FAX 1-201-670-1352

E-MAIL: MAIN@VAUGHANANDCO.COM

WEBSITE: WWW.VAUGHANANDCO.COM

May 6, 2010

**SIPC Supplement Report**

**2009 Schedule of Payments**

Form SIPC – 4      \$150. paid February 5, 2009

Form SIPC – 6      \$452.08 paid July 29, 2009

Payments remitted to:

SIPC  
800 15<sup>th</sup> Street N.W.  
Suite 800  
Washington, DC 20005-2215

Paul G. Brady  
Compliance Officer

***Independent Accountants' Report on Applying Agreed-Upon Procedures  
Related to an Entity's SIPC Assessment Reconciliation***

To the Board of Directors of Vaughan & Co. Securities, Inc.  
68 Passaic Street  
Ridgewood, NJ 07450

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, I have performed the procedures enumerated below with respect to the accompanying Schedule of Assessment and Payments [Transitional Assessment Reconciliation (Form SIPC-7T)] to the Securities Investor Protection Corporation (SIPC) for the period from April 1, 2009 to December 31, 2009, which were agreed to by Vaughan & Co. Securities, Inc. the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc. and SIPC solely to assist you and the other specified parties in evaluating Vaughan & Co. Securities, Inc.'s compliance with the applicable instructions of the Transitional Assessment Reconciliation (Form SIPC-7T). Vaughan & Co. Securities, Inc.'s management is responsible for the compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures I performed and my findings are as follows:

1. I compared the listed assessment payments in Form SIPC-7T with respective cash disbursement records entries. There were two payments made to SIPC that were included in the calculation. There were no material differences to report.
2. I compared the Total Revenue amounts of the audited Form X-17A-5 for the year ended December 31, 2009 less revenues reported on the FOCUS reports for the period from January 1, 2009 to March 31, 2009, as applicable, with the amounts reported in Form SIPC-7T for the period from April 1, 2009 to December 31, 2009 noting no material differences.
3. There were no adjustments reported in Form SIPC-7T .
4. I proved the arithmetical accuracy of the calculations reflected in Form SIPC-7T and in the related schedules and working papers. Payments to SIPC were traced to the general ledger and the copies of the cleared checks were also included in the work papers.

I was not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

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

May 5, 2010



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**Michael F. Albanese, CPA**  
**Parsippany, NJ 07054**