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

OMB APPROVAL  
OMB Number: 3235-0123  
Expires: February 28, 2010  
Estimated average burden  
hours per response... 12.00

**ANNUAL AUDITED REPORT**  
**FORM X-17A-5** SEC Mail Processing  
**PART III** Section

SEC FILE NUMBER  
8- 67877

FACING PAGE

MAY 28 2010

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 October 7, 2008 AND ENDING December 31, 2009  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: StockShield, Inc.

OFFICIAL USE ONLY  
FIRM I.D. NO.

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

1801 Century Park East Suite 1560

(No. and Street)

Los Angeles, CA 90067

(City)

(State)

(Zip Code)

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

Brian Yolles (310)203-8844

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Whittlesey & Hadley, P.C.

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

147 Charter Oak Avenue, Hartford, CT 06106

(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)

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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OATH OR AFFIRMATION

I, Brian Yolles, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of StockShield, 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:

None

Brian Yolles  
Signature

CEO  
Title

*see attached  
notarial  
certificate.*

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).

# CALIFORNIA JURAT WITH AFFIANT STATEMENT

- See Attached Document (Notary to cross out lines 1-6 below)  
 See Statement Below (Lines 1-5 to be completed only by document signer[s], not Notary)

1 \_\_\_\_\_  
2 \_\_\_\_\_  
3 \_\_\_\_\_  
4 \_\_\_\_\_  
5 \_\_\_\_\_  
6 \_\_\_\_\_

Signature of Document Signer No. 1 \_\_\_\_\_ Signature of Document Signer No. 2 (if any) \_\_\_\_\_

State of California

County of Los Angeles

Subscribed and sworn to (or affirmed) before me on this

20 day of May, 2010 by  
Date Month Year

(1) Brian Yolles  
Name of Signer

proved to me on the basis of satisfactory evidence to be the person who appeared before me (.) (.)

(and

(2) \_\_\_\_\_  
Name of Signer

proved to me on the basis of satisfactory evidence to be the person who appeared before me.)

Signature Moryah T. Patron  
Signature of Notary Public



Place Notary Seal Above

## OPTIONAL

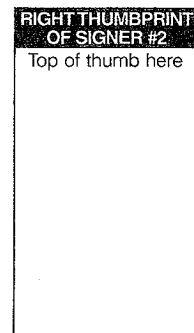
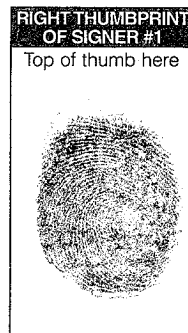
Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

### Further Description of Any Attached Document

Title or Type of Document: Facing Page Form X-17A-5  
Part III

Document Date: May 20, 2010 Number of Pages: 2

Signer(s) Other Than Named Above: NA



## **NOTE 2 – NET CAPITAL AND OTHER REGULATORY REQUIREMENTS**

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. As of December 31, 2009, the Company's regulatory net capital of \$51,926 exceeded required net capital by \$46,926. Aggregate indebtedness was \$16,429, resulting in a ratio of aggregate indebtedness to net capital of approximately 0.32 to 1.

The Company does not carry securities accounts for customers or perform custodial functions relating to customer securities and, therefore is exempt from the provisions of the Securities and Exchange Commission's Rule 15c3-3 under Paragraph (k)(2)(i) thereof.

## **NOTE 3 – RELATED PARTY**

The Company is the Manager of StockShield, LLC, a Delaware limited liability company formed to sell membership interests to investors for the purpose of having the proceeds of such sale held in escrow by Wells Fargo Bank, N.A., for a period of five years. At the end of the five-year term, StockShield, LLC will be dissolved and liquidated, with the assets distributed as set forth in the LLC Agreement. For its services, the Company is paid an annual administrative fee equal to 0.50% of the initial stock value protected by membership interests sold to investors.

## **NOTE 4 – LOANS PAYABLE**

On October 7, 2008 the Company entered into unsecured subordinated loan agreements with four of the shareholders at 10% interest with principal and interest due December 31, 2011. Principal and accrued interest at December 31, 2009 is \$733,011 and \$97,735, respectively. Of the accrued interest \$9,882 is separately stated on the balance sheet as it is not included in the net capital calculation. The loan agreements have been approved by Financial Industry Regulatory Authority (FINRA) and require prior written approval from FINRA before any repayment can be made.

STOCKSHIELD, INC.  
Statement of Changes in Subordinated Borrowings  
December 31, 2009

Subordinated borrowings at October 6, 2008	\$ 738,502
Increases:	
Issuance of subordinated notes	-
Accrued interest payable	82,362
Decreases:	
Payments of subordinated notes	<u>-</u>
Subordinated borrowings at December 31, 2009	<u><u>\$ 820,864</u></u>