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FORM X-17A-5  
PART III

OMB APPROVAL	
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SEC FILE NUMBER
8- 35565

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 01/01/2009 AND ENDING 12/31/2009  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Raphael Aryeh and Associates

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

141-51 72nd Crescent

(No. and Street)

Flushing

New York

11367

(City)

(State)

(Zip Code)

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

Raphael Aryeh

(718) 263-4852

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

Mr. David Korn

38 Niles Place

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

New York

10314

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

Certified Public Accountant

Public Accountant

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

SEC / TM

20 FEB 23 PM 12:15

RECEIVED

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.

## OATH OR AFFIRMATION

I, Raphael Aryeh, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Raphael Aryeh and Associates, as of 12/31/, 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

Raphael Aryeh

Signature

General Partner

Title

Granville McCallum 2/16/10  
Notary Public



GRANVILLE MCCALLUM  
NOTARY PUBLIC - STATE OF NEW YORK  
NO. 01MC6163404  
QUALIFIED IN KINGS COUNTY  
MY COMMISSION EXPIRES MARCH 26, 2011

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. (Statement of Cash Flow)
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's 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-3(e)(3).

**FORM  
X-17A-5**

**FOCUS REPORT**

OMB No. 3235-0123  
(5-31-87)

(Financial and Operational Combined Uniform Single Report)

**PART IIA** 12

3/88

(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

RAPHAEL ARYEH AND ASSOCIATES 13

ADDRESS OF PRINCIPAL PLACE OF BUSINESS (Do Not Use P.O. Box No.)

141-51 72nd Crescent 20  
(No. and Street)

Flushing 21 New York 22 11367 23  
(City) (State) (Zip Code)

SEC FILE NO.

8-35565 14

FIRM ID. NO.

17858 15

FOR PERIOD BEGINNING (MM/DD/YY)

01/01/2009 24

AND ENDING (MM/DD/YY)

12/31/2009 25

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

Raphael Aryeh 30

(Area Code)—Telephone No.

(718) 263-4852 31

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

- \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_
- 32  
34  
36  
38

- OFFICIAL USE 33  
 \_\_\_\_\_ 35  
 \_\_\_\_\_ 37  
 \_\_\_\_\_ 39

DOES RESPONDENT CARRY ITS OWN CUSTOMER ACCOUNTS? YES  40 NO  41  
 CHECK HERE IF RESPONDENT IS FILING AN AUDITED REPORT  42

**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 February day of 18 2010

Manual signatures of:

- 1) Raphael Aryeh  
Principal Executive Officer or Managing Partner
- 2) Same  
Principal Financial Officer or Partner
- 3) Same  
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))

TO BE COMPLETED WITH THE ANNUAL AUDIT REPORT ONLY:

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report

Name (If individual, state last, first, middle name)

Mr. David Korn

70

ADDRESS      Number and Street      City      State      Zip Code  
 38 Niles Place      Staten Island      N.Y.      10314

71

72

73

74

Check One

( X ) Certified Public Accountant

75

FOR SEC USE

( ) Public Accountant

76

( ) Accountant not resident in United States or  
 any of its possessions

77

DO NOT WRITE UNDER THIS LINE . FOR SEC USE ONLY

WORK LOCATION	REPORT DATE MM/DD/YY	DOC. SEQ. NO	CARD				

50

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

**BROKER OR DEALER**

**RAPHAEL ARYEH AND ASSOCIATES**

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 .....	4,117 1205	1385	4,117 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		
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 .....	\$ 4,117 1230	\$ 1450	\$ 4,117 1760
 <u>Ownership Equity</u>			
21. Sole proprietorship .....			\$ 1770
22. Partnership (limited partners) .....	\$ 127,571 1020		127,571 1780
23. Corporation:			
A. Preferred stock .....			1791
B. Common stock .....			1792
C. Additional paid-in capital .....			1793
D. Retained earnings .....			1794
E. Total .....			1795
F. Less capital stock in treasury .....			( ) 1796
24. TOTAL OWNERSHIP EQUITY .....			\$ 127,571 1800
25. TOTAL LIABILITIES AND OWNERSHIP EQUITY .....			\$ 131,688 1810

OMIT PENNIES

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA

BROKER OR DEALER  
RAPHAEL ARYEH AND ASSOCIATES

as of 12/31/09

COMPUTATION OF NET CAPITAL

1. Total ownership equity from Statement of Financial Condition .....	\$	127,571	3480
2. Deduct ownership equity not allowable for Net Capital .....			3490
3. Total ownership equity qualified for Net Capital .....		127,571	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 .....	\$	127,571	3530
6. Deductions and/or charges:			
A. Total non-allowable assets from			
Statement of Financial Condition (Notes B and C) .....	\$	19,980	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
		( 19,980 )	3620
7. Other additions and/or allowable credits (List) .....			3630
8. Net Capital before haircuts on securities positions .....	\$	107,591	3640
9. 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 .....		848	3734
D. Undue concentration .....			3650
E. Other (List) .....			3736
		( 848 )	3740
10. Net Capital .....	\$	106,743	3750

OMIT PENNIES

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

<b>BROKER OR DEALER</b> RAPHAEL ARYEH AND ASSOCIATES	as of <u>12/31/09</u>
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**COMPUTATION OF BASIC NET CAPITAL REQUIREMENT**

**Part A**

11. Minimum net capital required (6-2/3% of line 19)	\$	274	3756
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	3758
13. Net capital requirement (greater of line 11 or 12)	\$	5,000	3760
14. Excess net capital (line 10 less 13)	\$	101,743	3770
15. Excess net capital at 1000% (line 10 less 10% of line 19)	\$	100,743	3780

**COMPUTATION OF AGGREGATE INDEBTEDNESS**

16. Total A.I. liabilities from Statement of Financial Condition	\$	4,117	3790
17. Add:			
A. Drafts for immediate credit	\$	3800	
B. Market value of securities borrowed for which no equivalent value is paid or credited	\$	3810	
C. Other unrecorded amounts (List)	\$	3820	3830
19. Total aggregate indebtedness	\$	4,117	3840
20. Percentage of aggregate indebtedness to net capital (line 19 divided by line 10)	%	3.86	3850
21. Percentage of debt to debt-equity total computed in accordance with Rule 15c-3-1(d)	%	0.00	3860

**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	\$		3870
23. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	\$		3880
24. Net capital requirement (greater of line 22 or 23)	\$		3760
25. Excess net capital (line 10 less 24)	\$		3910
26. Net capital in excess of the greater of: 5% of combined aggregate debit items or 120% of minimum net capital requirement	\$		3920

**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**

**RAPHAEL ARYEH AND ASSOCIATES**

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

**REVENUE**

**STATEMENT OF INCOME (LOSS)**

1. Commissions:			<span style="border: 1px solid black; padding: 0 2px;">3935</span>
a. Commissions on transactions in exchange listed equity securities executed on an exchange	.....	\$	<span style="border: 1px solid black; padding: 0 2px;">3938</span>
b. Commissions on listed option transactions	.....		<span style="border: 1px solid black; padding: 0 2px;">3939</span>
c. All other securities commissions	.....		<span style="border: 1px solid black; padding: 0 2px;">3940</span>
d. Total securities commissions	.....		<span style="border: 1px solid black; padding: 0 2px;">3940</span>
2. Gains or losses on firm securities trading accounts			<span style="border: 1px solid black; padding: 0 2px;">3945</span>
a. From market making in options on a national securities exchange	.....		<span style="border: 1px solid black; padding: 0 2px;">3949</span>
b. From all other trading	.....		<span style="border: 1px solid black; padding: 0 2px;">3950</span>
c. Total gain (loss)	.....		<span style="border: 1px solid black; padding: 0 2px;">3952</span>
3. Gains or losses on firm securities investment accounts	.....		<span style="border: 1px solid black; padding: 0 2px;">3955</span>
4. Profits (losses) from underwriting and selling groups	.....		<span style="border: 1px solid black; padding: 0 2px;">3970</span>
5. Revenue from sale of investment company shares	.....		<span style="border: 1px solid black; padding: 0 2px;">3990</span>
6. Commodities revenue	.....		<span style="border: 1px solid black; padding: 0 2px;">3975</span>
7. Fees for account supervision, investment advisory and administrative services	.....		<span style="border: 1px solid black; padding: 0 2px;">3995</span>
8. Other revenue	.....		<span style="border: 1px solid black; padding: 0 2px;">4030</span>
9. Total revenue	.....	\$	<span style="border: 1px solid black; padding: 0 2px;">4030</span>

**EXPENSES**

10. Salaries and other employment costs for general partners and voting stockholder officers			<span style="border: 1px solid black; padding: 0 2px;">4120</span>
11. Other employee compensation and benefits	.....		<span style="border: 1px solid black; padding: 0 2px;">4115</span>
12. Commissions paid to other brokers-dealers	.....		<span style="border: 1px solid black; padding: 0 2px;">4140</span>
13. Interest expense	.....		<span style="border: 1px solid black; padding: 0 2px;">4075</span>
a. Includes interest on accounts subject to subordination agreements	..... <span style="border: 1px solid black; padding: 0 2px;">4070</span>		<span style="border: 1px solid black; padding: 0 2px;">4195</span>
14. Regulatory fees and expenses	.....		<span style="border: 1px solid black; padding: 0 2px;">4100</span>
15. Other expenses	.....		<span style="border: 1px solid black; padding: 0 2px;">4200</span>
16. Total expenses	.....	\$	<span style="border: 1px solid black; padding: 0 2px;">4200</span>

**NET INCOME**

17. Net Income (loss) before Federal income taxes and items below (Item 9 less Item 16)			<span style="border: 1px solid black; padding: 0 2px;">4210</span>
18. Provision for Federal income taxes (for parent only)	.....		<span style="border: 1px solid black; padding: 0 2px;">4220</span>
19. Equity in earnings (losses) of unconsolidated subsidiaries not included above	.....		<span style="border: 1px solid black; padding: 0 2px;">4222</span>
a. After Federal income taxes of	..... <span style="border: 1px solid black; padding: 0 2px;">4238</span>		<span style="border: 1px solid black; padding: 0 2px;">4224</span>
20. Extraordinary gains (losses)	.....		<span style="border: 1px solid black; padding: 0 2px;">4225</span>
a. After Federal income taxes of	..... <span style="border: 1px solid black; padding: 0 2px;">4239</span>		<span style="border: 1px solid black; padding: 0 2px;">4230</span>
21. Cumulative effect of changes in accounting principles	.....		<span style="border: 1px solid black; padding: 0 2px;">4230</span>
22. Net income (loss) after Federal income taxes and extraordinary items	.....	\$	<span style="border: 1px solid black; padding: 0 2px;">4211</span>

**MONTHLY INCOME**

23. Income (current month only) before provision for Federal Income taxes and extraordinary items			<span style="border: 1px solid black; padding: 0 2px;">4211</span>
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FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA

BROKER OR DEALER  
RAPHAEL ARYEH AND ASSOCIATES

For the period (MMDDYY) from 01/01/2009 to 12/31/09

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

1. Balance, beginning of period	.....	\$ 118,629	4240
A. Net income (loss)	.....	20,948	4250
B. Additions (includes non-conforming capital of	..... \$ _____	4262	4260
C. Deductions (includes non-conforming capital of	..... \$ _____	4272	4270
2. Balance, end of period (from item 1800)	.....	\$ 127,571	4290

STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED  
TO CLAIMS OF GENERAL CREDITORS

3. Balance, beginning of period	.....	\$ _____	4300
A. Increases	.....	_____	4310
B. Decreases	.....	_____	4320
4. Balance, end of period (from item 3520)	.....	\$ _____	4330

OMIT PENNIES

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

<b>BROKER OR DEALER</b> RAPHAEL ARYEH AND ASSOCIATES	as of <u>12/31/09</u>
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**Exemptive Provision Under Rule 15c3-3**

25. 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 ..... X 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  
4335 ..... 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>			\$ <u>4699</u>		

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

FORM  
X-17A-5

**FOCUS REPORT**  
(FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT)  
**Schedule I**  
INFORMATION REQUIRED OF BROKERS AND DEALERS PURSUANT TO RULE 17a-5

Report for the Calendar Year 2009   
or if less than 12 months

Report for the period beginning \_\_\_\_\_  and ending \_\_\_\_\_   
MM DD YY MM DD YY

SEC FILE NUMBER  
8-35565

1. NAME OF BROKER DEALER  
RAPHAEL ARYEH AND ASSOCIATES  N 9  
Firm No M M Y Y

2. Name(s) of broker-dealer(s) merging with respondent during reporting period:

NAME : \_\_\_\_\_  OFFICIAL USE ONLY   
NAME : \_\_\_\_\_    
NAME : \_\_\_\_\_    
NAME : \_\_\_\_\_

3. Respondent conducts a securities business exclusively with registered broker-dealers:  
(enter applicable code: 1=Yes 2=No)

4. Respondent is registered as a specialist on a national securities exchange:  
(enter applicable code: 1=Yes 2=No)

5. Respondent makes markets in the following securities:  
(a) equity securities ..... (enter applicable code: 1=Yes 2=No)    
(b) municipals ..... (enter applicable code: 1=Yes 2=No)    
(c) other debt instruments ..... (enter applicable code: 1=Yes 2=No)

6. Respondent is registered solely as a municipal bond dealer:  
(enter applicable code: 1=Yes 2=No)

7. Respondent is an insurance company or an affiliate of an insurance company:  
(enter applicable code: 1=Yes 2=No)

8. Respondent carries its own public customer accounts:  
(enter applicable code: 1=Yes 2=No)

9. Respondent's total number of public customer accounts:  
(carrying firms filing X-17A-5 Part II only)  
(a) Public customer accounts .....    
(b) Omnibus accounts .....

10. Respondent clears its public customer and/or proprietary accounts:  
(enter applicable code: 1=Yes 2=No)

# FOCUS REPORT

## Schedule I

page 2

11. Respondent clears its public customer accounts in the following manner:

(enter a "1" in appropriate boxes)

- (a) Direct Mail (New York Stock Exchange Members Only) .....  8086
- (b) Self-Clearing .....  8087
- (c) Omnibus .....  8088
- (d) Introducing .....  8089
- (e) Other .....  8090

If Other please describe:

- (f) Not applicable .....  1 8091

12.(a) Respondent maintains membership(s) on national securities exchanges(s):

(enter applicable code 1=Yes 2=No)

2 8100

(b) Names of national securities exchange(s) in which respondent maintains memberships:

(enter a "1" in appropriate boxes)

- (1) American .....  8120
- (2) Boston .....  8121
- (3) CBOE .....  8122
- (4) Midwest .....  8123
- (5) New York .....  8124
- (6) Philadelphia .....  8125
- (7) Pacific Coast .....  8126
- (8) Other .....  8129

13. Employees:

(a) Number of full-time employees .....  2 8101

(b) Number of full-time registered representatives employed by respondent included in 13(a) ...  0 8102

14. Number of NASDAQ stocks respondent makes market .....  0 8103

15. Total number of underwriting syndicates respondent was a member .....  0 8104

Carrying or clearing firms filing X-17A Part II)

16. Number of respondent's public customer transactions: Actual .....  8105

Estimate .....  8106

(a) equity securities transactions effected on a national securities exchange .....  0 8107

(b) equity securities transactions effected other than on a national securities exchange .....  0 8108

(c) commodity, bond, option and other transactions effected on or off a national securities exchange .....  0 8109

**FOCUS REPORT**  
**Schedule I**  
**page 3**

17. Respondent is a member of the Securities Investor Protection Corporation  
(enter applicable code 1=Yes 2=No)

18. Number of branch offices operated by respondent .....

19. (a) Respondent directly or indirectly controls, is controlled by, or is under  
common control with , a U.S. bank (enter applicable code 1=Yes 2=No) .....

(b) Name of parent or affiliate \_\_\_\_\_

(c) Type of institution \_\_\_\_\_

20. Respondent is an affiliate or subsidiary of a foreign broker-dealer or bank  
(enter applicable code 1=Yes 2=No)

21. (a) Respondent is a subsidiary of a registered broker-dealer  
(enter applicable code 1=Yes 2=No)

(b) Name of parent \_\_\_\_\_

22. Respondent is a subsidiary of a parent which is not a registered broker or dealer  
(enter applicable code 1=Yes 2=No)

23. Respondent sends quarterly statements to customers pursuant to  
10b-10(b) in lieu of daily or immediate confirmations:  
(enter applicable code 1=Yes 2=No)\*

24. Aggregate Dollar Amount of Non-Exempted OTC Sales of Exchange-Listed  
Securities Done by Respondent During the Reporting Period ..... \$

\*Required in any Schedule I filed for the calendar year 1978 and succeeding years

FINRA Miscellaneous Information	
Annual Municipal Income	\$ <input type="text" value="0"/> <input type="text" value="8151"/>

4:10 PM  
01/03/10  
Accrual Basis

**Raphael Aryeh & Associates**  
**Balance Sheet**  
As of December 31, 2009

	<u>Dec 31, 09</u>		<u>Dec 31, 09</u>
<b>ASSETS</b>			
<b>Current Assets</b>		<b>Total Liabilities</b>	4,116.52
Checking/Savings		<b>Equity</b>	
Citi - Checking	5,816.53	Partner's Net Worth - PA	8,314.98
Citi - Day to Day	<u>67,926.42</u>	Partner's Net Worth - RA	
Total Checking/Savings	<u>73,742.95</u>	Drawings	-111,483.47
Accounts Receivable		Partner's Net Worth - RA - Other	<u>62,575.98</u>
Accounts Receivable	<u>8,882.27</u>	Total Partner's Net Worth - RA	-48,907.49
Total Accounts Receivable	8,882.27	Retained Earnings	147,215.39
Other Current Assets		Net Income	<u>20,948.37</u>
Prepaid Expenses	880.00	Total Equity	<u>127,571.25</u>
Treasury Bills - Cost		<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>131,687.77</u></u>
Change in Market Value	4,741.89		
Treasury Bills - Cost - Other	<u>33,223.11</u>		
Total Treasury Bills - Cost	<u>37,965.00</u>		
Total Other Current Assets	<u>38,845.00</u>		
Total Current Assets	121,470.22		
<b>Fixed Assets</b>			
Building Improvements			
A/D - Building Improvements	-2,407.50		
Building Improvements - Other	<u>2,407.50</u>		
Total Building Improvements	0.00		
Vehicle			
A/D - Vehicle	-13,059.96		
Vehicle - Other	<u>23,277.51</u>		
Total Vehicle	<u>10,217.55</u>		
Total Fixed Assets	<u>10,217.55</u>		
<b>TOTAL ASSETS</b>	<u><u>131,687.77</u></u>		
<b>LIABILITIES &amp; EQUITY</b>			
<b>Liabilities</b>			
Current Liabilities			
Other Current Liabilities			
Accrued expenses	<u>1,137.50</u>		
Total Other Current Liabilities	<u>1,137.50</u>		
Total Current Liabilities	1,137.50		
Long Term Liabilities			
Reserve for Eventuality	<u>2,979.02</u>		
Total Long Term Liabilities	<u>2,979.02</u>		

**Raphael Aryeh & Associates**  
**Profit & Loss**  
**January through December 2009**

4:19 PM  
 01/03/10  
 Accrual Basis

	<u>Jan - Dec 09</u>	<u>Jan - Dec 09</u>
Ordinary Income/Expense		
Income		1,283.25
IARD income	40,086.34	817.00
Service Revenue	16,379.48	1,500.00
Total income	<u>56,465.82</u>	<u>437.55</u>
Gross Profit	56,465.82	437.55
Expense		
Bank Service Charges	121.53	844.05
Business License & Fees	180.00	157.65
Business Promotion	2,919.70	1,001.70
Car/Truck Expense		
Auto Repairs & Maintenance	176.00	
Gas	332.75	
Parking & Tolls	925.00	
Registration & License	67.50	
Total Car/Truck Expense	<u>1,501.25</u>	<u>2,512.40</u>
Depreciation Expense	4,900.00	501.43
Dues and Subscriptions	549.85	289.04
Electric	1,175.50	1,721.93
Insurance		
Auto Insurance	1,019.10	
General Liability Insurance	641.60	
Professional Liability Ins	1,447.00	
Total Insurance	<u>3,107.70</u>	<u>40,539.05</u>
Office Equipment	920.41	
Office Supplies	566.36	
Pension - SEP	8,000.00	
Postage and Delivery	43.75	
Printing and Reproduction	1,556.60	
Professional Development	40.00	
Professional Fees		
Accounting Fees	1,283.25	20,948.37
Total Professional Fees		<u>1,283.25</u>
Home Office Repairs/Maintenance		
Total Repairs		<u>437.55</u>
Taxes		
Property Taxes	844.05	
Water	157.65	
Total Taxes	<u>1,001.70</u>	
Telephone and Fax		
Dish Network	501.43	
Internet	289.04	
Telephone and Fax - Other	1,721.93	
Total Telephone and Fax	<u>2,512.40</u>	
Travel & Entertainment		
Travel	7,404.50	
Total Travel & Entertainment	<u>7,404.50</u>	
Total Expense	<u>40,539.05</u>	
Net Ordinary Income	15,926.77	
Other Income/Expense		
Other Income		
Interest Income	1,563.60	
Unrealized Gain/Loss	3,458.00	
Total Other Income	<u>5,021.60</u>	
Net Other Income	5,021.60	
Net Income	<u>1,283.25</u>	<u>20,948.37</u>



**Raphael Aryeh & Associates**  
**Trial Balance**  
As of December 31, 2009

5:21 PM  
01/03/10  
Accrual Basis

	Dec 31, 09	
	Debit	Credit
Citi - Checking	5,816.53	
Citi - Day to Day	67,926.42	
Accounts Receivable	8,882.27	
IARD A/R	0.00	
Prepaid Expenses	880.00	
Treasury Bills - Cost	33,223.11	
Treasury Bills - Cost:Change in Market Value	4,741.89	
Undeposited Funds	0.00	
Building Improvements	2,407.50	
Building Improvements:A/D - Building Improvements	23,277.51	
Vehicle		2,407.50
Vehicle:A/D - Vehicle		13,059.96
Other assets	0.00	
Accounts Payable	0.00	
Accrued expenses		1,137.50
Miscellaneous payable	0.00	
Reserve for Eventuality	0.00	
Opening Bal Equity		2,979.02
Partner's Net Worth - PA		8,314.98
Partner's Net Worth - RA		62,575.98
Partner's Net Worth - RA:Drawings	111,483.47	
Retained Earnings		147,215.39
IARD income		40,086.34
Service Revenue		16,379.48
Bank Service Charges	121.53	
Business License & Fees	180.00	
Business Promotion	2,919.70	
Car/Truck Expense:Auto Repairs & Maintenance	176.00	
Car/Truck Expense:Gas	332.75	
Car/Truck Expense:Parking & Tolls	925.00	
Car/Truck Expense:Registration & License	67.50	
Depreciation Expense	4,900.00	
Dues and Subscriptions	549.85	
Electric	1,175.50	
Insurance:Auto Insurance	1,019.10	
Insurance:General Liability Insurance		641.60
Insurance:Professional Liability Ins		1,447.00
Office Equipment		920.41
Office Supplies		566.36
Pension - SEP		8,000.00
Postage and Delivery		43.75
Printing and Reproduction		1,556.60
Professional Development		40.00
Professional Fees:Accounting Fees		1,283.25
Regulatory fees		817.00
Rent		1,500.00
Repairs:Home Office Repairs/Maintenance		437.55
Taxes:Property Taxes		844.05
Taxes:Water		157.65
Telephone and Fax		1,721.93
Telephone and Fax:Dish Network		501.43
Telephone and Fax:Internet		289.04
Travel & Entertainment:Travel		7,404.50
Interest Income		1,563.60
Unrealized Gain/Loss		3,458.00
<b>TOTAL</b>	<b>299,177.75</b>	<b>299,177.75</b>

**RAPHAEL ARYEH & ASSOCIATES**

Financial Statements

and

Independent Auditors' Report

Years ended December 31, 2009 and 2008

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**RAPHAEL ARYEH & ASSOCIATES**  
Year ended December 31, 2009 and 2008

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To the Partners of  
Raphael Aryeh & Associates  
Queens, New York

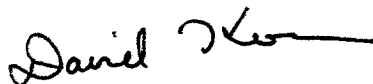
INDEPENDENT AUDITORS' REPORT

We have audited the accompanying statements of financial condition of Raphael Aryeh & Associates as of December 31, 2009 and 2008 and the related statements of income, changes in members' capital and cash flows for the years then ended that you are filing pursuant to Rule 17a-5 under the Securities and Exchange Act of 1934. These financial statements are the responsibility of Raphael Aryeh & Associates' management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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 provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Raphael Aryeh & Associates as of December 31, 2009 and 2008 and the results of its operations, changes in members' Capital and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



February 12, 2010

**RAPHAEL ARYEH & ASSOCIATES**  
**Statements of Financial Condition**  
**December 31, 2009 and 2008**

	<u>2009</u>	<u>2008</u>
<u>Assets</u>		
Cash	\$ 73,743	\$ 74,580
Investments	37,965	34,507
Accounts receivable and prepaid expenses	9,762	554
Vehicle – net of accumulated depreciation	<u>10,218</u>	<u>15,118</u>
Total assets	<u>\$ 131,688</u>	<u>\$ 124,759</u>
 <u>Liabilities and Members' Capital</u>		
Liabilities:		
Accounts payable and accrued expenses	\$ 4,117	\$ 6,130
 Members' Capital:		
Members' Capital	<u>127,571</u>	<u>118,629</u>
Total liabilities and members' capital	<u>\$ 131,688</u>	<u>\$ 124,759</u>

The accompanying notes are an integral part of these financial statements.

**RAPHAEL ARYEH & ASSOCIATES**  
**Statements of Income**  
**Years ended December 31, 2009 and 2008**

	<u>2009</u>	<u>2008</u>
<u>Income:</u>		
Advisory fees	\$ 40,086	\$ 45,759
Commissions	16,379	17,967
Interest	1,564	2,767
Unrealized gain (loss) on securities	<u>3,458</u>	<u>1,571</u>
 Total income	 <u>61,487</u>	 <u>68,064</u>
<u>Expenses:</u>		
Bank Service Charges	122	480
Advertising/Business Promotion	2,920	2,818
Automobile Expense	1,501	2,632
Depreciation	4,900	4,900
Electric	1,176	1,064
Insurance	3,108	3,194
Office Equipment	920	270
Office Expense	1,154	2,430
Pension – SEP	8,000	15,000
Postage & Delivery	44	81
Printing and Reproduction	1,557	1,484
Professional Fees	1,463	2,422
Regulatory fees	817	795
Rent	1,500	1,500
Repairs	438	
Taxes	1,002	892
Telephone and Fax	2,512	2,736
Travel & Entertainment	<u>7,405</u>	<u>10,006</u>
 Total expenses	 <u>40,539</u>	 <u>52,704</u>
 Net income	 <u>\$ 20,948</u>	 <u>\$ 15,360</u>

The accompanying notes are an integral part of these financial statements.

**RAPHAEL ARYEH & ASSOCIATES**  
Statements of Changes in Members' Capital  
Years ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Members' Capital, beginning of year	\$ 118,629	\$ 141,241
Net income	20,948	15,360
Members' distributions	<u>(12,006)</u>	<u>(37,972)</u>
Members' Capital, end of year	<u>\$ 127,571</u>	<u>\$ 118,629</u>

The accompanying notes are an integral part of these financial statements.

**RAPHAEL ARYEH & ASSOCIATES**  
**Statements of Cash Flows**  
**Year ended December 31, 2009 and 2008**

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities:		
Net income	\$ <u>20,948</u>	\$ <u>15,360</u>
Adjustments to reconcile net income to to net cash provided by operating activities:		
Unrealized (gain) loss on marketable securities	(3,458)	(1,571)
Depreciation expense	4,900	4,900
Changes in assets and liabilities:		
Accounts receivable and prepaid expenses	(9,208)	615
Accounts payable and accrued expenses	<u>(2,013)</u>	<u>1,526</u>
Total adjustments	<u>(9,779)</u>	<u>5,470</u>
Net cash provided by operating activities	<u>11,169</u>	<u>20,830</u>
Cash flows from financing activities:		
Payments on distributions	<u>(12,006)</u>	<u>(37,972)</u>
Net cash used in investing activities	<u>(12,006)</u>	<u>(37,972)</u>
Cash flows from investing activities		
Sales of investment securities		109,000
Purchases of investment securities		<u>(42,000)</u>
Net cash provide by (used in) investing activities		<u>67,000</u>
Net increase (decrease) in cash	(837)	49,858
Cash, beginning of year	<u>74,580</u>	<u>24,722</u>
Cash, end of year	<u>\$ 73,743</u>	<u>\$ 74,580</u>

Supplemental disclosures:

There were no amounts paid for income taxes or interest during the years ended December 31, 2009 and 2008.

The accompanying notes are an integral part of these financial statements.



**RAPHAEL ARYEH & ASSOCIATES**  
Notes to Financial Statements  
Years ended December 31, 2009 and 2008

**1. ORGANIZATION AND NATURE OF BUSINESS**

Raphael Aryeh & Associates (the Company) was organized as a Partnership under laws of the State of New York in 1978. The Company is a registered broker-dealer under the Securities Exchange Act of 1934 and is a member of the Financial Industry Regulatory Authority (“FINRA”).

**2. SIGNIFICANT ACCOUNTING POLICIES**

*Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles 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 statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

*Cash*

The Company considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents.

*Investments*

Sales of securities and related revenue and expenses are recorded on a trade date basis. Securities owned and securities sold, not yet purchased are valued at their quoted market prices and the resulting unrealized gains and losses are reflected in trading on the statement of income and changes in members’ capital based on the last price on the securities exchanges on which they trade.

Marketable securities are valued at market value.

*Commissions and Advisory Fees*

Commissions earned as an introducing broker and the related expenses are recorded on a trade date basis as securities transactions occur. Advisory fees are earned from providing financial advisory services.

**RAPHAEL ARYEH & ASSOCIATES**  
Notes to Financial Statements  
Years ended December 31, 2009 and 2008

**3. CONCENTRATIONS OF CREDIT RISK**

Financial investments, which potentially subject the Company to concentrations of credit risk, consist of investments and receivables. In an attempt to limit the credit risk, the Organization places its investment funds in U.S. Treasury securities. The Company maintains that credit risk for its accounts receivable is minimal due to experience with its client base.

**4. ACCOUNTS RECEIVABLE – ADVISORY FEES**

Accounts receivable – advisory fees reflected on the statement of financial condition is cash held by investment companies. There is no allowance for doubtful accounts.

The Company does not carry accounts for customers or perform custodial functions related to customers' securities. The Company introduces all of its customer transactions, which are not reflected in these financial statements, directly to investment companies, which maintain the customer accounts and clears such transactions.

**5. FIXED ASSETS**

Depreciation is provided on a straight-line basis over the estimated useful life of the assets as follows:

	<u>Estimated Useful Life</u>	<u>2008</u>	<u>2007</u>
Vehicle	5 years	\$ 23,278	\$ 23,278
Less: Accumulated Depreciation		<u>13,060</u>	<u>8,160</u>
		<u>\$ 10,218</u>	<u>\$ 15,118</u>

Depreciation expense for the years ended December 31, 2009 and 2008 amounted to \$ 4,900 and \$ 4,900, respectively.

**6. ESTIMATED FAIR VALUE OF FINANCIAL INSTRUMENTS**

The Financial Instruments topic of the Financial Accounting Standards Board Accounting Standards Codification 825-10-50 requires the disclosure of the fair value of financial instruments, including assets and liabilities recognized in the statement of financial condition. Management estimates that the financial instruments recognized in the statement of financial condition (including receivables and payables) approximate their carrying value, and as such financial instruments are short-term in nature.

**RAPHAEL ARYEH & ASSOCIATES**  
Notes to Financial Statements  
Years ended December 31, 2009 and 2008

**7. INCOME TAXES**

The Company is treated as a partnership for Federal income tax purposes and does not incur income taxes. Instead, its earnings and losses are included in the personal returns of the members and taxed depending on their personal tax situations. The financial statements do not reflect a provision for income taxes.

**8. NET CAPITAL REQUIREMENT**

As a registered broker-dealer, the Company is subject to the Uniform Net Capital Rule 15c3-1 (the "Rule") of the Securities and Exchange Commission ("SEC") 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. The

Rule also requires that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1. Minimum net capital is defined as the greater of 6-2/3% of aggregate indebtedness or \$5,000. At December 31, 2009 and 2008, the Company had net capital of \$106,743 and \$101,727, which was \$101,743 and \$96,727 in excess of its required net capital of \$5,000, respectively. The ratio of aggregate indebtedness to net capital was 0.038 and 0.060 to 1, respectively.

**9. RELATED PARTY TRANSACTIONS**

The Company had transactions with its managing member throughout the year. These transactions included but were not limited to the following items:

- Funds advanced to the company by members for certain working capital needs that are due on demand without interest.
- Charges by the members to the Company for rent, utilities, automobile and other expenses incurred by the Company during the course of operations.

**SUPPLEMENTAL INFORMATION**

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(718) 698-7322 david.korn.cpa@gmail.com

To the Partners of  
Raphael Aryeh & Associates  
Queens, New York

INDEPENDENT AUDITORS' REPORT REQUIRED BY SEC RULE 17a-5(g)(1) ON  
INTERNAL CONTROL OF A BROKER-DEALER CLAIMING AN EXEMPTION FROM  
SEC RULE 15c3-3

In planning and performing our audit of the financial statements of Raphael Aryeh & Associates (the Company) as of and for the year ended December 31, 2009 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 rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), 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 such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons and recordation of differences required by rule 17a-13.
2. Complying with the requirements of prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

The management of the company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. 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 referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-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 the preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

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, the projection of any evaluation of them to future periods is subject to risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

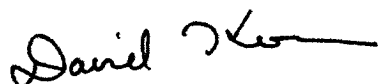
A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a deficiency or combination of deficiencies in internal control, 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 entity'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 that we consider to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 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 our study, we believe that the Company's practices and procedures as described in the second paragraph of this report, were adequate at December 31, 2009, to meet the SEC's objectives.

This report is intended solely for the information and use of the Partners of the Company, the SEC, and other regulatory agencies that rely on rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

Handwritten signature of Daniel in cursive script.

February 12, 2010

**RAPHAEL ARYEH & ASSOCIATES**  
**COMPUTATION OF NET CAPITAL PURSUANT TO**  
**RULE 15c3-1 OF THE SECURITIES AND EXCHANGE COMMISSION**  
**YEAR ENDED DECEMBER 31, 2009**

<b>COMPUTATION OF NET CAPITAL</b>	
Members' capital	\$ 127,571
Subordinated loan	<u>—</u>
<b>TOTAL CAPITAL AND SUBORDINATED LIABILITIES</b>	<u>127,571</u>
<b>NONALLOWABLE ASSETS</b>	
Other assets	<u>19,980</u>
<b>TOTAL NONALLOWABLE ASSETS</b>	<u>19,980</u>
<b>NET CAPITAL BEFORE HAIRCUTS</b>	<u>107,591</u>
Haircuts on securities	<u>848</u>
<b>NET CAPITAL</b>	<u>\$ 106,743</u>
Aggregate indebtedness – total liabilities per statement of financial condition	<u>\$ 4,117</u>
Minimum net capital required (6 2/3% of aggregate indebtedness or \$5,000)	<u>\$ 5,000</u>
Excess net capital	<u>\$ 101,743</u>
Ratio of aggregate indebtedness to net capital	<u>0.060</u>

*There were no material differences between the audited computation of net capital above and the corresponding schedule included in the Company's unaudited December 31, 2009 Part IIA FOCUS filing.*

**RAPHAEL ARYEH & ASSOCIATES**  
**STATEMENT REGARDING RULE 15c3-3 OF**  
**THE SECURITIES EXCHANGE COMMISSION**  
**YEAR ENDED DECEMBER 31, 2009**

The Company is exempt from Rule 15c3-3 of the Securities Exchange Commission under subparagraph k(2)(ii) because it does not carry securities accounts for customers or perform custodial functions relating to customer securities.