UNITED: **SECURITIES AND EXCI** Washington,



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**ANNUAL AUDI FORM X-17A-5 PART III** 

SEC FILE NUMBER

DIVISION OF MARKET REGULATION FACING PAGE Information Required of Brokers and Dealers Pursuant to Section	17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunde	
REPORT FOR THE PERIOD BEGINNING $1/1/09$ AND ENDING $1/2$	131109
MM/DD/YY	MM/DD/YY
A. REGISTRANT IDENTIFICATION	
NAME OF BROKER-DEALER: Red Capital Markets Inc	OFFICIAL USE ONLY
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)	FIRM I.D. NO.
(No. and Street)	
(City) (State) (Zi	p Code)
NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPO	)RT
	Area Code - Telephone Number)
B. ACCOUNTANT IDENTIFICATION	
INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*  Price Watte house Cooper	
(Name - if individual, state last, first, middle name)	
(tame – 9 mariana, sancias, prosp. mancias, pr	
(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.

SEC 1410 (06-02)

SECURITIES AND EXCHANGE COMMISSION

RECEIVED

MAR 1 8 2010



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PricewaterhouseCoopers LLP 41 South High Street Suite 2500 Columbus OH 43215 Telephone (614) 225 8700 Facsimile (614) 224 1044

# **Report of Independent Accountants**

To the Board of Directors and Shareholder of Red Capital Markets, Inc.:

In accordance with Rule 17a-5(e)(4) of the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying Transitional Assessment Reconciliation (Form SIPC-7T) of the Securities Investor Protection Corporation (SIPC) of Red Capital Markets, Inc. for the period from April 1, 2009 through December 31, 2009, which were agreed to by Red Capital Markets, Inc., the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., and the Securities Investor Protection Corporation (collectively, the "specified parties") solely to assist the specified parties in evaluating Red Capital Markets, Inc.'s compliance with the applicable instructions of Form SIPC-7T during the period ended December 31, 2009. Management is responsible for Red Capital Markets, Inc.'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:

 Compared the listed assessment payments on page 1, items 2B and 2F of Form SIPC-7T with the respective cash disbursement records entries, as follows:

Payment Date	Amount	Source Document	Check Date	Provided by
1/8/2009		) Check #4687049	1/8/2009	Eric Wilder, RCM Senior Accountant
7/28/2009		6 Check #4738753	7/28/2009	Eric Wilder, RCM Senior Accountant
2/17/2010		1 Check #4780441	2/17/2010	Eric Wilder, RCM Senior Accountant
3/10/2010	. Jan. 7. again ann an an Sasan an T	Check #4783644	3/9/2010	Eric Wilder, RCM Senior Accountant



- 2. Compared the Total Revenue amount reported on the Statement of Income, page 3 of the audited Form X-17A-5 for the year ended December 31, 2009 less the gross revenues reported on Red Capital Markets, Inc. general ledger for the period January 1, 2009 to March 31, 2009, as applicable, with the Total revenue amount of \$10,132,002 reported on page 2, item 2a of Form SIPC-7T for the period from April 1, 2009 through December 31, 2009. No differences were noted as a result of procedures performed. Compared any adjustments reported on page 2, items 2b and 2c of Form SIPC-7T with the supporting schedules and working papers, as follows:
  - a. Compared deductions on line 2c.(9)(i), interest and dividend expense, of \$71,892 to the interest expense on the audited Statement of Income less the interest expense on Red Capital Markets, Inc. general ledger for the period January 1, 2009 to March 31, 2009 - provided by Eric Wilder/Senior Accountant/Red Capital Markets, Inc. No differences were noted as a result of procedures performed.
- 3. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7T and in the related schedules and working papers obtained in procedure 3, as follows:
  - a. Recalculated the mathematical accuracy of the SIPC Net Operating Revenues on page 2, line 2d and the General Assessment @ .0025 on page 2, line 2e of \$10,060,110 and \$25,150, respectively of the Form SIPC-7T. No differences were noted as a result of procedures performed.
  - b. Recalculated the mathematical accuracy of payments made on page 2, line B of \$24,100.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the Company's preparation of Form SIPC 7-T in accordance with the applicable instructions. 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 management and the board of directors of Red Capital Markets, Inc., the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., and the Securities Investor Protection Corporation and is not intended to be and should not be used by anyone other than these specified parties.

Pricewaterhouse Cooper LLP

# \*AMENDED FILING\*

SIPC-7T

(29-REV 12/09)

## SECURITIES INVESTOR PROTECTION CORPORATION 805 15th St. N.W. Sulte 800, Washington, D.C. 20005-2215 202-371-8300

#### Transitional Assessment Reconciliation

SIPC-71

(29-REV 12/09

(Read carefully the instructions in your Working Copy before completing this Form)

## TO BE FILED BY ALL SIPC MEMBERS WITH FISCAL YEAR ENDINGS

	IO DE LIEED DE VEE ON O WEW		- • • • • •
1. N pur	lame of Member, address, Designated Examining Authority, poses of the audit requirement of SEC Rule 17a-5:	1934 Act registration no. and mont	h in which fiscal year ends for
ſ	031175 FINRA DEC Red Capital Markets, Inc. Attn: Kevin J. Mainelli, Suite 1200	Note: If any of the information s requires correction, please e-ma form@sipc.org and so indicate o	il any corrections to
	2 Miranova Place Columbus, OH 43215-5078	Name and telephone number of prespecting this form.	person to contact
		Kevin J. Mainelli	(614) 857-1569
ņ	A. General Assessment [item 2e from page 2 (not less than	\$150 minimum)i	\$ 25,150
	Less payment made with SIPC-6 filed including \$150 paid with 2009 SIPC-4 (exclude interest)		( 24,100)
,	1/08/09 - \$150; 7/27/09 - \$10,496; 2/		
	Date Paid C. Less prior overpayment applied		()
	D. Assessment balance due or (overpayment)		1,050
	E. Interest computed on late payment (see instruction E) fo	r O days at 20% per annum	0
	F. Total assessment balance and interest due (or overpaym		\$ 1,050
	G. PAID WITH THIS FORM: Check enclosed, payable to SIPC Total (must be same as F above)	\$ 1,050	_
	H. Overpayment carried forward	\$( O	_)
3. 3	Subsidiaries (S) and predecessors (P) included in this form (	give name and 1934 Act registration	on number):
per tha	e SIPC member submitting this form and the son by whom it is executed represent thereby tall information contained herein is true, correct complete.	(Name of Corporation, Parti	Markets, Ipp.
Da	ted the 10 day of <u>March</u> , 20 10	Managing Dire	ector and CCO
Th	is form and the assessment payment is due 60 days after a period of not less than 6 years, the latest 2 years in a	the end of the fiscal year. Retal	n the Working Copy of this form
VER	Dates: Postmarked Received Reviews	od .	
VIE	Calculations Docume	٠,	IANGE COMMI <b>SSYON</b> O COPY
SIPC REVIEWER	Exceptions:	RECE	
SP	Disposition of exceptions:	1 MAR 18	3 2010

# DETERMINATION OF "SIPC NET OPERATING REVENUES" AND GENERAL ASSESSMENT

AND GENERAL ACCESSIONENT	Amounts for the fiscal period beginning April 1, 2009 and ending 12/31, 20.09 Eliminate cents
tem No. 2a. Total revenue (FOCUS Line 12/Parl IIA Line 9, Code 4030)	§ 10,132,002
2b. Additions: (1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above.	
(2) Net loss from principal transactions in securities in trading accounts.	
(3) Net loss from principal transactions in commodities in trading accounts.	
(4) Interest and dividend expense deducted in determining Item 2a.	
(5) Net loss from management of or participation in the underwriting or distribution of securities.	
(6) Expenses other than advertising, printing, registration fees and legal fees deducted in determining net profit from management of or participation in underwriting or distribution of securities.	
(7) Net loss from securities in investment accounts.	Very Marie Control of the Control of
Total additions	
2c. Deductions: {1} Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annulties, 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 products.	
. (2) Revenues from commodity transactions.	
(3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securitles transactions.	
(4) Reimbursements for postage in connection with proxy solicitation.	
(5) Net gain from securities in investment accounts.	
(6) 100% of commissions and markups earned from transactions in (i) certificates of deposit and (ii) Treasury bills, bankers acceptances or commercial paper that mature nine months or less from Issuance date.	
(7) Direct expenses of printing advertising and legal fees incurred in connection with other revenue related to the securities business (revenue defined by Section 16(9)(L) of the Act).	
(8) Other revenue not related either directly or indirectly to the securities business. {See Instruction C}:	
(9) (i) Total interest and dividend expense (FOCUS Line 22/PART IIA Line 13, Codo 4075 plus line 2b(4) above) but not in excess 71,892	
of total interest and dividend income.	
(ii) 40% of interest earned on customers securities accounts (40% of FOCUS line 5, Code 3950).	71,892
Enter the greater of line (i) or (ii)	71,892
Total deductions	10,060,110
2d. SIPC Net Operating Revenues	\$ 25,150
2e. Goneral Assessment @ .0025	\$ 25,130 (to page 1 but not less than
0	\$150 minimum)