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

CM

SEC FILE NUMBER
8-22741

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: Edwin C. Blitz Investments Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

191 Waukegan Road

(No. and Street)

Northfield

(City)

IL

(State)

60093

(Zip Code)

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

Edwin C. Blitz

(847) 446-7890

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Reilly Penner & Benton LLP

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

1233 North Mayfair Road

(Address)

Milwaukee

(City)

WI

53226

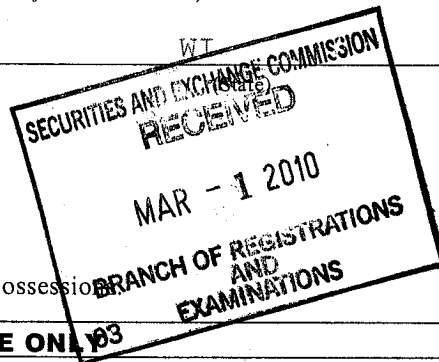
(Zip Code)

CHECK ONE:

Certified Public Accountant

Public Accountant

Accountant not resident in United States or any of its possessions



FOR OFFICIAL USE ONLY

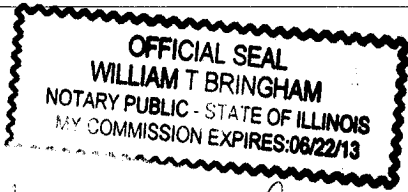
\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

JD 3/15/10

OATH OR AFFIRMATION

I, EDWIN C. BLITZ, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of EDWIN C. BLITZ INVESTMENTS, INC, as of DECEMBER 31, 20 09, 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:

NO EXCEPTIONS



William T. Bringham  
Notary Public

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

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).

**EDWIN C. BLITZ INVESTMENTS, INC.**  
Northfield, Illinois

**Computation of Net Capital and Aggregate Indebtedness Under Rule 15c3-1**  
December 31, 2009

<b>Total Stockholder's Equity</b>	\$ 83,968
Deduct ownership equity not allowable for net capital - commissions receivable	(3,033)
Total stockholder's equity qualified for net capital	<u>80,935</u>
Less: Haircuts on securities	<u>(2,086)</u>
<b>Net Capital</b>	<u><u>\$ 78,849</u></u>
Aggregated Indebtedness	
Included in statement of financial condition	
Commissions payable	<u><u>\$ 120,625</u></u>
Computation of Basic Net Capital Requirement	
Minimum net capital required (6-2/3% of aggregated indebtedness)	<u><u>\$ 8,042</u></u>
Minimum dollar net capital requirement of reporting broker or dealer	<u><u>\$ 5,000</u></u>
Net capital requirement	<u><u>\$ 8,042</u></u>
Excess net capital	<u><u>\$ 70,807</u></u>
Ratio of aggregate indebtedness to net capital	<u><u>1.53 to 1</u></u>
<b>Reconciliation with Company's Computation (included in Part IIA of Form X-17A-5 as of December 31, 2009):</b>	
Net capital as reported in Company's Part IIA (unaudited) FOCUS report	\$ 75,896
Adjust unallowable commissions receivable	<u>2,953</u>
<b>Net Capital</b>	<u><u>\$ 78,849</u></u>

Richard A. Raymaker  
Steven C. Barney  
Steven R. Volz  
Daniel R. Brophey  
Thomas G. Wieland  
Michael W. Van Wagenen



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*Celebrating Over 100 Years of Client Service*

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## INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL

To the Board of Directors,  
Edwin C. Blitz Investments, Inc.  
Northfield, Illinois

In planning and performing our audit of the financial statements and supplemental information of Edwin C. Blitz Investments, Inc. (the Company), as of and for the year ended December 31, 2009, 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 included 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(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 customer 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 an internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control or the practices and procedures referred to above, errors or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

Our consideration of the internal control was for the limited purpose described in the preceding paragraphs and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

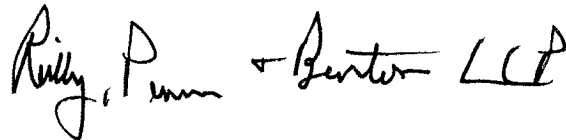
A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency in the Company's internal control to be a significant deficiency:

### **Separation of Duties**

The Company operates its accounting and reporting function with principally one individual, which precludes a proper segregation of duties. This condition is not, however, unusual in entities the size of the Company. It is important for management to be aware of this condition, and to realize that the concentration of duties and responsibilities in one individual is not desirable from a control point of view. Under these conditions, the most effective controls rest in management's knowledge and monitoring of matters relating to the Company's financial affairs.

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 purpose 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 were adequate at December 31, 2009, to meet the SEC's objectives.

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

Handwritten signature in black ink that reads "Rully, Penn & Benter LLP". The signature is written in a cursive, flowing style.

February 22, 2010  
Milwaukee, Wisconsin

**EDWIN C. BLITZ INVESTMENTS, INC.**  
Northfield, Illinois

**AUDITED FINANCIAL STATEMENTS**

Years Ended December 31, 2009 and 2008

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Edwin C. Blitz Investments, Inc.  
Northfield, Illinois

We have audited the accompanying balance sheets of Edwin C. Blitz Investments, Inc. (the Company) as of December 31, 2009 and the related statements of operations, comprehensive income, changes in stockholder's 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. The financial statements of Edwin C. Blitz Investments, Inc. as of December 31, 2008, were audited by other auditors whose report dated February 20, 2009, expressed an unqualified opinion on those statements.

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 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 financial statements referred to above present fairly, in all material respects, the financial position of the Company at December 31, 2009 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 made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information included in the accompanying computation of net capital and aggregate indebtedness schedule 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 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.

A handwritten signature in cursive script that reads "Reilly, Penner &amp; Benton LLP".

February 22, 2010  
Milwaukee, Wisconsin

**EDWIN C. BLITZ INVESTMENTS, INC.**  
Northfield, Illinois

**Balance Sheets**  
December 31, 2009 and 2008

<u>ASSETS</u>	<u>2009</u>	<u>2008</u>
<b>Current Assets:</b>		
Cash	\$ 54,703	\$ 56,559
Commissions receivable	135,986	6,658
Investments	13,904	17,321
<b>Total Assets</b>	<u>\$ 204,593</u>	<u>\$ 80,538</u>
 <b><u>LIABILITIES AND STOCKHOLDER'S EQUITY</u></b>		
<b>Current Liabilities:</b>		
Commissions payable	\$ 120,625	\$ 2,254
<b>Stockholder's Equity:</b>		
Common stock, \$1 par value, 50,000 shares issued and outstanding	50,000	50,000
Retained earnings	36,026	26,925
Accumulated other comprehensive income	(2,058)	1,359
Total Equity	<u>83,968</u>	<u>78,284</u>
<b>Total Liabilities and Stockholder's Equity</b>	<u>\$ 204,593</u>	<u>\$ 80,538</u>

The accompanying notes are an integral part of these financial statements.



**EDWIN C. BLITZ INVESTMENTS, INC.**  
Northfield, Illinois

**Statements of Operations and Comprehensive Income**  
Years Ended December 31, 2009 and 2008

	<b>2009</b>	<b>2008</b>
<b>Revenues:</b>		
Commission income	\$ 419,387	\$ 632,351
<b>Operating Expenses:</b>		
Commissions	313,049	512,910
Gross wages	42,000	92,042
Professional fees	12,057	3,745
Insurance	13,787	12,294
Publications	3,638	3,699
Payroll taxes	3,213	7,680
Registration fees	4,940	1,416
Miscellaneous expense	129	157
Office expense	11,860	7,890
Travel and entertainment	5,613	4,742
<b>Total operating expenses</b>	410,286	646,575
<b>Net Income (Loss)</b>	9,101	(14,224)
Change in unrealized gain (loss) on available for sale securities	(3,417)	1,359
<b>Comprehensive income (loss)</b>	\$ 5,684	\$ (12,865)

The accompanying notes are an integral part of these financial statements.

**EDWIN C. BLITZ INVESTMENTS, INC.**  
Northfield, Illinois

**Statements of Changes in Stockholder's Equity**  
Years Ended December 31, 2009 and 2008

	Common Stock	Comprehensive Income	Retained Earnings	Total Stockholder's Equity
<b>Balance, December 31, 2007</b>	\$ 50,000	\$ -	\$ 41,149	\$ 91,149
Change in unrealized gain	-	1,359	---	1,359
Net loss	-	-	(14,224)	(14,224)
<b>Balance, December 31, 2008</b>	50,000	1,359	26,925	78,284
Change in unrealized loss	-	(3,417)	-	(3,417)
Net income	-	-	9,101	9,101
<b>Balance, December 31, 2009</b>	<u>\$ 50,000</u>	<u>\$ (2,058)</u>	<u>\$ 36,026</u>	<u>\$ 83,968</u>

The accompanying notes are an integral part of these financial statements.

**EDWIN C. BLITZ INVESTMENTS, INC.**  
Northfield, Illinois

**Statements of Cash Flows**  
Years Ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
<b>Cash Flows From Operating Activities</b>		
Net income (loss)	\$ 9,101	\$ (14,224)
Effects of changes in operating assets and liabilities		
Accounts receivable	(129,328)	84,863
Commissions payable	118,371	(74,230)
<b>Net cash used in operating activities</b>	<u>(1,856)</u>	<u>(3,591)</u>
<b>Net Decrease in Cash and Cash Equivalents</b>	(1,856)	(3,591)
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>56,559</u>	<u>60,150</u>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>\$ 54,703</u>	<u>\$ 56,559</u>

The accompanying notes are an integral part of these financial statements.

**EDWIN C. BLITZ INVESTMENTS, INC.**  
Northfield, Illinois

**Notes to Financial Statements**  
December 31, 2009 and 2008

**1. Summary of Significant Accounting Policies**

**Business Activity**

Edwin C. Blitz Investments, Inc. (the Company) was incorporated in the state of Illinois on January 1, 2001. The Company is registered as a broker and dealer in securities under the Securities Exchange Act of 1934. The Company markets securities, annuities, unit investment trusts and mutual funds through savings and loans, banks and other financial institutions. Transactions involving registered, traded equity securities are processed through a correspondent securities broker and dealer on a fully-disclosed basis. The Company's fiscal year ends December 31. Significant accounting policies followed by the Company are presented below.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Cash and Equivalents**

Cash and equivalents consist of the Company's checking account.

**Investments**

Investments in equity securities that have readily determinable fair values and for all investments in debt securities are classified in three categories and accounted for as follows:

- Debt securities that the Company has the possible intent and ability to hold to maturity are classified as investment securities and reported at amortized cost.
- Debt and equity securities that are bought and held principally for the purpose of selling them in the near term are classified as trading securities and reported at fair value, with unrealized gains and losses included in earnings.
- Debt and equity securities not classified as either investment securities or trading securities are classified as available-for-sale securities and are reported at fair value, with unrealized gains and losses excluded from earnings and reported in a separate component of stockholders' equity.

The Plan has adopted and implemented issued Statement of Financial Accounting Standards on, Fair Value Measurements. This standard defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles and expands disclosures about fair value measurements. The statement clarifies that the exchange price is the price in an orderly transaction between market participants to sell an asset or transfer a liability at the measurement date. The statement emphasizes that fair value is a market-based measurement and not an entity-specific measurement. Adoption of this standard has not had a material impact on the Plan's financial statements. This standard establishes a fair value hierarchy that prioritizes the inputs, which are summarized as follows:

**Level 1** – Quoted prices in active markets, e.g. NYSE, NASDAQ, etc... for assets identical to the securities to be valued. If a Level 1 input is available, it must be used.

**Level 2** – Inputs other than quoted prices that are observable for securities, either directly or indirectly. Examples include matrix pricing utilizing yield curves, prepayment speeds, credit risks, etc...; quoted prices for similar assets in active markets; and inputs derived from observable market data by correlation or other means.

**Level 3** – Unobservable inputs, which contain assumptions by the party valuing those assets. For level 3 inputs, there is no market data or correlations with market assumptions. Examples would include limited partnership interests, closely held stock, etc.

**Revenue Recognition**

Commission income is recorded as earned.

**EDWIN C. BLITZ INVESTMENTS, INC.**  
Northfield, Illinois

**Notes to Financial Statements**  
December 31, 2009 and 2008

**1. Summary of Significant Accounting Policies (Continued)**

**Commission Receivable**

Commissions receivable are reported at contract value. An allowance for uncollectible receivables is not considered necessary.

**Reserves and Custody of Securities**

The Company did not hold trading securities, nor does it hold customer securities at December 31, 2009. Because the Company does not handle customers' securities, Rule 15(c)3-3, in regard to computation for determination of reserve requirements and information relating to the possession or control requirements, does not apply.

**Income Taxes**

The Company has elected to have its earnings taxed directly to its stockholder for federal and state income tax purposes under subchapter S of the Internal Revenue Code. Accordingly, no provision for income taxes is made in the accompanying financial statements. The Company is no longer subject to U.S. federal income tax examinations for years ending before December 31, 2006 and Wisconsin income tax examinations for years ending before December 31, 2005.

**Subsequent Events**

Management has evaluated subsequent events for possible recognition or disclosure through the date the financial statements were available to be distributed (February 22, 2010). There were no subsequent events that required recognition or disclosure.

**2. Investments**

Investments are considered to be securities available for sale at December 31, 2009 are summarized as follows:

	<u>Cost</u>	<u>Net Unrealized Holding Loss</u>	<u>Fair Value</u>
Equities	\$ 15,962	\$ (2,058)	\$ 13,904

Investments are considered to be securities available for sale at December 31, 2008 are summarized as follows:

	<u>Cost</u>	<u>Net Unrealized Holding Gain</u>	<u>Fair Value</u>
Equities	\$ 15,962	\$ 1,359	\$ 17,321

The above investments are considered Level 1 as discussed in Note #1.

**3. Net Capital Requirements**

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 ration of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1.

At December 31, 2009 and 2008, respectively, the Company had net capital of \$78,849 and \$72,675, in excess of the requirement of \$8,042 and \$5,000, and a net capital ratio of 1.53 to 1 as of December 31, 2009.

**EDWIN C. BLITZ INVESTMENTS, INC.**

Northfield, Illinois

**Notes to Financial Statements**

December 31, 2009 and 2008

**4. Filing Requirements**

There were no liabilities subordinated to claims of creditors during the year ended December 31, 2009. Accordingly, a statement of changes in liabilities subordinated to claims of creditors is not included in the financial statements as required by rule 17a-5 of the Securities and Exchange Commission.

**5. Concentrations**

The Company maintains its cash balances primarily in an area bank, which at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents.

**6. Commitments**

The Company is periodically subject to examination of its operations by various regulatory agencies. It is management's opinion that none of these examinations will have a material effect on the Company's financial statements.