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

**FACING PAGE**  
Information Required of Brokers and Dealers  
Pursuant to Section 17 of the Securities  
Exchange Act of 1934

SEC FILE NO.  
8-67486

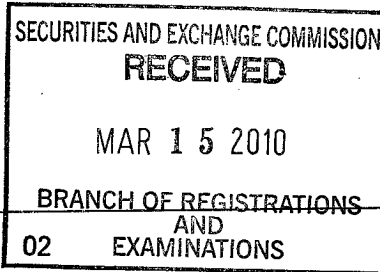
and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01/01/09 AND ENDING 12/31/09  
MM/DD/YY MM/DD/YY

**A. REGISTRANT  
IDENTIFICATION**

NAME OF BROKER-DEALER:

**Clearview Correspondent Services, LLC**



Official Use Only  
FIRM ID. NO.

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

**8006 Discovery Drive, Suite 400**

(No. and Street)

**Richmond**

(City)

**Virginia**

(State)

**23229**

(Zip Code)

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

**Randall B. Saufley, Chief Financial Officer**

**804-649-3965**

(Area Code -- Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*  
(Name -- if individual, state last, first, middle name)

**PricewaterhouseCoopers LLP**

**214 N. Tryon St. Suite 3600**  
(ADDRESS) Number and Street

**Charlotte**  
City

**North Carolina**  
State

**28202**  
Zip Code

**CHECK ONE:**

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

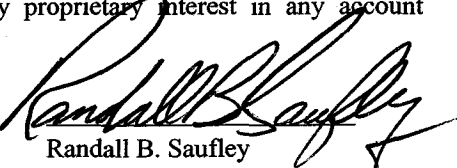
FOR OFFICIAL USE ONLY

\*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 940.17-5(a)(9)


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## Oath or Affirmation

I, Randall B. Saufley, swear (or affirm) that, to the best of my knowledge and belief, the accompanying financial statements and supporting schedules pertaining to the firm of Clearview Correspondent Services LLC, 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.

  
 Randall B. Saufley  
 Chief Financial Officer

Embossed Hereon Is My  
 Commonwealth of Virginia Notary Public Seal  
 My Commission Expires April 30, 2010  
 ROSANNA A BLAKLEY

  
 Notary Public

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

- (a) Facing Page ..... i
- (b) Statement of Financial Condition ..... 1
- (c) Statement of Operations .....
- (f) Statement of Changes in Stockholder's Equity .....
- (g) Statement of Liabilities Subordinated to Claims of General Creditors .....
- (d) Statement of Cash Flows .....
- (e) Statement of Cash Flows – Supplemental Disclosure .....
- Notes to Financial Statements ..... 2
- (h) Computation of Net Capital Under Rule 15c3-1 of the Securities and Exchange Commission.....
- (i) Computation for Determination of Reserve Requirements Under Rule 15c3-3 of the Securities and Exchange Commission.....
- (j) Information Relating to Possession or Control Requirements Under Rule 15c3-3 of the Securities and Exchange Commission.....
- (k) A Reconciliation, Including Appropriate Explanations, 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 (not required)
- (l) A Reconciliation Between the Audited and Unaudited Statements of Financial Condition With Respect to Methods of Consolidation (not applicable)
- (m) Oath or Affirmation ..... ii
- (n) A Copy of the SIPC Supplemental Report
- (o) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit
- (p) Independent Auditors report on internal control (Report of Independent Auditors on Internal Control Required by SEC Rule 17a-5).....

\*\* For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

# CLEARVIEW

## CORRESPONDENT SERVICES

(a wholly-owned subsidiary of BB&T Corporation)

### STATEMENT OF FINANCIAL CONDITION

December 31, 2009

#### ASSETS

|   |                       |
|---|-----------------------|
| Cash and cash equivalents.....  | \$ 153,756,526        |
| Cash segregated under federal regulations .....   | 232,504,699           |
| Securities borrowed .....   | 1,734,600             |
| Receivable from brokers, dealers and<br>clearing organizations.....   | 79,637,499            |
| Receivable from customers .....   | 108,131,681           |
| Receivable from related parties.....  | 322,482               |
| Receivable from Parent .....  | 657,332               |
| Furniture, equipment and leasehold improvements,<br>at cost (less accumulated depreciation and<br>amortization of \$275,412)..... | 411,808               |
| Goodwill .....  | 3,446,900             |
| Deferred tax asset.....   | 343,356               |
| Other assets.....   | 1,071,528             |
| Total assets  | <u>\$ 582,018,411</u> |

#### LIABILITIES AND MEMBER'S EQUITY

|  |                       |
|--|-----------------------|
| Short-term borrowing with affiliate .....                    | \$ 161,924,349        |
| Payable to brokers, dealers and clearing organizations ..... | 11,335,163            |
| Payable to customers.....                                    | 333,673,009           |
| Payable to fully-disclosed correspondents .....              | 12,680,690            |
| Payable to related parties .....                             | 457,205               |
| Accrued expenses, compensation, and other liabilities .....  | <u>16,755,232</u>     |
| Total liabilities .....                                      | <u>536,825,648</u>    |
| Member's equity .....  | <u>45,192,763</u>     |
| Total liabilities & member's equity                          | <u>\$ 582,018,411</u> |

The accompanying notes are an integral part of the Statement of Financial Condition.

#### Report of Independent Auditors

To the Board of Managers and Members of  
Clearview Correspondent Services, LLC  
(a wholly-owned subsidiary of BB&T Corporation)

In our opinion, the accompanying statement of financial condition presents fairly, in all material respects, the financial position of Clearview Correspondent Services, LLC (the Company) at December 31, 2009, in conformity with accounting principles generally accepted in the United States of America. This statement of financial condition is the responsibility of the Company's management; our responsibility is to express an opinion on this statement of financial condition based on our audit. We conducted our audit of this statement of financial condition in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the statement of financial condition is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial condition, assessing the accounting principles used and significant estimates made by management, and evaluating the overall presentation of the statement of financial condition. We believe that our audit provides a reasonable basis for our opinion.

*PricewaterhouseCoopers LLP*

February 27, 2010  
Charlotte, NC

# Clearview Correspondent Services, LLC

Notes to Statement of Financial Condition

December 31, 2009

## 1. Organization and Description of Business

Clearview Correspondent Services, LLC (the "Company") was established during 2006 as a broker-dealer to provide correspondent clearing services to other broker-dealers and entities involved in the securities industry. Operations commenced in October 2007. The Company is a wholly-owned subsidiary of BB&T Corporation ("Parent"), sole member. The Company is registered as a broker-dealer with the Securities and Exchange Commission ("SEC") and is subject to regulatory oversight by the Financial Industry Regulatory Authority ("FINRA").

As a correspondent clearing firm, the Company provides clearing services to affiliated and unaffiliated broker-dealers on a fully-disclosed basis. As such, the Company will not carry customer accounts of its own, but will only accept accounts introduced by an introducing firm.

## 2. Summary of Significant Accounting Policies

### Use of Estimates in the Preparation of Financial Statements

The financial statements are presented in accordance with accounting principles generally accepted in the United States of America, which require management to make estimates and assumptions that affect the reported amounts and disclosures. These estimates and assumptions are based on judgment and available information, and consequently, actual results could be materially different from these estimates. The more significant estimates relate to impairment analysis of goodwill and accrued expenses.

### Cash and cash equivalents

Cash and cash equivalents represent amounts on deposit with banks and other financial institutions that are not subject to segregation under federal regulation.

### Securities borrowed

Securities borrowed for cash collateral are accounted for as financing transactions and are included in the Statement of Financial Condition as the amount of cash advanced in connection with the transactions. Interest expense is recorded on an accrual basis. The Company measures the fair value of the securities borrowed, in accordance with the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820, *Fair Value Measurements and Disclosures* ("Topic 820"), against the collateral on a daily basis, and additional collateral is obtained or excess is returned to ensure that such transactions are appropriately collateralized.

### Customer securities transactions

Customer securities transactions are recorded on a settlement date basis with related commission income and expenses recorded on a trade date basis. The Company monitors the fair value of collateral held and the fair value of securities receivable from others, in accordance with Topic 820. It is the Company's policy to request and obtain additional collateral when deemed appropriate. A substantial portion of receivables is due from customers residing in the Southeastern United States of America.

### Furniture, equipment and leasehold improvements

Furniture, equipment and leasehold improvements are recorded at cost. Depreciation of furniture and equipment and amortization of leasehold improvements is based on both straight-line and accelerated methods. Depreciation on furniture and equipment is recorded over the estimated useful lives of the assets (ranging from three to seven years). Leasehold improvements are amortized based on the estimated economic benefit received.

### Translation of Foreign Currencies

Assets and liabilities denominated in foreign currencies are translated at year-end rates of exchange, whereas the income statement accounts are translated at the rates of exchange during the time of transaction.

## Clearview Correspondent Services, LLC

Notes to Statement of Financial Condition

December 31, 2009

### Goodwill

Goodwill represents the cost in excess of the fair value of net assets acquired. Goodwill is not amortized over an estimated useful life, but rather is tested at least annually for impairment. The Company measures impairment using the present value of estimated future cash flows. The analysis is based upon available information regarding expected future cash flows and discount rates. Discount rates are based upon the cost of capital specific to the Company's industry. If the carrying value of the reporting unit exceeds its fair value, a second analysis is performed to measure the fair value of all assets and liabilities. If, based on the second analysis, it is determined that the fair value of the assets and liabilities of the reporting unit is less than the carrying value, the Company recognizes impairment for the excess of carrying value over fair value. The recoverability of goodwill is also evaluated if events or circumstances indicate a possible reduction in the fair value of the Company below its carrying amount. Through December 31, 2009, the Company did not record any goodwill impairment based on its testing.

### Income taxes

The Company's operating results are included in the federal income tax return of the Parent. The method of allocating federal income tax expense is determined under a tax allocation agreement between the Company and the Parent. The amount of current tax or benefit calculated is either remitted to or received from the Parent. The allocation agreement specifies that income tax expense will be computed for all subsidiaries on a separate company method. The Company has evaluated the requirements of the FASB ASC 740, *Income Taxes*, and had no unrecognized tax benefits, or accrued interest or penalties as of December 31, 2009.

Deferred income taxes have been provided when different accounting methods have been used in determining income for income tax purposes and for financial reporting purposes. Deferred tax assets and liabilities are recognized based on future tax consequences attributable to differences arising from financial statements carrying values of assets and liabilities and their tax bases. In the event of changes in the tax laws, deferred tax assets and liabilities are adjusted in the period of the enactment of those changes, with the cumulative effects included in the current year's income tax provision.

### 3. Cash Segregated Under Federal Regulations

At December 31, 2009, cash of \$224,495,537 was segregated in special reserve bank accounts for the exclusive benefit of customers under the SEC's "Customer Protection: Reserves and Custody of Securities" Rule 15c3-3 (SEC Rule 15c3-3). This rule provides a detailed reserve formula for determining the reserve bank account requirement. The reserve is calculated as the excess of customer-related credits over customer-related debits. On January 5, 2010, a deposit of \$50,288,442 was made for the calculation as of December 31, 2009, which indicated that the excess of these total credits over total debits was \$249,678,413.

The Company computes a reserve requirement for the proprietary accounts of introducing brokers (PAIB). At December 31, 2009, the Company had a PAIB deposit segregated in special reserve bank accounts of \$8,009,162 with no PAIB deposit requirement.

## Clearview Correspondent Services, LLC

Notes to Statement of Financial Condition

December 31, 2009

### 4. Receivables From and Payables To Brokers, Dealers and Clearing Organizations

The balances shown as receivables from and payables to brokers, dealers and clearing organizations represent amounts due for security transactions made in connection with the Company's normal trading and borrowing activities. Securities failed to deliver and receive represent the contract value of securities not delivered or received on settlement date.

Balances at December 31, 2009, were as follows:

|  | <u>Receivable</u>    | <u>Payable</u>       |
|--|----------------------|----------------------|
| Trade date versus settlement date on security transactions | \$ 62,366,401        | \$ --                |
| Fails to deliver and receive                               | 9,413,639            | 8,833,386            |
| Clearing organizations                                     | 2,901,204            | 615,760              |
| Other  | <u>4,956,255</u>     | <u>1,886,017</u>     |
| Total  | <u>\$ 79,637,499</u> | <u>\$ 11,335,163</u> |

### 5. Furniture, Equipment and Leasehold Improvements

Furniture, equipment and leasehold improvements consist of the following at December 31, 2009:

|                                |                   |
|--------------------------------|-------------------|
| Furniture and equipment        | \$ 71,051         |
| Alterations and improvements   | 90,586            |
| Computer equipment             | 81,542            |
| Computer software              | 444,041           |
| Less: accumulated depreciation | <u>(275,412)</u>  |
| Total                          | <u>\$ 411,808</u> |

### 6. Short-Term Borrowings

The Company maintains a line of credit with an established financial institution with maximum borrowing under the loan equal to available collateral. The line of credit may be collateralized with customers' securities pledged for margin loans and securities held for correspondent broker-dealer accounts. As of December 31, 2009, there were no borrowings outstanding in connection with the line of credit. Borrowings throughout 2009 had an effective interest rate that ranged from 1.44% to 1.38% per annum. There is no established maturity date under the agreement with this institution. Additional bank lines of credit are available on a short-term basis.

The Company also maintains an unsecured line of credit from the Parent totaling \$575,000,000. As of December 31, 2009, there were no borrowings outstanding under this line of credit. Borrowings throughout 2009 had an effective interest rate which ranged from 0.75% to 0.49% per annum. There is no established maturity date under the agreement with the Parent.

## Clearview Correspondent Services, LLC

Notes to Statement of Financial Condition

December 31, 2009

### 7. Income Taxes

The tax effects of temporary differences that give rise to the deferred tax assets, included in the Statement of Financial Condition, at December 31, 2009, are presented below:

|                           |                   |
|---------------------------|-------------------|
| Deferred tax assets:      |                   |
| Accrued expenses          | \$ 188,075        |
| Deferred compensation     | 100,755           |
| Depreciation              | 26,868            |
| Intangibles               | 1,975             |
| Equity-based compensation | 25,683            |
| Total deferred tax assets | <u>\$ 343,356</u> |

The Company has no valuation allowance for deferred tax assets based on management's belief that it is more likely than not that the deferred tax assets will be realized.

The Company has evaluated the requirements of ASC 740 and recognized no adjustments in the liability for unrecognized income tax benefits as of December 31, 2009. The Company did not have any unrecognized tax benefits and did not have any interest or penalties accrued as of December 31, 2009. The Company is subject to U.S. income taxes as well as various state and local jurisdictions.

### 8. Net Capital Requirements

The Company is subject to SEC Rule 15c3-1, which requires the maintenance of minimum net capital. The Company has elected to use the alternative method permitted by SEC Rule 15c3-1, which requires that the Company maintain net capital equal to the greater of 2% of aggregate debit items or \$1,500,000.

At December 31, 2009, the Company had net capital of \$35,199,402, which was \$32,426,686 in excess of its minimum net capital requirement of \$2,772,716. Net capital as a percent of aggregate debit balances was 25.39% at December 31, 2009.

### 9. Benefit Plans

The Parent offers a 401(k) Savings Plan that permits employees to contribute from 1% to 50% of their cash compensation. For regular employees who are 21 years of age or older with one year or more of service, the Company makes matching contributions of up to 6% of the employee's compensation.

Certain employees of the Company participate in the Parent's equity based compensation plans, which provide for the issuance of the Parent's stock-related awards, such as stock options and restricted stock units. The Parent measures the fair value of each option award on the date of grant using the Black-Scholes option pricing model. Additionally, the Parent measures the fair value of restricted share units based on the price of the Parent's common stock on the grant date less the present value of expected dividends that are foregone during the vesting period.

## 10. Related Party Transactions

The Company is a member of a group of affiliated companies and, as disclosed below and in Note 6, has extensive transactions and relationships with members of the group.

The Company provides services to an affiliated company, Scott & Stringfellow, LLC, a wholly owned subsidiary of the Parent. Pricing for clearing services are established through mutual agreement between the two companies, and therefore, it is possible that the terms of this pricing arrangement are not the same as those that would result from an arms-length transaction.

Scott & Stringfellow, LLC provides management, consulting and financial services to the Company for an annual fee. Such services include, but are not necessarily limited to, advice and assistance concerning any and all aspects of the operation, planning and financing of the Company, as well as certain other administrative services.

At December 31, 2009, the Company had a payable to Scott and Stringfellow, LLC in the amount of \$172,250,031. Of this amount, \$161,924,349 was a result of short-term borrowings with affiliates for securities purchased and sold for Scott and Stringfellow, LLC. The remaining \$10,325,682 resulted from unsettled operational amounts, such as customer margin interest and commissions due to Scott and Stringfellow, LLC, and is part of the \$12,680,690 balance of payable to fully-disclosed correspondents in the Statement of Financial Condition.

The Parent provides management, consulting and financial services to the Company for an annual fee. Such services include, but are not necessarily limited to, advice and assistance concerning any and all aspects of the operation, planning and financing of the Company, as well as payroll and other administrative services.

At December 31, 2009, the Company had several bank accounts with the Parent, or other subsidiaries of the Parent with a net balance of \$500,000 in Cash and \$2,724,284 in Cash segregated under federal regulations. The Company had accrued income receivable from the Parent in the amount of \$657,332 at December 31, 2009, and is included in Receivable from Parent in the Statement of Financial Condition. Other miscellaneous receivables from the Parent totaled \$49,568 at December 31, 2009, and are included in other assets in the Statement of Financial Condition.

## 11. Financial Instruments with Off-Statement of Financial Condition Risk

In the normal course of business, the Company engages in activities involving the execution and settlement of various securities transactions. These activities may expose the Company to credit and market risks that are not reflected on the statement of financial condition, in the event the customer or counterparty is unable to fulfill its contractual obligation. Such risks may be increased by volatile trading markets.

The Company seeks to control the risks associated with its customer activities, including customer accounts of its correspondents for which it provides clearing services, by requiring customers to maintain margin collateral in compliance with various regulatory and internal guidelines. The required margin levels are monitored daily and, pursuant to such guidelines, customers are required to deposit additional collateral or to reduce positions when necessary.

A portion of the Company's customer activity involves short sales and the writing of option contracts. Such transactions may require the Company to purchase or sell financial instruments at prevailing market prices in order to fulfill the customer's obligations.

In the normal course of business, the Company is indemnified and guaranteed by correspondents, against specified potential losses in connection with the Company acting as an agent of, or providing services to, the correspondents.



## **12. Commitments and Contingencies**

The Company is obligated under noncancelable operating leases, which contain escalation clauses, for office facilities and equipment expiring on various dates through 2025.

## **13. Litigation**

Due to the nature of its business, the Company is subject to various threatened or pending legal actions. Although the amount of the ultimate exposure, if any, cannot be determined at this time, the Company, based upon legal advice of counsel, does not expect the final outcome of threatened or pending suits to have a material adverse effect on its financial position or results of operations.

## **14. Subsequent Events**

The Company has evaluated subsequent events and has determined there are none requiring disclosure through the date of this Statement of Financial Condition.