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SECURITIES
Securities and Exchange Commission



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

OMB APPROVAL
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8- 40440

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 4/1/09 AND ENDING 3/31/10
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: PenVest Securities, Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

5942 6th Ave

Kenosha (City) WI (State) 53140 (Zip Code)
(No. and Street)

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*

Reilly, Penner & Benton, LLP.

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

1233 N. Mayfair Rd, Suite 302 Milwaukee WI 53226
(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)

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, Terry Haggerty, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of PenVest Securities, Inc., as of March 31, 2010, 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:

[Handwritten Signature]
Signature
[Handwritten Title]
Title

[Handwritten Signature]
Notary Public
"OFFICIAL SEAL"
Carlos E. Chinchilla
Notary Public, State of Illinois
Lake County
My Commission Expires July 11, 2010
05/27/2010

- 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).

PENVEST SECURITIES INC.
Kenosha, Wisconsin

Computation of Net Capital and Aggregate Indebtedness
For the Year Ended March 31, 2010

Net Capital Computation:

Stockholder's equity at year end	\$	58,319
Less:		
Property and equipment		(940)
Other assets		<u>(25,575)</u>
Net capital	\$	<u>31,804</u>

Computation of Basic Net Capital Requirement:

Minimum net capital required (6 2/3% of aggregate indebtedness)	\$	<u>-</u>
Minimum dollar net capital requirement	\$	<u>5,000</u>
Net capital requirement	\$	<u>5,000</u>

Computation of Aggregate Indebtedness:

Total liabilities	\$	<u>-</u>
Aggregate indebtedness	\$	<u>-</u>

Percentage of Aggregate Indebtedness to Net Capital - %

Reconciliation with Company's Computation (included in Part IIA of Form X-17A-5 as of March 31):

Net capital, as reported in Company's Part IIA (unaudited) FOCUS report	\$	<u>31,804</u>
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See Independent Auditors' Report

Richard A. Raymaker
Steven C. Barney
Steven R. Volz
Daniel R. Brophy
Thomas G. Wieland
Michael W. Van Wagenen



Reilly, Penner & Benton LLP
Certified Public Accountants & Consultants

Celebrating Over 100 Years of Client Service

David A. Grotkin
Joel A. Joyce
Brian J. Mechenich
Carrie A. Gindt
Patrick G. Hoffert

Independent Auditors' Report on Internal Control

To the Board of Directors
PenVest Securities, Inc.

In planning and performing our audit of the financial statements of PenVest Securities, Inc. for the period ended March 31, 2010, we considered its internal control structure, 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 the internal control structure.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission, we have made a study of the practices and procedures (including tests of compliance with such practices and procedures) followed by PenVest Securities, Inc. that we considered relevant to the objectives stated in Rule 17a-5(g)(1), in making the periodic computations of aggregate indebtedness and net capital under Rule 17a-3(11). We did not review the practices and procedures followed by the Company in making the quarterly securities examinations, counts, verifications and comparisons, and the recordation of differences required by Rule 17a-13 or in complying with the requirements for prompt payment for securities under Sec. 8 of Regulation T of the Board of Governors of the Federal Reserve System, because the Company does not carry security accounts for customers or perform custodial functions relating to customer securities.

The management of the Company is responsible for establishing and maintaining an internal control structure 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 internal control structure policies and procedures 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 Commission's above-mentioned objectives. Two of the objectives of an internal control structure 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 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 any internal control structure or the practices and procedures referred to above, errors or irregularities 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 the internal control was for the limited purposed described in the preceding paragraphs and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore there can be no assurance that all such deficiencies have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency* in internal control 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 *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 on a timely basis. We believe that the following deficiency constitutes a material weakness:

Separation of Duties

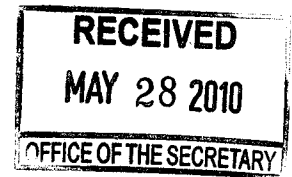
The Company operates its accounting and reporting function with principally one individual, which precludes a proper segregation of duties. This condition is not, however, unusual in entities the size of PenVest Securities, Inc. It is important for management to be aware of this condition, and to realize that the concentration of duties and responsibilities in one individual is not desirable from a control point of view. Under these conditions, the most effective controls rest in management's knowledge and monitoring of matters relating to the Company's financial affairs.

We understand that 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 purpose 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 March 31, 2010, to meet the Commission's objectives.

This report is intended solely for the use of management, the Securities and Exchange Commission, Financial Industry Regulatory Authority (FINRA), and other regulatory agencies which rely on Rule 17a-5(g) under the Securities Exchange Act of 1934, and should not be used for any other purposes.

Rally, Pennu & Benton LLP

May 21, 2010
Milwaukee, Wisconsin



PENVEST SECURITIES INC.
Kenosha, Wisconsin

AUDITED FINANCIAL STATEMENTS

Year Ended March 31, 2010

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Independent Auditors' Report

Board of Directors
PenVest Securities, Inc.
Kenosha, Wisconsin

We have audited the accompanying balance sheet of PenVest Securities, Inc. as of March 31, 2010 and the related income statement, changes in stockholder's equity and cash flows for the year then ended pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. 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 balance sheet is 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 balance sheet 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 PenVest Securities, Inc. at March 31, 2010 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 made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information included in the accompanying computation of net capital and aggregate indebtedness schedule 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 audits 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.

A handwritten signature in black ink that reads "Reilly, Penner & Benton LLP".

May 21, 2010
Milwaukee, Wisconsin

PENVEST SECURITIES INC.

Kenosha, Wisconsin

Balance Sheet

March 31, 2010

ASSETS

Current Assets:

Cash and equivalents	\$	24,557
Accounts receivable		<u>7,247</u>
Total current assets		31,804

Property and Equipment:

Furniture and equipment		4,864
Less: accumulated depreciation		<u>3,924</u>
Net book value		<u>940</u>

Other Assets

CRD daily account		385
Officer's advance		9,899
Client list / goodwill		<u>15,291</u>
Total other assets		<u>25,575</u>
Total assets	\$	<u><u>58,319</u></u>

LIABILITIES AND STOCKHOLDER'S EQUITY

Liabilities

Stockholder's Equity:

Common stock		840
Additional paid in capital		38,280
Retained earnings		<u>19,199</u>
Total stockholder's equity		<u>58,319</u>
Total liabilities and stockholder's equity	\$	<u><u>58,319</u></u>

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

PENVEST SECURITIES INC.

Kenosha, Wisconsin

Income Statement

For the Year Ended March 31, 2010

Income:

Mutual fund/12-B1 commissions	\$	23,520
Legent commissions		118,835
Postage & handling charges		19,801
Interest income		1,858
Loss on sale of investment		(1,290)
Facility expense reimbursement		<u>11,000</u>

Total Income 173,724

Expenses:

Clearing costs		72,745
Commissions paid		19,972
Secretarial services expense		675
Medical reimbursement		14,580
ILX quotes		3,610
Licensing & fee expense		4,652
Auto expense		8,890
Office rent expense		8,056
Telephone expense		6,165
Office supplies and utilities expense		5,961
Insurance expense		2,492
Legal & professional expense		7,015
Dues and subscriptions		4,731
Charitable donations		930
Maintenance & repairs		340
Travel and entertainment expense		371
Depreciation expense		1,097
Other expense		<u>1,697</u>

Total expenses 163,979

Net Income \$ 9,745

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

PENVEST SECURITIES INC.

Kenosha, Wisconsin

Statement of Changes in Stockholder's Equity
For the Year Ended March 31, 2010

	<u>Common</u> <u>Stock</u>	<u>Additional</u> <u>Paid In</u> <u>Capital</u>	<u>Retained</u> <u>Earnings</u>	<u>Comprehensive</u> <u>Income</u>	<u>Total</u> <u>Stockholder's</u> <u>Equity</u>
Balance March 31, 2009	\$ 840	\$ 38,280	\$ 9,454	\$ (2,420)	\$ 46,154
Sale of investments	-	-	-	2,420	-
Net income	-	-	9,745	-	9,745
Balance, March 31, 2010	\$ 840	\$ 38,280	\$ 19,199	\$ -	\$ 58,319

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

PENVEST SECURITIES INC.

Kenosha, Wisconsin

Statement of Cash Flows

For the Period Ended March 31, 2010

Cash Flows from Operating Activities:	
Net income	\$ 9,745
Depreciation and amortization	1,097
Loss on sale of investments	1,290
Loss on sale of equipment	995
Adjustments to reconcile net income to net cash provided (used) by operating activities:	
Changes in assets and liabilities:	
Accounts receivable	(6,486)
Leased equipment receivable	6,497
CRD daily account	(310)
Officer's advance	(7,819)
Blue Sky Group receivable	3,000
Accounts payable	(280)
Security deposit	500
Net cash provided by operating activities	8,229
Cash Flows from Investing Activities:	
Proceeds from sale of investments	<u>2,449</u>
Increase in cash and equivalents	10,678
Cash and equivalents, Beginning of year	<u>13,879</u>
Cash and equivalents, End of year	<u>\$ 24,557</u>

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

PENVEST SECURITIES INC.
Kenosha, Wisconsin

Notes to Financial Statements
March 31, 2010

1. Summary of Significant Accounting Policies

Business Activity

The Company was incorporated in the state of Wisconsin on October 18, 1988. The Company is registered with the Securities and Exchange Commission, Financial Industry Regulatory Authority (FINRA), and Securities Investor Protection Corporation. The Company's principal business activity is the sale of securities.

Cash and Equivalents

Cash and equivalents consist of the Company's checking account and Legent clearing account.

Reserves and Custody of Securities

The Company did not hold securities for sale, nor did it hold customer securities at March 31, 2010. Because the Company does not handle customers' securities, per Rule 15(c)3-3 regarding computation for determination of reserve requirements and information relating to the possession or control requirements, does not apply.

Commission Income

Commissions are normally recognized as income when received because they are generally considered Section 12(b)(1) fees and are not earned until received.

Property and Equipment

Property and equipment are recorded at cost and are depreciated using the straight line method over their useful lives. Depreciation expense for the period ended March 31, 2010 was \$1,097.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Concentration

Substantially all of the Company's commission income is received from one investment company.

Customer Lists / Goodwill

Customer lists are stated at cost. In accordance with accounting principles generally accepted in the United States of America, the Company, on an annual basis determines the extent the value of customer lists has been impaired. For 2009 - 2010, no impairment was reported by management.

Subsequent event

Management has evaluated all subsequent events through May 21, 2010 for possible inclusion as a disclosure in the financials statements. There were no subsequent events that required recognition or disclosure.

PENVEST SECURITIES INC.
Kenosha, Wisconsin

Notes to Financial Statements
March 31, 2010
(Continued)

2. Net Capital Requirements

As a registered broker/dealer and member of the Financial Industry Regulatory Authority (FINRA), the Company is subject to the Uniform Net Capital Rule, which required the maintenance of minimum net capital and requires that the ratio of aggregated indebtedness to net capital, both as defined, shall not exceed 15 to 1. At March 31, 2010, the Company's net capital and required net capital were \$31,804 and \$5,000, respectively. The ratio of aggregate indebtedness to net capital was 0%.

3. Common Stock

Common stock consists of the following:

	<u>Authorized</u>	<u>Outstanding</u>
\$.001 Par - Voting	920,000	840,000

4. Filing Requirements

There were no liabilities subordinated to claims of creditors during the period ended March 31, 2010. Accordingly, a statement of changes in liabilities subordinated to claims of creditors is not included in the financial statements as required by rule 17a-5 of the Securities and Exchange Commission.

5. Related Party Activity

During the period, the Company entered into the following related-party transactions:

a) Blue Sky Group, an affiliated company		
Rent received		\$ 11,000
b) President and majority shareholder		
Secretarial fees		\$ 675
Medical and health benefits		14,580

In addition, the Company paid rent and occupancy charges to the President and majority shareholder for a home office.

Rent	\$ 3,600
Occupancy charges	6,094

6. Lease Commitment

The Company leases its Kenosha office spaces under an operating lease requiring monthly payments of \$182. The current lease expires August 31, 2011. Total rent paid for the period ending March 31, 2010 was \$8,056. Future minimum lease payments as of March 31, 2010 are as follows:

Year Ending	
<u>March 31,</u>	
2011	\$ 2,184
2012	910
Total	<u>\$ 3,094</u>

In addition, a home office is leased from the Company's majority stockholder for \$300 per month.

PENVEST SECURITIES INC.
Kenosha, Wisconsin

Notes to Financial Statements
March 31, 2010
(Continued)

7. Income Taxes

The Company has a net operating loss of approximately \$7,500 available for carryforward. This results in a deferred tax asset of approximately \$1,500. However, a corresponding allowance has been recorded because the realization of this amount is uncertain. During the year ended March 31, 2010, the Company utilized net operating loss carryovers, resulting in a tax benefit of approximately \$2,000.

Effective January 1, 2009 the Company has implemented accounting for uncertainty in income taxes in accordance with accounting principles generally accepted in the United States of America. This standard describes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return and also provides guidance on various related matters such as derecognizing, interest, penalties and disclosures required. Management of the Company evaluates the uncertain tax positions taken, if any, and consults with outside counsel as deemed necessary. The Company recognizes interest and penalties, if any, related to unrecognized tax liabilities in income tax expense.

The Company is no longer subject to U.S. federal income tax examinations for years ending before December 31, 2006. The Company is no longer subject to Wisconsin income tax examinations for years ending before December 31, 2005.