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SECTION 193

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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

REC'D S.E.C.  
AUG 30 2010  
803

SEC FILE NUMBER  
8- 46547

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 07/01/09 AND ENDING 06/30/10  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: WFP Securities Corporation

OFFICIAL USE ONLY  
FIRM I.D. NO.

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

6020 Cornerstone Court West, Suite 240  
(No. and Street)

San Diego  
(City)

CA  
(State)

92121  
(Zip Code)

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

John Schooler

(858) 677-0377

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Dunleavy & Company, P.C.

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

13116 South Western Avenue, Blue Island, Illinois 60406  
(Address) (City) (State) (Zip Code)

CHECK ONE:

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

SECURITIES AND EXCHANGE COMMISSION  
RECEIVED  
AUG 30 2010  
BRANCH OF REGISTRATIONS  
AND EXCHANGES  
04

**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.

9/9/10

OATH OR AFFIRMATION

I, John E. Schooler, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of WFP Securities Corporation, as of June 30, 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:

NONE

Handwritten signature of John E. Schooler over the line 'Signature' and 'President'.

Handwritten signature of Gail Rich over the line '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 Changes in Financial Condition. Cash Flows.
(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).

WFP SECURITIES CORPORATION  
STATEMENT OF FINANCIAL CONDITION  
AND INDEPENDENT AUDITORS' REPORT

JUNE 30, 2010

**DUNLEAVY & COMPANY, P.C.**

CERTIFIED PUBLIC ACCOUNTANTS

13116 SOUTH WESTERN AVENUE

BLUE ISLAND, ILLINOIS 60406

(708) 489-1680

Fax: (708) 489-1717

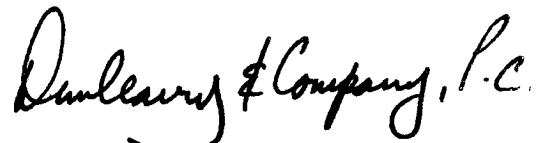
INDEPENDENT AUDITORS' REPORT

Board of Directors  
WFP Securities Corporation

We have audited the accompanying statement of financial condition of WFP Securities Corporation as of June 30, 2010 that you are filing pursuant to rule 17a-5 under the Securities and Exchange Act of 1934. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement 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 attain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. 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 statement of financial condition referred to above presents fairly, in all material respects, the financial position of WFP Securities Corporation as of June 30, 2010, in conformity with accounting principles generally accepted in the United States of America.



DUNLEAVY & COMPANY, P. C.  
Certified Public Accountants

Blue Island, Illinois  
July 27, 2010

WFP SECURITIES CORPORATION  
STATEMENT OF FINANCIAL CONDITION  
JUNE 30, 2010

**ASSETS**

Cash and cash equivalents	\$ 159,109
Receivable from broker/dealers	10,354
Concessions receivable	77,049
Securities owned	16,481
Secured demand note receivable	30,000
Other assets	<u>2,177</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 295,170</u></b>

**LIABILITIES AND SHAREHOLDERS' EQUITY**

**LIABILITIES**

Accounts payable and other liabilities	\$ 112,339
Commissions payable	57,961
Payable to related party	6,400
Subordinated liability	<u>30,000</u>
<b>Total Liabilities</b>	<b><u>\$ 206,700</u></b>

**SHAREHOLDERS' EQUITY**

Common stock, no par value; authorized 1,000,000 shares; issued and outstanding 1,000 shares	\$ 5,000
Additional paid-in capital	214,622
Retained earnings (deficit)	<u>(131,152)</u>
<b>Total Shareholders' Equity</b>	<b><u>\$ 88,470</u></b>

**TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY** **\$ 295,170**

The accompanying notes are integral part of this financial statement.

WFP SECURITIES CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2010

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Organization - The Company is a wholly-owned subsidiary of WFP Holdings, Inc. and was incorporated in the state of California on December 2, 1987. The Company is registered with the Securities and Exchange Commission and is a member of the Financial Industry Regulatory Authority (FINRA). The Company's principal business activity is the sale of securities.

Securities Transactions - Commission revenue and related expense arising from securities transactions are recorded on a trade date basis, which is the same business day as the transaction date.

Concentrations of Credit Risk - The Company is engaged in various trading and brokerage activities in which the counterparties primarily include broker/dealers, banks, other financial institutions and the Company's own customers. In the event the counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counterparty.

In addition, most of the Company's cash is on deposit at one financial institution and the balance at times may exceed the federally insured limit. The Company believes it is not exposed to any significant credit risk to cash.

Cash Equivalents - For purposes of the Statement of Cash Flows, the Company has defined cash equivalents as highly liquid investments, with original maturities of less than three months that are not held for sale in the ordinary course of business.

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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

WFP SECURITIES CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2010

NOTE 2 - FAIR VALUE MEASUREMENT

FASB ASC 820 defines fair value, creates a framework for measuring fair value, and establishes a fair value hierarchy which prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified by FASB ASC 820, are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Company has the ability to access.
- Level 2 inputs are inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. *(The unobservable inputs should be developed based on the best information available in the circumstances and may include the Company's own data.)*

Level 1 inputs have been applied to value cash and cash equivalents on the statement of financial condition. They have also been applied to value securities owned of \$5,334 which consist of equity securities. Level 2 inputs have been applied to value securities owned of \$11,147 which consist of real estate investment trusts (REITS).

No valuation techniques have been applied to all others assets and liabilities included in the statement of financial condition. Due to the nature of these items, all have been recorded at their historic values.

WFP SECURITIES CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2010

NOTE 3 - OFF-BALANCE-SHEET RISK AND CLEARING AGREEMENT

The Company enters into various transactions involving derivatives and other off-balance sheet financial instruments. These financial instruments include exchange-traded and over the counter options. These derivative financial instruments are used to meet the needs of customers and are subject to varying degrees of market and credit risk.

In addition, the Company's customers may sell securities that they do not currently own and will therefore be obligated to purchase such securities at a future date.

Since the Company enters into the foregoing transactions involving derivatives and other off-balance sheet financial instruments solely for the benefit of its customers, the Company does not bear any of the credit or market risk of those customers, with the exception of the risk to the Company should its customers fail to honor their obligations related to the foregoing derivatives and other off-balance sheet financial instruments, as mentioned below.

Clearing Agreement - In order to facilitate securities transactions, including the aforementioned transactions, in June, 2006 the Company entered into an agreement with another broker/dealer (Clearing Broker/Dealer) whereby the Clearing Broker/Dealer will execute and clear securities transactions for the Company on a fully disclosed basis. Pursuant to this agreement, the Company forwards (introduces) customer securities transactions to the Clearing Broker/dealer, fully disclosing the customer name and other information. The processing and, if applicable, any financing pertaining to the introduced securities transactions is performed by the Clearing Broker/dealer. The customer account is therefore maintained and recorded in the books and records of the Clearing Broker/dealer on the Company's behalf. In consideration for introducing customers to the Clearing Broker/dealer, the Company receives commissions and other consideration, less the processing and other charges of the Clearing broker/dealer. As part of the terms of the agreement between the Company and Clearing Broker/dealer, the Company is held responsible for any losses arising when the customers introduced by the Company to the Clearing Broker/dealer fail to meet their contractual commitments pertaining to the purchase, sale and possible financing of securities transactions. The Company may therefore be exposed to off-balance-sheet risk in the event the customer is



WFP SECURITIES CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2010

NOTE 3 - OFF-BALANCE-SHEET RISK AND CLEARING AGREEMENT - (*Continued*)

unable to fulfill its contracted obligations and it is necessary for the Clearing Broker/dealer to purchase or sell the securities at a loss. The Company's exposure to risk would consist of the amount of the loss realized and any additional expenses incurred pertaining to the transaction or other customer activity.

The initial term of the aforementioned agreement was three years and is automatically renewed for additional one year terms unless notice of termination is given 45 days prior to the agreement anniversary date. Under the terms of the agreement the Company must receive written approval from the Clearing Broker/dealer before entering into a similar agreement with another broker/dealer. The Company is required to deposit \$10,000 with the Clearing Broker/dealer to assure the Company's performance under the agreement. Other provisions are included therein.

NOTE 4 - NET CAPITAL REQUIREMENTS

As a registered broker/dealer and member of the Financial Industry Regulatory Authority, the Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (rule 15c3-1), 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 1500%. At June 30, 2010 the Company's net capital and required net capital were \$61,217 and \$11,780 respectively. The ratio of aggregate indebtedness to net capital was 289%.

NOTE 5 - RELATED PARTY TRANSACTIONS

As mentioned in Note 1, the Company is a wholly-owned subsidiary of WFP Holdings, Inc. (Parent). The Company files consolidated income tax returns with the Parent. The Parent assumes all income tax liability for the group.

The Company is also affiliated through common ownership with LinMar Management, Inc. and First Financial Planning Corporation D/B/A Western Financial Planning Corporation (WFPC).

WFP SECURITIES CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2010

NOTE 5 - RELATED PARTY TRANSACTIONS – (Continued)

A shareholder of Parent and WFPC act as general partners in several real estate partnerships.

Pursuant to an agreement, Parent pays substantially all overhead and operating expenses incurred by the Company other than commission expense and clearing and execution charges. In consideration of the foregoing the Company is to pay to Parent, at the beginning of each month, \$89,000 for that month's expenses, allocated as follows:

<b>Compensation and related benefits</b>	<b>\$ 44,000</b>
<b>Professional fees</b>	<b>17,000</b>
<b>Occupancy</b>	<b>6,000</b>
<b>Other</b>	<b><u>22,000</u></b>
<b>Total</b>	<b><u>\$ 89,000</u></b>

The Company also pays management fees to the Parent for services rendered. The total amount incurred to the Parent for management fees and the expenses listed above during year ended June 30, 2010 was \$1,143,568.

In addition to its securities business, in July 1999, the Company began providing investment advisory services to its customers that were formerly provided by Schooler Advisory Group. Although the Company's securities business is conducted under the name, WFP Securities, the advisory services are provided under the assumed name of Western Financial Advisors.

During the year ended June 30, 2010, the Parent paid \$103,622 of professional fees and other operating expenses on behalf of the Company. The Company has classified this as a capital contribution.

WFP SECURITIES CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2010

NOTE 6 - LIABILITIES SUBORDINATED TO CLAIMS OF GENERAL CREDITORS

The borrowing under a subordination agreement at June 30, 2010 is listed below. The subordinated lender is a shareholder of WFP Holdings, Inc.

Liability pursuant to secured demand note collateral agreement, 8% due December 31, 2012	<u>\$ 30,000</u>
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The subordinated borrowing is covered by an agreement approved by the FINRA and is thus available in computing net capital under the Securities and Exchange Commission's Uniform Net Capital Rule. To the extent that such borrowing is required for the Company's continued compliance with minimum net capital requirements, it may not be repaid.

NOTE 7 - COMMITMENT

The Company has entered into an agreement with a former registered representative whereby the representative is due 20% of commissions earned on the former representative's customer accounts for a period of five years.

NOTE 8 - CONTINGENCIES

Several customers have filed arbitration claims, with FINRA, against the Company. The claimants seek damages in excess of \$14,000,000 plus interest, punitive damages and costs. The claims cite the Company for breach of contract, negligence, suitability issues and fraud, among other things. The Company intends to vigorously defend themselves. Legal counsel for the Company cannot make a determination, at this time, of an unfavorable outcome or estimate any potential loss.

The Company also has FINRA investigations ongoing in connection with the arbitration claims mentioned above. FINRA is in the process of evaluating courses of action.

WFP SECURITIES CORPORATION,

SUPPLEMENTAL SIPC REPORT

JUNE 30, 2010

# **DUNLEAVY & COMPANY, P.C.**

CERTIFIED PUBLIC ACCOUNTANTS  
13116 SOUTH WESTERN AVENUE  
BLUE ISLAND, ILLINOIS 60406

(708) 489-1680  
Fax: (708) 489-1717

Board of Directors  
WFP Securities Corporation

In accordance with Rule 17a-5(e)(4) of the Securities and Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying Schedule of Assessment and Payments [General Assessment Reconciliation (Form SIPC-7)] to the Securities Investor Protection Corporation (SIPC) for the year ended June 30, 2010, which were agreed to by WFP Securities Corporation and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., SIPC and other regulatory agencies which rely on Rule 17a-5(g) under the Securities Exchange Act of 1934, solely to assist you and the other specified parties in evaluating WFP Securities Corporation's compliance with applicable instructions of the General Assessment Reconciliation (Form SIPC-7). WFP Securities Corporation's management is responsible for WFP Securities Corporation'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-7 with respective cash disbursement records entries and copies of the checks noting no differences;
- 2) Compared amounts reported on the audited Form X-17A-5 for the year ended June 30, 2010, as applicable, with the amounts reported in Form SIPC-7 for the year ended June 30, 2010, noting no differences;
- 3) Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers, including the trial balance and the general ledger detail, noting no differences; and
- 4) Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers, including the trial balance and general ledger detail, supporting the adjustments 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 the use of the specified parties listed above and is not intended to be and should not be used by anyone other than the specified parties.

A handwritten signature in black ink that reads "Dunleavy & Company, P.C." with a stylized flourish at the end.

DUNLEAVY & COMPANY, P. C.  
Certified Public Accountants

Blue Island, Illinois  
July 27, 2010

WFP SECURITIES CORPORATION  
DETERMINATION OF "SIPC NET OPERATING REVENUES"  
AND GENERAL ASSESSMENT  
FOR THE YEAR ENDED JUNE 30, 2010

**SCHEDULE OF ASSESSMENT PAYMENTS**

General Assessment		\$ 4,100
Less Payments Made:		
<u>Date Paid</u>	<u>Amount</u>	
<u>Credit</u>	\$ 150	
<u>01-28-10</u>	<u>669</u>	
		<u>(819)</u>
Interest on late payment(s)		<u>          </u>
Total Assessment Balance and Interest Due		<u>\$ 3,281</u>
Payment made with Form SIPC 7		<u>\$ 3,281</u>

See Accountant's Report

WFP SECURITIES CORPORATION  
DETERMINATION OF "SIPC NET OPERATING REVENUES"  
AND GENERAL ASSESSMENT  
FOR THE YEAR ENDED JUNE 30, 2010

Total revenue	<u>\$ 2,450,944</u>
Additions:	
Net loss from securities in investment account	<u>\$ 3,568</u>
Deductions:	
Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, 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	420,458
Revenues from commodity transactions	0
Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions	24,418
100% of commissions earned from transactions in certificates of deposit	51
Net gain from securities in investment account	0
40% of interest earned on customer accounts	0
Other	<u>369,674</u>
Total deductions	<u>\$ 814,601</u>
SIPC NET OPERATING REVENUES	<u>\$ 1,639,911</u>
GENERAL ASSESSMENT @ .0025	<u>\$ 4,100</u>

See Accountant's Report