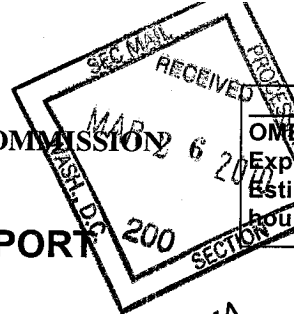




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10549



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

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

**SEC FILE NUMBER**  
8-67752

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 1/1/09 AND ENDING 12/31/09  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER:

Equinox Securities, Inc.

**OFFICIAL USE ONLY**  
FIRM I.D. NO.

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

4050 Phelan Road

(No. and Street)

Phelan, California 92371

(City)

(State)

(Zip Code)

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

Stephen Oliveira

(760) 868-5859

(Area Code - Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

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

BOROS & FARRINGTON

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

11770 Bernardo Plaza Court, Suite 210, San Diego, CA 92128

(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).

4/6/10

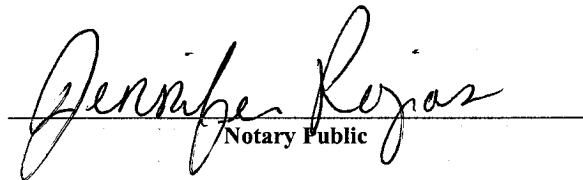
## OATH OR AFFIRMATION

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

None

  
Signature

President / CEO  
Title

  
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 Cash Flows.
- (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 of 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 San Bernardino

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

24 day of March, 2010, by  
Date Month Year

(1) Stephen Oliveira  
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 Jennifer Rojas  
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: Annual Audited Report 2009

Document Date: 3/24/2010 Number of Pages: 16

Signer(s) Other Than Named Above: \_\_\_\_\_

RIGHT THUMBPRINT  
OF SIGNER #1  
Top of thumb here

RIGHT THUMBPRINT  
OF SIGNER #2  
Top of thumb here

# EQUINOX SECURITIES, INC.

## Table of Contents

	<i>Page</i>
Independent Auditor's Report .....	1
Audited Financial Statements:	
Statement of Financial Condition.....	2
Statement of Income.....	3
Statement of Changes in Stockholder's Equity.....	4
Statement of Liabilities Subordinated to Claims of General Creditors.....	4
Statement of Cash Flows.....	5
Notes to Financial Statements.....	6-7
Other Financial Information:	
Supplemental Schedule - Computation of Net Capital Pursuant to Rule 15c3-1 ....	8
Independent Auditor's Supplementary Report on Internal Control Structure Required by Rule 17a-5 .....	9-10
SIPC Supplemental Report .....	11
Determination of "SIPC Net Operating Revenues" General Assessment And Schedule of Payments Pursuant to SEC Rule 17a-5(e)(4) .....	12

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# Boros & Farrington

CERTIFIED PUBLIC ACCOUNTANTS  
A Professional Corporation

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11770 Bernardo Plaza Court • Suite 210  
San Diego, CA 92128-2424  
(858) 487-8518 • Fax (858) 487-6794

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Equinox Securities, Inc.

We have audited the accompanying statement of financial condition of Equinox Securities, Inc. as of December 31, 2009, and the related statements of income, changes in stockholder's equity, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements 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 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 provides 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 Equinox Securities, Inc. at December 31, 2009, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in the supplemental computation of net capital 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 of the Securities Exchange Commission. 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.

*Boros & Farrington APC*

March 17, 2010  
San Diego, California

# EQUINOX SECURITIES, INC.

## Statement of Financial Condition

December 31, 2009

### ASSETS

Cash	\$ 2,123
Deposits with clearing organization	25,941
Commissions receivable	61,302
Prepaid expenses and other assets	<u>8,816</u>
	<u>\$ 98,182</u>

### LIABILITIES AND STOCKHOLDER'S EQUITY

Liabilities	
Accounts payable and accrued liabilities	<u>\$ 16,054</u>
Stockholder's equity	
Common stock, 1,000,000 shares authorized	25,000
Additional paid-in capital	113,300
Accumulated deficit	<u>(56,172)</u>
Total stockholder's equity	<u>82,128</u>
	<u>\$ 98,182</u>

*See notes to financial statements.*

# EQUINOX SECURITIES, INC.

## Statement of Income

Year Ended December 31, 2009

Revenues	
Commissions and fees	<u>\$ 903,873</u>
Expenses	
Commissions and clearing charges	563,208
Compensation and benefits	136,673
Outside services	36,256
Travel and entertainment	33,247
Occupancy	24,555
Information services	23,211
Supplies	22,219
Communications	21,506
Regulatory fees	14,557
Other operating expenses	<u>7,968</u>
	<u>883,400</u>
Income before income taxes	20,473
Income taxes	<u>1,029</u>
Net income	<u>\$ 19,444</u>

*See notes to financial statements.*

# EQUINOX SECURITIES, INC.

## Statement of Changes in Stockholder's Equity

Year Ended December 31, 2009

	<i>Common Stock Shares</i>	<i>Common Stock Amount</i>	<i>Additional Paid-in Capital</i>	<i>Accumulated Earnings (Deficit)</i>
Balance, beginning of year	20,000	\$25,000	\$113,300	\$(75,616)
Net income	_____ -	_____ -	_____ -	_____ 19,444
Balance, end of year	<u>20,000</u>	<u>\$25,000</u>	<u>\$113,300</u>	<u>\$(56,172)</u>

## Statement of Liabilities Subordinated to Claims of General Creditors

Year Ended December 31, 2009

Balance, beginning of year	\$ -
Increases	-
Decreases	_____ -
Balance, end of year	<u>\$ -</u>

*See notes to financial statements.*



# EQUINOX SECURITIES, INC.

## Statement of Cash Flows

Year Ended December 31, 2009

Cash flows from operating activities	
Net income	\$ 19,444
Adjustments to reconcile net income to net cash from operating activities	
Changes in operating assets and liabilities	
Commissions receivable	(24,761)
Deposits with clearing organization	20
Prepaid expenses and other assets	(303)
Accounts payable and accrued liabilities	<u>(18,438)</u>
Net cash from operating activities	(24,038)
Cash, beginning of year	<u>26,161</u>
Cash, end of year	<u>\$ 2,123</u>
Supplemental disclosure of cash flow information:	
Interest paid	<u>\$ -</u>
Income taxes paid	<u>\$ 1,029</u>

*See notes to financial statements.*

# EQUINOX SECURITIES, INC.

## Notes to Financial Statements

### 1. THE COMPANY AND ITS SIGNIFICANT ACCOUNTING POLICIES

**The Company.** Equinox Securities, Inc. (the "Company") is a registered broker-dealer licensed by the Securities and Exchange Commission ("SEC") and is a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. The Company provides broker-dealer services as an introducing broker-dealer clearing customer transactions through another broker-dealer on a fully disclosed basis.

**Accounting Estimates.** The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

**Revenue Recognition.** Security transactions and the related commission revenue are recorded on a settlement date basis.

**Income Taxes.** The Company uses the liability method of accounting for income taxes whereby deferred tax asset and liability account balances are calculated at the balance sheet date using the current tax laws and rates in effect. Because temporary differences are insignificant and the future utilization of operating loss carryforwards is uncertain, the Company has not recognized in the financial statements any deferred tax assets or liabilities.

**Concentration of Credit Risk.** The Company maintains cash balances with various financial institutions. Management performs periodic evaluations of the relative credit standing of these institutions. The Company has not sustained any material credit losses from these instruments.

**Financial Instruments.** The carrying values reflected in the statement of financial condition at December 31, 2009 reasonably approximate the fair values for financial instruments. In making such assessment, the Company has utilized discounted cash flow analyses, estimates, and quoted market prices as appropriate. No allowance for potential credit losses was considered necessary at December 31, 2009.

### 3. COMMITMENTS AND CONTINGENCIES

**Settlement of Securities Transactions.** As discussed in Note 1, the Company does not hold customer segregated cash or securities balances. Transactions are processed by a clearing firm on a fully disclosed basis. In conjunction with this arrangement, the Company is contingently liable for any unsecured debit balances in the customer accounts introduced by the Company. These customer activities may expose the Company to off-balance-sheet credit risk in the event the introduced customer is unable to fulfill its contracted obligations. The Company seeks to control such credit risk by monitoring its exposure to the risk of loss daily, on an account-by-account basis. At December 31, 2009, the Company was not responsible for any unsecured debits and did not have any open positions in its trading accounts.

**Operating Lease.** The Company leases its offices under a short-term operating lease. Rent expense for 2009 was approximately \$20,000.

# EQUINOX SECURITIES, INC.

## Notes to Financial Statements

### 4. NET CAPITAL REQUIREMENTS

Under Rule 15c3-1 of the Securities Exchange Act of 1934, the Company is required to maintain a minimum net capital (as defined) and a ratio of aggregate indebtedness to net capital (as defined) not exceeding 15 to 1.

The Company's ratio at December 31, 2009 was 0.24 to 1. The basic concept of the Rule is liquidity, its object being to require a broker-dealer in securities to have at all times sufficient liquid assets to cover its current indebtedness. At December 31, 2009, the Company had net capital of \$73,312 was \$68,312 in excess of the amount required by the SEC.

### 5. COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS AND INFORMATION RELATING TO THE POSSESSION AND CONTROL REQUIREMENTS UNDER RULE 15c3-3

The Company relies on Section K (2) (ii) of the Securities Exchange Rule 15c3-3 to exempt them from the provisions of these rules.

\*\*\*\*\*

# EQUINOX SECURITIES, INC.

## Supplemental Schedule Computation of Net Capital Pursuant to Rule 15c3-1

December 31, 2009

	<i>Audited Financial Statements</i>	<i>FOCUS X-17A-5 Part IIA</i>	<i>Differences</i>
Total stockholders' equity	\$82,128	\$88,504	\$ (6,376)
Less non-allowable assets			
Prepaid expenses and other assets	<u>8,816</u>	<u>-</u>	<u>(8,816)</u>
Net capital	73,312	88,504	(15,192)
Less minimum net capital	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Excess net capital	<u>\$68,312</u>	<u>\$83,504</u>	<u>\$(15,192)</u>
Total aggregate indebtedness, excluding securities sold but not yet purchased	<u>\$16,054</u>	<u>\$ 861</u>	<u>\$ 15,193</u>
Ratio of aggregate indebtedness to net capital	<u>0.24</u>	<u>0.01</u>	

*Note: The differences between the net capital reported above and the net capital reported on form FOCUS X-17A-5 Part IIA as of December 31, 2009 result primarily from audit adjustments to prepaid expenses, accounts payable, and accrued liabilities.*

**INDEPENDENT AUDITOR'S SUPPLEMENTARY  
REPORT ON INTERNAL CONTROL STRUCTURE**

Board of Directors  
Equinox Securities, Inc.

In planning and performing our audit of the financial statements and supplementary schedules of Equinox Securities, Inc. (the "Company") for the year ended December 31, 2009, we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on 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 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 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.
2. Recordation of differences required by rule 17a-13.
3. Complying with the requirements for 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 and procedures 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 or the practices and procedures referred to above, errors or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

Our consideration of internal control would not necessarily disclose all matters in internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that errors or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the control environment and accounting system and their operation that we consider to be a material weakness as defined above.

We understand that the practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the Commission 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 on our study, we believe that the Company's practices and procedures were adequate at December 31, 2009, to meet the SEC's objectives.

This report is intended solely for the use of management, the Securities and Exchange Commission, the Financial Industry Regulatory Authority, and other regulatory agencies which rely on rule 17a-5(g) under the Securities Exchange Act of 1934 and should not be used by anyone other than these specified parties.

*Bous & Farrington APC*

March 17, 2010  
San Diego, California

## SIPC SUPPLEMENTAL REPORT

Board of Directors  
Equinox Securities, Inc.

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying 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 Equinox Securities, Inc. (the "Company") and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., and SIPC, solely to assist you and the other specified parties in evaluating the Company's compliance with the applicable instructions of the Transitional Assessment Reconciliation (Form SIPC-7T). The Company's management is responsible for the Company's 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, we 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 we performed and our findings are as follows:

1. Compared the listed assessment payments in Form SIPC-7T with respective cash disbursement records entries noting no differences;
2. Compared the amounts reported for the fiscal period beginning April 1, 2009 and ending December 31, 2009, with the amounts reported in Form SIPC-7T for the period ended December 31, 2009 noting no differences;
3. Compared any adjustments reported in Form SIPC-7T with supporting schedules and working papers noting no differences;
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7T and in the related schedules and working papers supporting the adjustments noting no differences; and
5. Compared the amount of any overpayment applied to the current assessment with the Form SIPC-7T on which it was originally computed noting no differences.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our 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.

*Boros & Farrington*

March 17, 2010  
San Diego, California

# EQUINOX SECURITIES, INC.

## Determination of "SIPC Net Operating Revenues" General Assessment And Schedule of Payments Pursuant to SEC Rule 17a-5(e)(4)

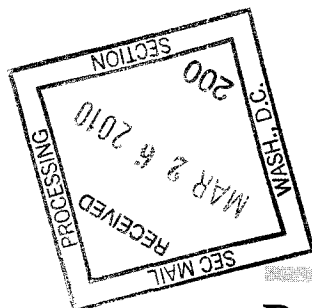
From April 1, 2009 to December 31, 2009

Total revenue	\$438,116
Deductions	
Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, from the business of insurance, from investment advisory services rendered to registered investment companies or insurance company separate accounts, and from transactions in security futures	<u>(2,692)</u>
SIPC net operating revenues	<u>\$435,424</u>
General assessment @ .0025	\$1,089
Less payments	
March 12, 2009	(150)
November 30, 2009	<u>(128)</u>
Assessment balance due	<u>\$ 811</u>



**EQUINOX SECURITIES, INC.**

**Financial Statements  
And  
Independent Auditor's Report  
Year Ended December 31, 2009**



**Boros & Farrington**  
CERTIFIED PUBLIC ACCOUNTANTS