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

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

RECEIVED  
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SECTION 211

SEC FILE NUMBER
8-37799

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 July 1, 2009 AND ENDING June 30, 2010  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: OFFUTT SECURITIES, INC.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

3515 BUTLER ROAD

(No. and Street)

GLYNDON, MARYLAND 21071

(City)

(State)

(Zip Code)

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

R. BENTLEY OFFUTT

410-429-4462

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

SMYTH & WARD, P.A.

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

EXECUTIVE PLAZA III, SUITE LL5, HUNT VALLEY, MD 21031

(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)

OATH OR AFFIRMATION

I, R. BENTLEY OFFUTT, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of OFFUTT SECURITIES, INC., 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:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

R Bentley Offutt  
Signature

PRESIDENT  
Title

G. Delamater 8/10/10  
Notary Public

GEOFFREY R. DELAMATER  
NOTARY PUBLIC STATE OF MARYLAND  
My Commission Expires April 21, 2012

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).

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**SMYTH & WARD, P.A.**  
CERTIFIED PUBLIC ACCOUNTANTS

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717-235-5525  
FAX 717-227-0070

**INDEPENDENT AUDITORS' REPORT**

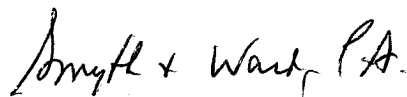
To the Board of Directors  
Offutt Securities, Inc.

We have audited the accompanying statement of financial condition of Offutt Securities, Inc. as of June 30, 2010 and related statements of operations, 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. 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 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 also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 Offutt Securities, Inc., as of June 30, 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 conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in supplementary schedule I, II, III and IV 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 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.

  
Hunt Valley, Maryland  
August 10, 2010

OFFUTT SECURITIES, INC.  
STATEMENT OF FINANCIAL CONDITION  
JUNE 30, 2010

ASSETS

CURRENT ASSETS:

Cash	\$ 36,086
Cash deposits with clearing organizations	50,000
Securities owned, at market value	<u>158,583</u>
Total current assets	244,669

EQUIPMENT AND VEHICLE, at cost less  
accumulated depreciation of \$15,757

6,122

Total assets

\$250,791  
=====

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES:

Due to stockholder	<u>\$ 3,000</u>
Total current liabilities	3,000

LONG TERM LIABILITIES:

---

Total liabilities

3,000

STOCKHOLDERS' EQUITY:

Common stock, \$.01 par value: 1,000,000 shares authorized; 430,006 issued and outstanding	4,300
Paid in capital	419,629
Retained (deficit)	<u>(176,138)</u>

Total stockholders' equity

247,791

Total liabilities and stockholders' equity

\$250,791  
=====

The accompanying notes are an integral part of these financial statements

OFFUTT SECURITIES, INC.  
STATEMENT OF OPERATIONS  
For the year ended June 30, 2010

REVENUES:	
Commissions	\$ 93,053
Research	62,538
Principal transactions	33,107
Interest/Dividends	<u>234</u>
 Total revenues	 \$188,932
EXPENSES:	
Compensation and benefits	25,812
Floor brokerage and clearing fees	17,849
Communications	2,984
Occupancy and equipment rental	38,974
Other	<u>77,072</u>
 Total expenses	 <u>162,691</u>
 Net income	 \$ 26,241 <u><u>=====</u></u>

The accompanying notes are an integral part of these financial statements

OFFUTT SECURITIES, INC.  
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY  
For the year ended June 30, 2010

	<u>Common Stock</u>	<u>Additional Paid-in Capital</u>	<u>Retained (Deficit)</u>	<u>Total Stockholders' Equity</u>
Balance July 1, 2009	\$ 4,300	\$419,629	(\$202,379)	\$221,550
Net income			26,241	26,241
Balance June 30, 2010	<u>\$ 4,300</u>	<u>\$419,629</u>	<u>(\$176,138)</u>	<u>\$247,791</u>

The accompanying notes are an integral part of these financial statements

OFFUTT SECURITIES, INC.  
STATEMENT OF CASH FLOWS  
For the year ended June 30, 2010

<b>CASH FLOWS PROVIDED BY OPERATING ACTIVITIES:</b>	
Net income	\$ 26,241
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	1,775
Unrealized gain on securities	( 33,107)
Donation of securities	20,917
(Increase) decrease in operating assets:	
Receivable from broker and dealer	493
Securities purchased	( 2,649)
Increase (decrease) in operating liabilities:	
Due to stockholder	<u>3,000</u>
Cash provided by operating activities	<u>16,670</u>
 <b>CASH FLOWS USED BY FINANCING ACTIVITIES:</b>	
Loan payable	<u>( 2,177)</u>
Cash used by financing activities	<u>( 2,177)</u>
Net increase in cash	14,493
Cash at July 1, 2009	<u>21,593</u>
Cash at June 30, 2010	<u>\$ 36,086</u> <u>=====</u>
 <b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:</b>	
Cash paid during the year for interest	<u>\$ 76</u> <u>=====</u>

The accompanying notes are an integral part of these financial statements



OFFUTT SECURITIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
For year ended June 30, 2010

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Offutt Securities, Inc. is a broker dealer registered with the Securities and Exchange Commission and is a member of the Financial Industry Regulatory Authority (FINRA). The Company is principally engaged in providing securities brokerage to individuals and institutions. The Company's profitability is sensitive to a variety of factors including the volatility and general level of market prices and the volume of trading in securities and the Company's research ability to generate opportunities for their clients.

The financial statements are prepared in accordance with generally accepted accounting principles which require management to make assumptions and estimates that affect the amounts and the disclosures presented. Actual amounts could differ from their estimates.

The Company considers only cash balances in bank and brokerage accounts as cash and cash equivalents for financial reporting purposes. Cash held as deposits in brokerage accounts are listed separately as deposits.

Receivable from broker and dealer reflect net commissions due to the Company. Occasionally JP Morgan Clearing Corp will advance money to the Company based on commissions earned. This activity will generate a payable to broker and dealer at month end. As of June 30, 2010, there were no receivables from or payables to broker and dealer. Commissions are paid the month after they are earned. The Company does not establish an allowance for doubtful accounts due to the nature of the receivables.

Commission revenue and related expenses are recorded on a settlement-date basis. Transactions relating to owned securities are recorded on a settlement date basis. Marketable securities which consist of Corporate stocks are valued at market value and the resulting difference between cost and market is included in income.

Equipment and vehicle are recorded at cost, \$21,879. Depreciation expense for the year was \$1,775. Depreciation of office equipment and the vehicle was determined by using the straight line method over the estimated useful life of the assets.

The only employee is the owner of the Company, and no compensated absences have been accrued.

The Company has elected to be treated as a "Subchapter S Corporation" for Federal income tax purposes. Under the terms of that election, the Company will not pay Federal and State income taxes on its earnings as such amounts are paid to the stockholders.

OFFUTT SECURITIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
For the year ended June 30, 2010

NOTE B – SECURITIES OWNED

Securities owned consist of publicly traded corporate stocks at quoted market values. These securities are available for sale. The total value as of June 30, 2010 was \$158,583.

NOTE C – LINE OF CREDIT

The Company has a \$5,000 line of credit to cover any overdrafts in its checking account. As of June 30, 2010 the balance advances from the line of credit is \$0. The line of credit is charged interest at seven per cent above the bank's prime rate.

NOTE D – LEASES, RELATED PARTY TRANSACTIONS

The Company conducts its operation from facilities that are leased from its principal stockholder, R. Bentley Offutt, under a month to month lease. Monthly lease payments are \$3,000. The Company paid rent of \$36,000 for the year ended June 30, 2010.

NOTE E – FAIR VALUES OF ASSETS AND LIABILITIES

FASB ASC 820 defines fair value as the price that would be received to sell an asset or the price paid to transfer a liability in an orderly transaction between market participants at the measurement date. FASB ASC 820 also establishes a hierarchy for disclosing assets and liabilities measured at fair value based on the inputs used to value them. The fair value hierarchy maximizes the use of observable inputs and minimizes the use of unobservable inputs. Observable inputs are based on market pricing data obtained from sources independent of the company. A quoted price in an active market provides the most reliable evidence of fair value and is generally used to measure fair value whenever available. Unobservable inputs reflect management's judgment about the assumptions market participants would use in pricing the asset or liability. Where inputs used to measure fair value of an asset or liability are from different levels of the hierarchy, the asset or liability is categorized based on the lowest level input that is significant to the fair value measurement in its entirety. Assessing the significance of a particular input requires judgment. The fair value hierarchy includes three levels based on the objectivity of the inputs as follows:

- Level 1 inputs are quoted prices in active markets as of the measurement date for identical assets or liabilities that the Company has the ability to access. This category includes active exchange-traded equity securities and stock options.

OFFUTT SECURITIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
For the year ended June 30, 2010

- Level 2 inputs are inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. This category includes corporate debt securities.
- Level 3 inputs are unobservable inputs for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability.

Assets and Liabilities Recorded at Fair Value

The Company's assets recorded at fair value include certain securities owned and available for sale. The Company uses prices obtained from an independent Clearing Firm to measure the fair value of certain investment securities. The Company validates prices received from the Clearing Firm using various methods including comparison to quoted market prices, where available, and review of other relevant market data including implied yields of major categories of securities. The Company does not adjust the prices received from the independent Clearing Firm unless such prices are inconsistent with FASB ASC 820 and result in a material difference in the recorded amounts. At June 30, 2010, the Company did not adjust prices received from the independent Clearing Firm. The Company records liabilities at amounts that approximate fair value except as noted below.

The following table presents the Company's fair value hierarchy as of June 30, 2010 for assets and liabilities measured at fair value:

	Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at Fair Value
<b>Assets</b>				
Securities available for sale	\$ 158,583	-----	-----	\$ 158,583
Total assets at fair value	<u>\$ 158,583</u>	<u>-----</u>	<u>-----</u>	<u>\$ 158,583</u>
<b>Liabilities</b>				
Total liabilities at fair value	-----	-----	-----	-----

OFFUTT SECURITIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
For the year ended June 30, 2010

Fair Value of Assets and Liabilities not Recorded at Fair Value

Cash, receivables from and payables to brokers and dealers, employees, accounts payable and accrued expenses are short term in nature and accordingly are recorded at amounts that approximate fair value.

NOTE F – FINANCIAL INSTRUMENTS WITH OFF-BALANCE-SHEET CREDIT RISKS

In the normal course of business, the Company's securities activities through its correspondent broker involve execution, settlement and financing of various securities transactions for customers. These activities may expose the Company to risk in the event customers, other brokers and dealers, banks, depositories or clearing organizations are unable to fulfill contractual obligations.

In accordance with industry practice, the Company records securities transactions executed on behalf of its customers on settlement date which is generally three business days after trade date. The risk of loss on the trade date transactions is identical to the risk inherent in settlement date transactions and relates to the customer's or broker's and dealer's inability to meet the terms of their contracts.

The Company has not experienced any material nonperformance by counter parties in the aforementioned situations.

NOTE G – NET CAPITAL

The Company is subject to the Securities and Exchange Commission's Uniform Net Capital Rule (Rule 15c3-1) which requires that "aggregate indebtedness" shall not exceed 15 times "net capital" as these terms are defined by the Rule. As of June 30, 2010, the Company's net capital was \$200,252 which exceeded the capital requirements of \$50,000 by \$150,252 and its net capital ratio was 0.015 to 1.

SCHEDULE I

OFFUTT SECURITIES, INC.

COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1 OF THE  
SECURITIES AND EXCHANGE COMMISSION

As of June 30, 2010

AGGREGATE INDEBTEDNESS

Items included in statement of financial condition:

Due to stockholder	<u>3,000</u>
Total aggregate indebtedness	<u>\$ 3,000</u> =====

NET CAPITAL

Total stockholders' equity	\$247,791
Deductions and/or changes:	
Total non-allowable assets	6,122
Other deductions	<u>5,000</u>
Net capital before haircuts on securities position	236,669
Haircuts on securities:	
Stocks	\$ 23,787
Undue concentration	<u>12,630</u>
Net capital	<u>\$200,252</u> =====

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Minimum net capital required	<u>\$ 50,000</u> =====
Excess net capital	<u>\$150,252</u> =====
Excess net capital at 1000%	<u>\$140,252</u> =====
Ratio: Aggregate indebtedness to net capital	<u>0.015 to 1</u> =====

SCHEDULE II

OFFUTT SECURITIES, INC.

RECONCILIATION BETWEEN AUDITED AND UNAUDITED  
STATEMENTS OF FINANCIAL CONDITION

As of June 30, 2010

There are no material differences between the net capital computation set forth in Schedule I and the computation filed by the Company on Securities and Exchange Commission Form X-17A-5 (FOCUS Report) as of June 30, 2010.

SCHEDULE III

OFFUTT SECURITIES, INC.

COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS  
UNDER RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION  
As of June 30, 2010

The Company is exempt from SEC Rule 15c3-3 because it does not carry securities accounts for customers or performs custodial functions relating to customer securities. The Company is exempt pursuant to k(2)(ii).

SCHEDULE IV

OFFUTT SECURITIES, INC.

INFORMATION RELATING TO POSSESSION OR CONTROL REQUIREMENTS  
UNDER RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION

As of June 30, 2010

The Company is exempt from SEC Rule 15c3-3 because it does not carry securities accounts for customers or perform custodial functions relating to customer securities. The Company is exempt pursuant to k(2)(ii).



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Independent Auditors' Report on Internal Accounting Control  
Required by SEC Rule 17a-5(g)(1) for a Broker-Dealer  
Claiming an Exemption from SEC Rule 15c3-3

To The Board of Directors  
Offutt Securities, Inc.

In planning and performing our audit of the financial statements of Offutt Securities, Inc., as of and for the year ended June 30, 2010 in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's 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 consideration of control activities for safeguarding securities. This study includes 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 (or aggregate debits) 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 customers 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 and recordation of differences required by Rule 17a-13
2. 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 of 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 internal control and the practices and procedures referred to above, errors 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 operations may deteriorate.

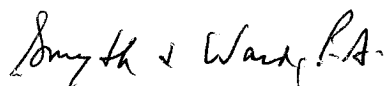
A "control deficiency" exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A "significant deficiency" is a control deficiency, or combination of control 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.

Our consideration of the 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. We did not identify any deficiencies in internal control and control activities for safeguarding securities that we consider to be material weaknesses, as defined above.

We 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 our study, we believe that the Company's practices and procedures, as described in the second paragraph of this report, were adequate at June 30, 2010 to meet the SEC's objectives.

This report is intended solely for the use of the Board of Directors, management, the SEC and other regulatory agencies which rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not be and should not be used by anyone other than these specified parties.



Hunt Valley, Maryland  
August 10, 2010

SMYTH & WARD, P.A.  
CERTIFIED PUBLIC ACCOUNTANTS

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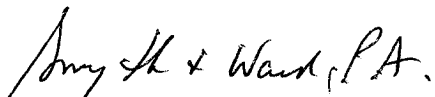
To the Board of Directors of  
Offutt Securities, Inc.  
Post Office Box 559  
Cockeysville, Maryland 21030

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 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 Offutt Securities, Inc. and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., and SIPC, solely to assist you and the other specified parties in evaluating Offutt Securities, Inc.'s compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). Offutt Securities, Inc.'s management is responsible for the Offutt Securities, 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:

1. Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement record entries in the general ledger noting no differences;
2. Compared the 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;

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.

  
Hunt Valley, Maryland  
August 10, 2010