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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**

*cm*

SEC FILE NUMBER  
8- 38622

**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: Fordham Financial Management Inc.

OFFICIAL USE ONLY  
FIRM I.D. NO.

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

14 Wall Street, 18th Floor

(No. and Street)

New York

New York

10005

(City)

(State)

(Zip Code)

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

Richard Adams

212-732-8500

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Gaynes, Paul R. CPA

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

54 Sunnyside Blvd.

Plainview

NY

11803

(Address)

(City)

(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  
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BRANCH OF REGISTRATIONS  
AND  
EXAMINATIONS

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\*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, William Baquet, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Fordham Financial Management Inc., 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:

EVELYN HENNIGAR  
Notary Public, State of New York  
No. 01HE6146760  
Qualified in Richmond County  
Commission Expires May 22, 2010

*William Baquet*  
Signature  
President  
Title

*Evelyn Hennigar*  
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).

INDEX TO THE FINANCIAL STATEMENTS  
OF  
FORDHAM FINANCIAL MANAGEMENT, INC.

Facing Page

Independent Auditor's Report

Exhibit A	Statement of Financial Condition December 31, 2009
Exhibit B	Statement of Income For The Year Ended December 31, 2009
Exhibit C	Statement of Cash Flows For the Year Ended December 31, 2009
Exhibit D	Statement of Changes in Stockholders' Equity For the Year Ended December 31, 2009
Schedule 1	Computation of Net Capital Under S.E.C. Rule 15c3-1 As of December 31, 2009
Schedule 2	Schedule of Reconciliation of Net Capital As of December 31, 2009
Notes to Financial Statements - December 31, 2009	
Report on Internal Control - December 31, 2009	

**PAUL GAYNES**  
CERTIFIED PUBLIC ACCOUNTANT

PAUL GAYNES, CPA

54 SUNNYSIDE BOULEVARD, PLAINVIEW, NEW YORK 11803  
516/349-1331

## INDEPENDENT AUDITOR'S REPORT

To the Officers and Directors of  
Fordham Financial Management, Inc.  
New York, New York

I have audited the accompanying statement of financial condition of Fordham Financial Management, Inc. as of December 31, 2009, the related statement of income, statement of cash flows, statement of changes in stockholders' equity for the year then ended and the supplementary information thereto. 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 generally accepted auditing standards. These 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 Fordham Financial Management, Inc. as of December 31, 2009 and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

My audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in the schedules 1 and 2 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 of the Securities and Exchange Commission. 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.



PAUL GAYNES, CPA

Plainview, NY  
February 9, 2010

FORDHAM FINANCIAL MANAGEMENT, INC.  
STATEMENT OF FINANCIAL CONDITION  
DECEMBER 31, 2009

Exhibit A

	ASSETS	
<b>CURRENT ASSETS</b>		
Cash	\$ 109,321	
Due from clearing broker	105,000	
Securities – Long Market Value	1,725	
Receivable from Broker Dealers	<u>413,999</u>	
Total Current Assets		\$ 630,045
<b>FIXED ASSETS</b>		
Furniture & equipment	\$ 38,808	
Less: Accumulated depreciation	<u>15,051</u>	
Net Fixed Assets		23,757
<b>OTHER ASSETS</b>		
Due from registered representative	\$ 270,456	
Security deposits	<u>93,832</u>	
		<u>364,288</u>
<b>TOTAL ASSETS</b>		<u><b>\$ 1,018,090</b></u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 26,677	
Commissions payable	<u>119,571</u>	
<b>TOTAL LIABILITIES</b>		\$ 146,248
<b>STOCKHOLDERS' EQUITY</b>		
Common stock		
Authorized 50,000 No Par Value		
Issued & outstanding 15,000 shares	\$ 15,000	
Paid in capital	3,749,537	
Retained earnings	<u>(2,892,695)</u>	
Total Stockholders' Equity		<u>871,842</u>
<b>TOTAL LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>		<u><b>\$ 1,018,090</b></u>

The accompanying notes are an integral part of this statement.

FORDHAM FINANCIAL MANAGEMENT, INC  
STATEMENT OF INCOME  
FOR THE YEAR ENDED DECEMBER 31, 2009

Exhibit B

REVENUES	\$ 3,373,597
OPERATING EXPENSES	
Salaries	\$ 933,528
Commissions	1,712,520
Rent	319,881
Clearing costs	385,742
Payroll taxes	148,044
Advertising	2,384
Professional fees & consulting	133,441
Medical insurance	136,637
Insurance	45,672
Office supplies & expenses	22,019
Telephone	111,801
Registration & regulatory expenses	77,078
Equipment & information	153,477
Messenger & delivery	23,156
Selling expenses	149,665
Depreciation	<u>9,506</u>
Total Expenses	<u>4,364,551</u>
Net Loss Before Taxes	(990,954)
Taxes Based on Income	<u>4,986</u>
NET LOSS	<u>\$ (995,940)</u>

The accompanying notes are an integral part of this statement.

FORDHAM FINANCIAL MANAGEMENT, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2009

Exhibit C

CASH FLOWS FROM OPERATING ACTIVITIES

Net Loss		\$ (995,940)
Adjustments to reconcile net income to net cash		
Decrease in receivables	\$ 340,321	
Depreciation	9,506	
Increase in payables	69,720	
Decrease in securities owned	<u>29,392</u>	
Total Adjustments		<u>448,939</u>
NET CASH APPLIED TO OPERATING ACTIVITIES		\$ (547,001)
CASH APPLIED TO INVESTING ACTIVITIES		
Increase in paid in capital	\$ 541,000	
Decrease in net advances	<u>17,828</u>	
NET CASH APPLIED TO INVESTING ACTIVITIES		<u>558,828</u>
NET INCREASE IN CASH & CASH EQUIVALENTS		\$ 11,827
CASH & CASH EQUIVALENTS – JANUARY 1, 2009		<u>97,494</u>
CASH & CASH EQUIVALENTS – DECEMBER 31, 2009		<u>\$ 109,321</u>

The accompanying notes are an integral part of this statement.

FORDHAM FINANCIAL MANAGEMENT, INC.  
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2009

Exhibit D

	<u>COMMON STOCK</u>	<u>PAID IN CAPITAL</u>	<u>RETAINED EARNINGS</u>	<u>STOCKHOLDERS' EQUITY</u>
<b>BALANCES</b>				
January 1, 2009	\$ 15,000	\$ 3,208,537	\$ (1,896,755)	\$ 1,326,782
Loss – 2009			(995,940)	(995,940)
Additional Capital Paid In	_____	<u>541,000</u>	_____	<u>541,000</u>
<b>BALANCES –</b>				
DECEMBER 31, 2009	<u>\$ 15,000</u>	<u>\$ 3,749,537</u>	<u>\$ (2,892,695)</u>	<u>\$ 871,842</u>

The accompanying notes are an integral part of this statement.



FORDHAM FINANCIAL MANAGEMENT, INC.  
 COMPUTATION OF NET CAPITAL  
 UNDER SEC RULE 15c3-1  
 AS OF DECEMBER 31, 2009

Schedule 1

<b>CREDIT FACTORS</b>		
Common Stock	\$ 15,000	
Paid in capital	3,749,537	
Retained earnings (Deficit)	<u>(2,892,695)</u>	
Total Credit Factors	\$ 871,842	
 <b>DEDUCTIONS</b>		
Non allowable assets	<u>388,045</u>	
<b>NET CAPITAL – BEFORE HAIRCUTS</b>	<b>\$ 483,797</b>	
 <b>HAIRCUTS</b>		
Other Securities	<u>1,632</u>	
<b>NET CAPITAL</b>	<b>\$ 482,165</b>	
Less: Capital requirements, greater of minimum Dollar or 6 2/3% or aggregate indebtedness	<u>250,000</u>	
<b>NET CAPITAL IN EXCESS OF REQUIREMENTS</b>	<b><u>\$ 232,165</u></b>	
 Capital Ratio: (Maximum allowance of 1500%)		
Aggregate indebtedness	\$ 146,248	
Divided by: Net Capital	<u>482,165</u>	30.33%
 <b>AGGREGATE INDEBTEDNESS</b>		
Accrued expenses & taxes payable	<u>\$ 146,248</u>	
6 2/3% of Aggregate Indebtedness	<u>\$ 9,750</u>	

The accompanying notes are an integral part of this statement.

FORDHAM FINANCIAL MANAGEMENT, INC.  
RECONCILIATION OF NET CAPITAL  
AS OF DECEMBER 31, 2009

Schedule 2

Net capital per Focus Report X-17A-5	\$ 482,165
NET CAPITAL PER AUDIT REPORT	<u>482,165</u>
Difference	<u>\$ NONE</u>

The accompanying notes are an integral part of this statement.

FORDHAM FINANCIAL MANAGEMENT, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2009

NOTE 1 – ORGANIZATION

Fordham Financial Management, Inc. is a Colorado corporation formed, in September 1987 for the purpose of conducting business as a broker dealer in securities. In December, 1995, the company was sold and moved its operations to New York State. The company is a broker dealer registered with the Securities and Exchange Commission.

NOTE 2 – INCOME TAXES

Provision has been made for income taxes payable to New York City, New York State and The Internal Revenue Service.

NOTE 3 – LEASE COMMITMENT

The company moved to 14 Wall Street, New York City on February 3, 2000. The future lease obligation at that premises is \$258,757 per annum until the expiration of the lease on February 28, 2012.

NOTE 4 SIGNIFICANT ACCOUNTING POLICIES

Securities Transactions

Marketable securities are valued at market value, and securities not readily marketable are valued at fair value as determined by management. The company does not carry customer securities accounts on its own books. All trades are on a fully disclosed basis through First Clearing LLC and Legent Clearing.

Proprietary securities transactions are recorded on the trade date, as if they had settled. Profit and loss arising from all securities and commodities transactions entered into for the account and risk of the Company are recorded on a trade date basis. Customers' securities transactions are reported on a settlement date basis with related commission income and expenses reported on a trade date basis.

Net Capital Requirements

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC 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 15 to 1. At December 31, 2009, the Company had net capital of \$482,165 which was \$146,248 in excess of its required net capital of \$250,000. The Company's net capital ratio was 30.33 to 1.

## Investment Banking

Investment banking revenues include gains, losses, and fees, net of syndicate expenses, arising from private placements in which the Company acts as an underwriter or agent.

## Commissions

Commissions and related clearing expenses are recorded on a trade-date basis as securities transactions occur.

## Depreciation

Depreciation is provided on a straight-line basis using estimated useful lives of five to ten years. Leasehold improvements are amortized over the lesser of the economic useful life of the improvement or the term of the lease.

**PAUL GAYNES**  
CERTIFIED PUBLIC ACCOUNTANT

PAUL GAYNES, CPA

54 SUNNYSIDE BOULEVARD, PLAINVIEW, NEW YORK 11803  
516/349-1331

To the Officers and Directors of  
Fordham Financial Management, Inc.  
New York, New York

Gentlemen

In planning and performing my audit of the financial statements of Fordham Financial Management, Inc. for the year ended December 31, 2009, I considered its internal control structure, including procedures 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 structure. Also, as required by rule 17a-5 (g)(1) of the Securities and Exchange Commission, I have made a study of the practices and procedures (including tests of compliance with such practices and procedures) followed by Fordham Financial Management, Inc. that I considered relevant to the objectives stated in rule 17a-5(g)(1) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital rule under rule 17-a-3(ii) and the reserve required by rule 15c 3-3. Fordham Financial Management does not carry securities accounts for customers nor does it perform custodial functions for customer securities. Accordingly, therefore, Fordham is not required to perform the various procedures normally used to account for and protect customer securities in its possession.

The management of the Company is responsible for establishing and maintaining internal control structures 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 policies and procedures 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 Commissions above mentioned objectives. Two of the objectives of an internal control structure 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 structure of the practices and procedures referred to above, errors or irregularities 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.

My consideration of the internal control structure would not necessarily disclose all matters in *the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants*. A material weakness is a condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, I noted no matters involving the internal control structure, including procedures 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 Commission 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 Commission's objectives.

Further, that no material differences existed between my computations and of your net capital, or determination of the reserve requirements, and your corresponding Focus Report Part II filing.

This report is intended solely for the use of management, the Securities and Exchange Commission, the National Association of Securities Dealers, Inc. and other regulatory agencies which rely on Rule 17a-5(g) under the Securities and Exchanges Act of 1934 and should not be used for any other purpose.

Very truly yours,



PAUL GAYNES, CPA

Plainview, New York  
February 9, 2010

FINANCIAL STATEMENTS  
FORDHAM FINANCIAL MANAGEMENT, INC.  
DECEMBER 31, 2009

SEC  
Mail Processing  
Section

FEB 25 2010

Washington, DC  
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