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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

A

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 JANUARY 1, 2009 AND ENDING DECEMBER 31, 2009
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: MAINE SECURITIES CORPORATION.

OFFICIAL USE ONLY
FIRM ID. NO.
16976

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

15 MONUMENT SQUARE
(No. and Street)
PORTLAND ME 04101-4023
(CITY) (state) (zip Code)

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

BRADLEY C. McCURTAIN 1-207-775-0800
(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

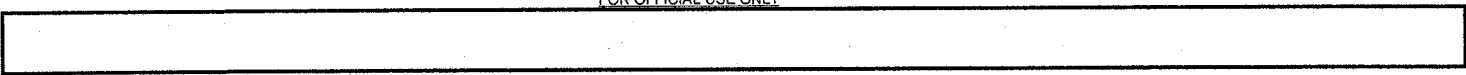
Karll, Harvey CPA, P.C.
(NAME - IF INDIVIDUAL STATE LAST, FIRST, MIDDLE NAME)

41 Middle Street Newburyport MA 01950-2755
(Address) (City) (State) (ZIP Code)

CHECK ONE:

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

FOR OFFICIAL USE ONLY



*Claims -for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

SEC 1410 (06-02)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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OATH OR AFFIRMATION

I, Bradley C. McCurtain swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statements and supporting schedules pertaining to the firm of Maine Securities Corporation, 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:

Bradley C. McCurtain
Signature

President
Title

Lynda Jones 7.12.10
Notary Public

LYNDA JONES
Notary Public, Maine
My Commission Expires August 30, 2014

This report** contains (check all applicable boxes):

- X (a) Facing page.
- X (b) Statement of Financial Condition.
- X (c) Statement of Income (Loss).
- X (d) Statement of Changes in Financial Condition.
- X (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.
- X (g) Computation of Net Capital
- X (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.
- X (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
- X (l) An Oath or Affirmation
- (m) A copy of the SIPC Supplemental Report.
- X (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 240.17d-5 (e)(3).



Harvey E. Karll CPA, P.C.

41 Middle Street
Newburyport, Massachusetts 01950
(978) 465-9512 Fax (978) 462-9043

Report on Internal Control Required By SEC Rule 17a-5 for a Broker-Dealer claiming an exemption From SEC Rule 15c3-3

Board of Directors
Maine Securities Corporation
Portland, ME

In planning and performing my audit of the financial statements of Maine Securities Corporation for the year ended December 31, 2009, I considered its internal control, including control activities for safeguarding securities, in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission ("SEC"), I have made a study of the practices and procedures followed by the Company including tests of such practices and procedures that I considered relevant to the objectives stated in Rule 17a-5(g), (1) in making the periodic computations of aggregate indebtedness (or aggregate debts) and net capital under Rule 17a-3(a)(11) and the reserve required by Rule 15c3-3(e); (2) in making the quarterly securities examinations, counts, verifications and comparison, and the recording of differences required by Rule 17a-13; (3) in complying with the requirements for prompt payment for securities under section 8 of Regulation T of the Board of Governors of the Federal Reserve System; and (4) in obtaining and maintaining physical possession or control of all fully paid and excess margin securities of customers as required by Rule 15c3-3.

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 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 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.


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 control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

My 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. I did not identify any deficiencies in internal control and control activities for safeguarding securities that I consider to be material weaknesses, as defined above.

I 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 on my study, I 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 information and use of the Board of Directors, Management, the SEC, (Designated self-regulatory organization), 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.


Harvey E Karll CPA, P.C.
Newburyport, MA
July 1, 2010

Maine Securities Corporation
Audited Financial Statements
For The Year Ended December 31, 2009

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Harvey E. Karll CPA, P.C.

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INDEPENDENT AUDITORS REPORT

To the Board of Directors
Maine Securities Corporation
Portland, Maine

I have audited the accompanying statement of financial condition of, Maine Securities Corporation, as of December 31, 2009, and the related statements of income, changes in stockholders' equity, and cash flows for the year then ended that you are filing pursuant to rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards, generally accepted in the United States of America. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Maine Securities Corporation as of December 31, 2009 and the results of its operations and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedules I, II and III are 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 my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Harvey E. Karll CPA, P.C.
Harvey E. Karll CPA, P.C.
July 1, 2010

Maine Securities Corporation
Statement of Financial Condition
December 31, 2009

Assets

Cash & Cash Equivalents	\$	64,968
Deposit with Clearing Organization		25,002
Prepaid Expenses		4,629
Property and Equipment, at cost, Less Accumulated Depreciation of \$19,891		1,961
Marketable Securities, at Market Value		200,327
Deferred Taxes		47,800
Commissions Receivable		<u>295</u>
	\$	<u>344,982</u> =====

Liabilities and Stockholder's Equity

Liabilities:

Accounts Payable & Accrued Expenses	\$	13,459
Due to Stockholder		69,571
Deferred Tax Liability		<u>3,600</u>
		86,630

Stockholders' Equity:

Common Stock, \$1 Par Value, Authorized 100,000 Shares, 100 Shares Issued & Outstanding		100
Additional Paid in Capital		339,553
Accumulated Deficit		<u>(81,301)</u>

Total Stockholders' Equity		<u>258,352</u>
	\$	<u>344,982</u> =====

See Accountant's Report & Accompanying Notes

Maine Securities Corporation
Statement of Income
For the Year Ended December 31, 2009

Revenues:

Commissions	\$	82,978
Interest and Dividends		3,697
Realized Gains (Losses)		40
Unrealized Gains (Losses)		<u>37,088</u>

123,803

Expenses:

Employee Compensation and Benefits		54,701
Commissions, Clearing & Floor Brokerage		16,846
Regulatory Fees & Expenses		6,093
Communications		6,073
Occupancy		12,000
Other Operating Expenses		<u>30,289</u>

126,002

Net (Loss) Before Income Taxes (2,199)

Income Tax Benefit (1,400)

Net Income (Loss) (\$ 799)
=====

See Accountant's Report and Accompanying Notes

Maine Securities Corporation
Statement of Changes in Stockholder's Equity
December 31, 2009

	Capital Stock Common	Shares	Amount	Additional Paid in Capital	Accumulated Deficit
Balance, Beginning of Year		100	\$ 100	\$ 339,553	(\$ 80,502)
Net Income (Loss)		<u> </u>	<u> </u>	<u> -</u>	<u>(799)</u>
Balance, End of Year		<u>100</u>	<u>\$ 100</u>	<u>\$ 339,553</u>	<u>(\$ 81,301)</u>

See Accountant's Report and Accompanying Notes

Maine Securities Corporation
Statement of Cash Flows
Twelve Months Ended December 31, 2009

Year To Date

Cash Provided from Operations		
Net Income (Loss)	(\$ 798)	
Adjustments		
Add:		
Depreciation	1,357	
Clearing Deposit SWSbts	6	
Prepaid Regulatory Fees	355	
Accounts Payable	5,075	
Commissions Payable	467	
Less:		
Commissions Receivable	(82)	
Prepaid Expenses-Other	(886)	
Accrued Expenses	(426)	
Cash from Operations		5,068
Cash Flows - Invested		
Property & Equipment	(400)	
Marketable Securities	(54,385)	
NASDAQ Stock	14,670	
Deferred Taxes	(4,500)	
Investing Cash Flows		(44,615)
Cash Flows - Financing		
Due to Owner	(6,664)	
Deferrred Tax Liability	3,100	
Financing Cash Flows		(3,564)
Cash Increase (Decrease)		(43,111)
Cash - Beginning of Year		
Cash	5	
Cash- Federated Treasury	37,226	
SWS - MSC Checking	40,385	
SWS - Equity Acct MMF	30,464	
Total Beginning of Year		108,080
Cash on Statement Date		\$ 64,969

See Accountant's Report & Accompanying Notes

Maine Securities Corporation
Notes to Financial Statements
December 31, 2009

Nature of Business

The Company is incorporated in the state of Maine engaged in the securities broker dealer business in the sale of stocks, bonds and all other securities of every nature and description. The Company is a member of the Financial Industry Regulatory Authority (FINRA). The Company also does business as a Registered Investment Advisor and as a licensed life and health insurance agency. The activities of all these operations are included in these financial statements. The Company's main office is located in Portland, Maine.

The Company introduces customers to independent clearing brokers on a fully disclosed basis. Those customer accounts are held and maintained by the clearing broker. The Company also submits many of its mutual fund accounts directly to the funds on an "application way" basis. In such instances those accounts are held by the respective mutual fund companies. From time to time the Company also raises capital for local businesses through private placements. Customers of the Company's private placements usually are not introduced to the clearing firm. There were no private placement activities in 2009.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Company uses the accrual method of accounting for financial accounting purposes.

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 amount of assets and liabilities as of 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.

Marketable Securities

Marketable securities are valued at market value. The resulting difference between cost and market is included in income.

Maine Securities Corporation
Notes to Financial Statements
December 31, 2009

Revenue and Cost Recognition

Customers' securities transactions are recorded on a settlement date basis with related commission income and expenses recorded on a trade date basis.

Concentration of Credit Risk

The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2009 the company had nothing in excess of FDIC insured limits. The company has not experienced any losses in such accounts.

Depreciation

The fixed assets of the Company are recorded at cost. Depreciation is recorded on the straight-line basis over the estimated useful life of the related assets. Routine repairs and maintenance are expensed as incurred. The estimated useful lives of the Company's assets are as follows:

Office equipment & furniture	5 years
------------------------------	---------

Depreciation expense for the year ended December 31, 2009 is \$1,357.

Cash and Cash Equivalents

Cash and cash equivalents include all cash balances and highly liquid investments with an initial maturity of three months or less.

Income Taxes

The company accounts for income taxes in accordance with the provisions of Statement of Financial Accounting Standards No.109, *Accounting for Income Taxes*. SFAS No. 109 requires recognition of deferred tax liabilities and assets for the expected future consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax liabilities and assets are determined based on the difference between the financial statement and tax basis of assets and liabilities using enacted tax rates.

See Accountant's Report and Accompanying Notes

Maine Securities Corporation
Notes to Financial Statements
December 31, 2009

2. FAIR VALUE OF FINANCIAL STATEMENTS

The Company's financial statements are cash and cash equivalents. The recorded values of cash and cash equivalents approximate their fair values based on their short-term nature.

3. CASH FLOWS

Cash paid for Interest and Income Taxes is as follows:

Interest	\$	-
Income Taxes	\$	-

4. RECEIVABLE FROM AND PAYABLE TO BROKERS, DEALERS AND CLEARING ORGANIZATION

The components of receivables from and payables to brokers, dealers and clearing organizations consist of securities failed to receive and deliver at December 31, 2009 all of which are outstanding less than 30 days.

5. COMPENSATED ABSENCES

Employees of the Company are entitled to paid vacation and paid sick days depending on length of service. It is not practical for the Company to estimate the amount of compensation for future absences; accordingly, no liability for compensated absences has been recorded in the accompanying financial statements. The Company policy is to recognize the costs of compensated absences when actually paid to employees.

6. NET CAPITAL

As a broker/dealer, the company is subject to the Securities and Exchange Commission's regulations and operating guidelines, which require the Company to maintain a specified amount of net capital, as defined, and a ratio of aggregate indebtedness to net capital, as derived, not exceeding 15 to 1. The Company's net capital computed under 15c3-1 was \$158,926 at December 31, 2009, which exceed required net capital of \$50,000 by \$108,926. The ratio of aggregate indebtedness to net capital at December 31, 2009 was .55 to 1.0.

See Accountant's Report and Accompanying Notes

Maine Securities Corporation
Notes to Financial Statements
December 31, 2009

7. INCOME TAXES

Income tax expense (benefit) in 2009 differs from amounts computed by applying the Federal statutory rates to loss before income taxes for the following reasons:

Tax expense (benefit) at statutory rates	(\$ 1,000)
Effect of graduated tax rates	400
Effect of permanent differences	(900)
State income taxes, net of federal income tax benefit	<u>100</u>
	\$ 1,400
	=====

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities at December 31, 2009 are as follows:

Deferred tax assets	
Federal net operating loss carryforward	\$ 34,400
State net operating loss carryforward	7,600
Investment securities basis difference	-
Other	<u>5,800</u>
Net deferred tax assets	<u>47,800</u>
Deferred tax liabilities	
Furniture & equipment	(300)
Investment securities basis difference	<u>(3,300)</u>
Total gross deferred tax liabilities	(3,600)
Net deferred tax asset	\$ 44,200
	=====

Management believes it is more likely than not that the net deferred tax assets will be realized through taxable income generated in future years or by off-setting deferred tax liabilities.

At December 31, 2009, the Company has available approximately \$149,000 in net operating loss carryforwards for tax purposes which expire at various dates from 2021 through 2029.

See Accountant's Report and Accompanying Notes

Maine Securities Corporation
Notes to Financial Statements
December 31, 2009

8. LEASE OBLIGATION

The Company leases it's office space from the sole stockholder. The lease is on a month to month basis with no formal agreement. Rent expense under this arrangement was \$12,000 in 2009.

9. PENSION PLAN

The Company sponsors a Simple IRA retirement plan that covers substantially all of its employees.

Contributions made to the plan for the year ended December 31, 2009 totaled \$1,061.

10. RELATED PARTY TRANSACTIONS

The Company rents its office space from the sole stockholder on a month to month basis with no formal lease agreement. Rent paid under this arrangement in 2009 was \$12,000.

The sole stockholder pays several of the operating expenses under an Expense Agreement approved by FINRA (formerly NASD). Under this Agreement, all expenses and liabilities accrue no interest. In 2009, the sole stockholder advanced \$33,336 for expenses and received \$40,000 in repayments. At December 31, 2009, the Company was indebted to the stockholder for \$69,571.

11. SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 1, 2010, the date on which the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

Maine Securities Corporation
Schedule I
Computation of Net Capital
December 31, 2009

Net Capital

Total Stockholders' Equity		\$ 258,352
Deductions:		
Non-Allowable Assets:		
Prepaid Expenses	4,629	
Property & Equipment	1,961	
Deferred Taxes	<u>47,800</u>	<u>54,390</u>
Net Capital Before Haircuts on Securities Positions		203,962
Haircuts on Securities:		
Trading and Investment Securities:		
Stocks & Bonds	31,810	
Money Market Accounts	1,151	
Undue Concentration	<u>12,075</u>	<u>45,036</u>
Net Capital		158,926
Less: Net Capital Requirement		<u>50,000</u>
Excess Net Capital		\$ 108,926 =====
Aggregate Indebtedness		\$ 86,630 =====
Ratio of Aggregate Indebtedness To Net Capital		.55 to 1.0

See Accountant's Report and Accompanying Notes

Maine Securities Corporation
Schedule II
Reconciliation of Audited vs. Unaudited Net Capital
December 31, 2009

Unaudited Net Capital		\$ 158,460
Reconciling Items:		
Year End Accruals	360	
Haircuts	<u>106</u>	<u>466</u>
Audited Net Capital		\$ 158,926 =====

See Accountant's Report and Accompanying Notes

