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

OMB APPROVAL  
OMB Number: 3235-0123  
Expires: February 28, 2010  
Estimated average burden  
hours per response... 12.00



10035344

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

SEC FILE NUMBER  
8- 50519

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 01/01/09 AND ENDING 12/31/09  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Heritage Capital Group, Inc.  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
4811 Beach Boulevard, Suite 300

OFFICIAL USE ONLY  
FIRM I.D. NO.

Jacksonville Florida 32207  
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
C. Donald Wiggins (904) 354-9600  
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

Harbeson, Fletcher & Bateh, LLP

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

637 Park Street Jacksonville Florida 32207  
(Address) (City) (State) (Zip Code)

SEC 17a-5 Processing  
Section

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Washington, DC  
110

CHECK ONE:

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

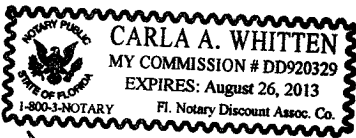
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\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

OATH OR AFFIRMATION

I, C. Donald Wiggins, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Heritage Capital Group, 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:

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



Carla A. Whitten  
Notary Public

C. Donald Wiggins  
Signature  
President  
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.
- (o) Report 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).



**Harbeson, Fletcher & Bateh, LLP**

Certified Public Accountants

E. Cobb Harbeson  
John C. Fletcher, Jr.  
Raymond Z. Bateh  
M. Ronald Hargraves, Jr.

**INDEPENDENT AUDITOR'S REPORT**

February 25, 2010

To the Board of Directors and Stockholder of  
Heritage Capital Group, Inc.

We have audited the accompanying statement of financial condition of Heritage Capital Group, Inc. (an S corporation) as of December 31, 2009, and the related statements of income (loss), 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.

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. 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 Heritage Capital Group, Inc. as of 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 conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained on Schedules 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.

*Harbeson, Fletcher & Bateh, LLP*

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA**

BROKER OR DEALER **HERITAGE CAPITAL GROUP, INC.** **N 3**

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**STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING AND  
CERTAIN OTHER BROKERS OR DEALERS**

as of (MM/DD/YY) 12/31/09 99  
 SEC FILE NO. 50519 98  
 Consolidated  198  
 Unconsolidated  199

**ASSETS**

	<u>Allowable</u>		<u>Non-Allowable</u>		<u>Total</u>
1. Cash .....	\$ 237,193	200			\$ 237,193 <span style="float: right; border: 1px solid black;">750</span>
2. Receivables from brokers or dealers:					
A. Clearance account .....		295			
B. Other .....		300			
3. Receivables from non-customers .....		355	\$ 290	600	\$ 290 <span style="float: right; border: 1px solid black;">830</span>
4. Securities and spot commodities owned, at market value:					
A. Exempted securities .....		418			
B. Debt securities .....		419			
C. Options .....		420			
D. Other securities .....	\$ 88,234	424			
E. Spot commodities .....		430			850
5. Securities and/or other investments not readily marketable:					
A. At cost $\frac{1}{2}$ \$ .....		130			
B. At estimated fair value .....		440	610		860
6. Securities borrowed under subordination agreements and partners' individual and capital securities accounts, at market value:					
A. Exempted securities \$ .....		150			
B. Other securities \$ .....		160			
7. Secured demand notes: .....		470		640	890
market value of collateral:					
A. Exempted securities \$ .....		170			
B. Other securities \$ .....		180			
8. Memberships in exchanges:					
A. Owned, at market \$ .....		190			
B. Owned, at cost .....			650		
C. Contributed for use of the company, at market value .....			660		900
9. Investment in and receivables from affiliates, subsidiaries and associated partnerships .....		480		670	910
10. Property, furniture, equipment, leasehold improvements and rights under lease agreements, at cost-net of accumulated depreciation and amortization .....		490	\$ 11,786	680	920
11. Other assets .....		535	\$ 10,789	735	930
12. TOTAL ASSETS .....	\$ 325,427	540	\$ 22,865	740	\$ 348,292 <span style="float: right; border: 1px solid black;">940</span>

OMIT PENNIES

See Independent Auditor's Report and Notes to Financial Statements.

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA**

BROKER OR DEALER **HERITAGE CAPITAL GROUP, INC.**

as of 12/31/09

**STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING  
AND CERTAIN OTHER BROKERS OR DEALERS**

**LIABILITIES AND OWNERSHIP EQUITY**

<u>Liabilities</u>	<u>A.I. Liabilities</u>	<u>Non-A.I. Liabilities</u>	<u>Total</u>
13. Bank loans payable .....	\$ 1045	\$ 1255	\$ 1470
14. Payable to brokers or dealers:			
A. Clearance account .....	1114	1315	1560
B. Other .....	1,252	1305	1,252
15. Payable to non-customers .....	1155	1355	1610
16. Securities sold not yet purchased, at market value .....		1360	1620
17. Accounts payable, accrued liabilities, expenses and other .....	187,763	1385	187,763
18. Notes and mortgages payable:			
A. Unsecured .....	1210		1690
B. Secured .....	1211	1390	1700
19. Liabilities subordinated to claims of general creditors:			
A. Cash borrowings:			
1. from outsiders \$	970		
2. Includes equity subordination (15c3-1 (d)) of .... \$	980		
B. Securities borrowings, at market value: . . . from outsiders \$	990		
C. Pursuant to secured demand note collateral agreements: .....			
1. from outsider: \$	1000		
2. -Includes equity subordination (15c3-1 (d)) of .... \$	1010		
D. Exchange memberships contributed for use of company, at market value .....			
E. Accounts and other borrowings not qualified for net capital purposes .....	1220	1440	1750
20. TOTAL LIABILITIES .....	\$ 189,015	\$ 1450	\$ 189,015

**Ownership Equity**

21. Sole proprietorship .....			\$ 1770
22. Partnership (limited partners .....	\$ 1020		\$ 1780
23. Corporation:			
A. Preferred stock .....			1791
B. Common stock .....		100	1792
C. Additional paid-in capital .....		75,250	1793
D. Retained earnings .....		83,927	1794
E. Total .....		159,277	1795
F. Less capital stock in treasury .....			1796
24. TOTAL OWNERSHIP EQUITY .....			\$ 159,277
25. TOTAL LIABILITIES AND OWNERSHIP EQUITY .....			\$ 348,292

OMIT PENNIES

See Independent Auditor's Report and Notes to Financial Statements.

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA**

<b>BROKER OR DEALER</b>	HERITAGE CAPITAL GROUP, INC.		
For the period (MMDDYY) from $\nabla$ 01/01/09		3932 to 12/31/09	3933
Number of months included in this statement		12	3931

**STATEMENT OF INCOME (LOSS)**

**REVENUE**

1. Commissions:			<b>3935</b>
a. Commissions on transactions in exchange listed equity securities executed on an exchange	\$		<b>3938</b>
b. Commissions on listed option transactions	$\nabla$		<b>3939</b>
c. All other securities commissions			<b>3940</b>
d. Total securities commissions			
2. Gains or losses on firm securities trading accounts			<b>3945</b>
a. From market making in options on a national securities exchange			<b>3949</b>
b. From all other trading			<b>3950</b>
c. Total gain (loss)		5,323	<b>3952</b>
3. Gains or losses on firm securities investment accounts			<b>3955</b>
4. Profit (loss) from underwriting and selling groups	$\nabla$		<b>3970</b>
5. Revenue from sale of investment company shares			<b>3990</b>
6. Commodities revenue			<b>3975</b>
7. Fees for account supervision, investment advisory and administrative services			<b>3995</b>
8. Other revenue		545,987	<b>4030</b>
9. Total revenue	\$	551,310	

**EXPENSES**

10. Salaries and other employment costs for general partners and voting stockholder officers	\$		<b>4120</b>
11. Other employee compensation and benefits	$\nabla$		<b>4115</b>
12. Commissions paid to other broker-dealers			<b>4140</b>
13. Interest expense			<b>4075</b>
a. Includes interest on accounts subject to subordination agreements		4070	
14. Regulatory fees and expenses		2,899	<b>4195</b>
15. Other expenses		645,347	<b>4100</b>
16. Total expenses	\$	648,246	<b>4200</b>

**NET INCOME**

17. Net income (loss) before Federal income taxes and items below (Item 9 less Item 16)	\$	(96,936)	<b>4210</b>
18. Provision for Federal income taxes (for parent only)	$\nabla$		<b>4220</b>
19. Equity in earnings (losses) of unconsolidated subsidiaries not included above			<b>4222</b>
a. After Federal income taxes of		4238	
20. Extraordinary gains (losses)			<b>4224</b>
a. After Federal income taxes of		4239	
21. Cumulative effect of changes in accounting principles			<b>4225</b>
22. Net income (loss) after Federal income taxes and extraordinary items	\$	(96,936)	<b>4230</b>

**MONTHLY INCOME**

23. Income (current month only) before provision for Federal income taxes and extraordinary items	\$	N/A	<b>4211</b>
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See Independent Auditor's Report and Notes to Financial Statements.

**HERITAGE CAPITAL GROUP, INC.**  
**STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY**  
**Year Ended December 31, 2009**

	<b><u>Common Stock</u></b>	<b><u>Additional Paid-in Capital</u></b>	<b><u>Retained Earnings</u></b>	<b><u>Total</u></b>
Balance at December 31, 2008	\$100	\$75,250	\$182,036	\$257,386
Net loss	-	-	(96,936)	(96,936)
Distributions	<u>-</u>	<u>-</u>	<u>(1,173)</u>	<u>(1,173)</u>
Balance at December 31, 2009	<u>\$100</u>	<u>\$75,250</u>	<u>\$ 83,927</u>	<u>\$159,277</u>

See Independent Auditor's Report and Notes to Financial Statements.

**HERITAGE CAPITAL GROUP, INC.**  
**STATEMENT OF CASH FLOWS**  
**Year Ended December 31, 2009**

<b>Cash flows from operating activities:</b>	
Net loss	\$ (96,936)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:	
Depreciation	5,277
Unrealized gains on marketable securities	(5,256)
Realized gains on marketable securities	(66)
Changes in operating assets and liabilities:	
Decrease in receivables	18,560
Decrease in other assets	48,319
Increase in accounts payable and accrued expenses	126,189
Increase in other liabilities	<u>10,126</u>
Net cash provided by operating activities	<u>106,213</u>
<b>Cash flows from investing activities:</b>	
Proceeds from sales of marketable securities	8,992
Purchase of property and equipment	(2,309)
Purchase of marketable securities	<u>(12,066)</u>
Net cash used for investing activities	<u>(5,383)</u>
<b>Cash flows from financing activities:</b>	
Distributions to stockholder	<u>(1,173)</u>
Net cash used for financing activities	<u>(1,173)</u>
<b>Net increase in cash and cash equivalents</b>	99,657
Cash and cash equivalents, beginning of year	<u>137,536</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$237,193</u>

See Independent Auditor's Report and Notes to Financial Statements.



**HERITAGE CAPITAL GROUP, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

December 31, 2009

**Note 1 - Organization and Nature of Operations**

Heritage Capital Group, Inc. (the "Company") is a licensed broker-dealer registered with the Securities and Exchange Commission (SEC) and the Financial Industry Regulatory Authority (FINRA). The Company provides consulting and advisory services related to buying and selling commercial businesses, mergers and acquisitions, equity and debt financing and other financial and strategic planning.

**Note 2 - Summary of Significant Accounting Policies**

**Revenue Recognition**

Consulting and advisory income is recorded as earned when the services are rendered. Commission income related to mergers and acquisitions and equity and debt financing is recorded upon the closing of the transaction.

**Accounts Receivable**

The Company considers all accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required.

**Marketable Securities**

The Company's investments in marketable securities are reported at fair value in accordance with FASB ASC 820, *Fair Value Measurements and Disclosures*, which establishes a framework for measuring fair value under generally accepted accounting principles and expands disclosure about fair value measurements.

FASB ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The standard also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1: Values measured using quoted prices in active markets for identical investments.
- Level 2: Values measured using observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in active markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

See Independent Auditor's Report.

- Level 3: Values measured using unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 includes private portfolio investments that are supported by little or no market activity.

Net realized and unrealized increases or decreases in fair value of the investments in marketable securities are included in net earnings.

#### **Property and Equipment and Depreciation**

Office equipment, computer equipment and furniture and fixtures are recorded at cost. Depreciation is provided using accelerated methods over the estimated useful lives of the assets.

#### **Income Taxes**

Effective January 1, 1999, the Company elected S corporation status under the Internal Revenue Code. Accordingly, the Company incurs no income tax obligations and the financial statements do not include a provision for income taxes. Corporate earnings and losses are included in the personal income tax return of the stockholder and are taxed depending on his personal tax strategies. The Company uses the cash basis of accounting for income tax purposes and the accrual basis for financial statement purposes.

#### **Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

#### **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### **Note 3 - Net Capital Requirements**

Pursuant to the Securities Exchange Act of 1934, the Company is subject to the SEC 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. Net capital and the related net capital ratio may fluctuate on a daily basis. At December 31, 2009, the Company had net capital of \$128,114, which was \$115,513 in excess of its net capital requirement of \$12,601. The Company's net capital ratio was 1.48 to 1. Accordingly, the Company was in compliance with its net capital requirements at December 31, 2009.

See Independent Auditor's Report.

#### **Note 4 - Investments in Marketable Securities**

The Company's investments in marketable securities consist of common stocks and mutual funds which are carried at fair value based on quoted prices in active markets (all Level 1 measurements). The fair value of investments in common stocks and mutual funds totaled \$88,234 at December 31, 2009.

#### **Note 5 - Property and Equipment**

Property and equipment are summarized as follows:

	<u>Use Life</u>	
Office and computer equipment	5-7	\$11,806
Furniture and fixtures	5-7	<u>15,899</u>
		27,705
Less accumulated depreciation		<u>(15,919)</u>
		<u>\$11,786</u>

Depreciation totaled \$5,277 for the year ended December 31, 2009.

#### **Note 6 - Lease Obligation**

Effective November 2008, the Company entered into a new lease for its office facilities under a non-cancellable operating lease expiring October 31, 2013. The lease agreement contains an annual escalation clause increasing the rent by \$.50 per rentable square foot annually. Under the terms of the lease, current monthly rentals are \$7,743.

Future estimated minimum lease payments under the non-cancellable operating lease as of December 31, 2009, are as follows:

<u>Year Ending</u> <u>December 31,</u>	
2010	\$ 96,785
2011	100,099
2012	103,412
2013	<u>88,478</u>
	<u>\$388,774</u>

Rent expense, net of amounts billed to related entities, totaled \$44,824 for the year ended December 31, 2009.

See Independent Auditor's Report.

### **Note 7 - Related Party Transactions**

The Company has an agreement with Business Valuation, Inc. (BVI), a corporation wholly owned by the Company's stockholder, in which each company shares rent and certain other occupancy costs related to its common office space. The Company also incurs certain expenses related to various BVI analysts providing subcontractor services. Under the agreement, however, the Company is relieved of its share of these costs if such payment would result in the Company's net capital falling below 120% of its minimum requirement under SEC Rule 15c3-1 (See Note 3). None of the shared office expenses were forgiven under its agreement with BVI for the year ended December 31, 2009.

At December 31, 2009, the Company owed BVI \$170,232 for subcontractor services and shared office expenses, which are included in accounts payable and accrued expenses.

### **Note 8 - Concentrations of Credit Risk**

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and accounts receivable. The Company places its cash with high quality financial institutions. Generally, the Company does not require collateral on its customer receivables since it does not anticipate future nonperformance by any of its customers.

For the year ended December 31, 2009, commissions related to a merger and acquisition transaction from one of the Company's clients accounted for approximately 45% of total revenues. In addition, commission income from another client accounted for 13% of total revenues.

### **Note 9 - Uncertain Tax Positions**

The Company has adopted accounting guidance for uncertainty in income taxes under the provisions of FASB ASC 740, *Income Taxes*. The Company files Federal income tax returns which are subject to examination by the Internal Revenue Service (IRS) for a period of generally three years after filing. Management continually monitors and evaluates expiring statutes of limitations, audits, changes in tax law and new authoritative rulings.

See Independent Auditor's Report.

SCHEDULE I

**FINANCIAL AND OPERATION COMBINED UNIFORM SINGLE REPORT  
PART IIA**

**BROKER OR DEALER**

**HERITAGE CAPITAL GROUP, INC.**

as of 12/31/09

**COMPUTATION OF NET CAPITAL**

1. Total ownership equity from Statement of Financial Condition.....	\$	159,277	3480
2. Deduct ownership equity not allowable for Net Capital.....	19	( )	3490
3. Total ownership equity qualified for Net Capital.....		159,277	3500
4. Add:			3520
A. Liabilities subordinated to claims of general creditors allowable in computation of net capital.....			3525
B. Other (deductions) or allowable credits (List).....	\$	159,277	3530
5. Total capital and allowable subordinated liabilities.....			
6. Deductions and/or charges:			
A. Total nonallowable assets from Statement of Financial Condition (Notes B and C) \$ 22,865			3540
B. Secured demand note deficiency.....			3590
C. Commodity futures contracts and spot commodities- proprietary capital charges.....			3600
D. Other deductions and/or charges.....			3610
7. Other additions and/or allowable credits (List).....		22,865	3620
8. Net capital before haircuts on securities positions.....	20		3630
9. Haircuts on securities (computed, where applicable, pursuant to 15c3-1 (f)):			
A. Contractual securities commitments.....	\$		3660
B. Subordinated securities borrowings.....			3670
C. Trading and investment securities:			3735
1. Exempted securities.....	18		3733
2. Debt securities.....			3730
3. Options.....			3734
4. Other securities.....		8,298	3650
D. Undue Concentration.....			3736
E. Other (List).....			
10. Net Capital.....	\$	136,412	3740
		8,298	3750
		128,114	

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*Reconciliation of Company's computation of net capital to auditor's computation of net capital:		
Net capital, as reported in Company's Part IIA FOCUS report (unaudited)		\$309,447
Audit adjustments:		
To record additional accrued expenses and other liabilities		(181,333)
Net capital above		<u>\$128,114</u>

See Independent Auditor's Report and Notes to Financial Statements.

SCHEDULE II

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA**

<b>BROKER OR DEALER HERITAGE CAPITAL GROUP, INC.</b>	as of <u>12/31/09</u>
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**COMPUTATION OF BASIC NET CAPITAL REQUIREMENT**

Part A			
11. Minimum net capital required (6-2/3% of line 19) .....	\$	12,601	3756
12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A) .....	\$	5,000	3758
13. Net capital requirement (greater of line 11 or 12) .....	\$	12,601	3760
14. Excess net capital (line 10 less 13) .....	\$	115,513	3770
15. Excess net capital at 1000% (line 10 less 10% of line 19) .....	\$	109,212	3780

**COMPUTATION OF AGGREGATE INDEBTEDNESS**

16. Total A.I. liabilities from Statement of Financial Condition .....	\$	189,015	3790
17. Add:			
A. Drafts for immediate credit .....	\$	3800	
B. Market value of securities borrowed for which no equivalent value is paid or credited .....	\$	3810	
C. Other unrecorded amounts (List) .....	\$	3820	3830
19. Total aggregate indebtedness .....	\$	189,015	3840
20. Percentage of aggregate indebtedness to net capital (line 19 ÷ by line 10) .....	%	147.5	3850
21. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1 (d) .....	%	118.7	3860

**COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT**

Part B			
22. 2% of combined aggregate debit items as shown in Formula for Reserve Requirements pursuant to Rule 15c3-3 prepared as of the date of the net capital computation including both brokers or dealers and consolidated subsidiaries' debits .....	\$	N/A	3870
23. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A) .....	\$		3880
24. Net capital requirement (greater of line 22 or 23) .....	\$		3760
25. Excess net capital (line 10 less 24) .....	\$		3910
26. Net capital in excess of:			
5% of combined aggregate debit items or \$120,000 .....	\$	N/A	3920

OMIT PENNIE:

**NOTES:**

- (A) The minimum net capital requirement should be computed by adding the minimum dollar net capital requirement of the reporting broker dealer and, for each subsidiary to be consolidated, the greater of:
  1. Minimum dollar net capital requirement, or
  2. 6-2/3% of aggregate indebtedness or 2% of aggregate debits if alternative method is used.
- (B) Do not deduct the value of securities borrowed under subordination agreements or secured demand note covered by subordination agreements not in satisfactory form and the market values of memberships in exchanges contributed for use of company (contra to item 1740) and partners' securities which were included in non-allowable assets.
- (C) For reports filed pursuant to paragraph (d) of Rule 17a-5, respondent should provide a list of material non-allowable assets.

See Independent Auditor's Report and Notes to Financial Statements.

SCHEDULE III

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA

BROKER OR DEALER

HERITAGE CAPITAL GROUP, INC.

For the period (MMDDYY) from 01/01/09 to 12/31/09

STATEMENT OF CHANGES IN OWNERSHIP EQUITY  
(SOLE PROPRIETORSHIP, PARTNERSHIP OR CORPORATION)

1. Balance, beginning of period.....	\$	257,386	4240
A. Net income (loss).....		(96,936)	4250
B. Additions (Includes non-conforming capital of.....)	\$	4262	4260
C. Deductions (Includes non-conforming capital of.....)	\$	4272	4270
		(1,173)	4270
2. Balance, end of period (From item 1800).....	\$	159,277	4290

STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED  
TO CLAIMS OF GENERAL CREDITORS

3. Balance, beginning of period.....	\$	N/A	4300
A. Increases.....			4310
B. Decreases.....			4320
4. Balance, end of period (From item 3520).....	\$	N/A	4330

OMIT PENNIES

See Independent Auditor's Report and Notes to Financial Statements.

**SCHEDULE IV**  
**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT**  
**PART IIA**

<b>BROKER OR DEALER</b>	HERITAGE CAPITAL GROUP, INC.	as of <u>12/31/09</u>
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**Exemptive Provision Under Rule 15c3-3**

25. If an exemption from Rule 15c3-3 is claimed, identify below the section upon which such exemption is based (check one only)
- |  |   |             |
|--|---|-------------|
| A. (k) (1)—\$2,500 capital category as per Rule 15c3-1 .....   |   | <b>4550</b> |
| B. (k) (2)(A)—“Special Account for the Exclusive Benefit of customers” maintained .....  | X | <b>4560</b> |
| C. (k) (2)(B)—All customer transactions cleared through another broker-dealer on a fully disclosed basis. Name of clearing firm <sup>31</sup> <span style="float: right; border: 1px solid black; padding: 2px;">4335</span> ..... |   | <b>4570</b> |
| D. (k) (3)—Exempted by order of the Commission .....   |   | <b>4580</b> |

**Ownership Equity and Subordinated Liabilities maturing or proposed to be withdrawn within the next six months and accruals, (as defined below), which have not been deducted in the computation of Net Capital.**

Type of Proposed withdrawal or Accrual See below for code to enter	Name of Lender or Contributor	Insider or Outsider? (In or Out)	Amount to be With- drawn (cash amount and/or Net Capital Value of Securities)	(MMDDYY) Withdrawal or Maturity Date	Expect to Renew (yes or no)	
▼ 37	4600	4601	4602	4603	4604	4605
▼ 37	4610	4611	4612	4613	4614	4615
▼ 34	4620	4621	4622	4623	4624	4625
▼ 37	4630	4631	4632	4633	4634	4635
▼ 36	4640	4641	4642	4643	4644	4645
▼ 37	4650	4651	4652	4653	4654	4655
▼ 37	4660	4661	4662	4663	4664	4665
▼ 37	4670	4671	4672	4673	4674	4675
▼ 40	4680	4681	4682	4683	4684	4685
▼ 41	4690	4691	4692	4693	4694	4695
TOTAL \$			▼ 37	N/A	4699	

OMIT PENNIES

**Instructions:** Detail listing must include the total of items maturing during the six month period following the report date, regardless of whether or not the capital contribution is expected to be renewed. The schedule must also include proposed capital withdrawals scheduled within the six month period following the report date including the proposed redemption of stock and payments of liabilities secured by fixed assets (which are considered allowable assets in the capital computation pursuant to Rule 15c3-1(c)(2)(iv)), which could be required by the lender on demand or in less than six months.

- WITHDRAWAL CODE: DESCRIPTION**
1. Equity Capital
  2. Subordinated Liabilities
  3. Accruals
  4. 15c3-1(c)(2)(iv) Liabilities

See Independent Auditor's Report and Notes to Financial Statements.





# Harbeson, Fletcher & Bateh, LLP

Certified Public Accountants

E. Cobb Harbeson  
John C. Fletcher, Jr.  
Raymond Z. Bateh  
M. Ronald Hargraves, Jr.

## REPORT ON INTERNAL CONTROL REQUIRED BY SEC RULE 17a-5

February 25, 2010

To the Board of Directors and Stockholder of  
Heritage Capital Group, Inc.

In planning and performing our audit of the financial statements and supplemental schedules of Heritage Capital Group, 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 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 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 customer securities, we did not review the practices and procedures followed by the Company in making the quarterly securities examinations, counts, verifications and comparisons, recordation of differences required by Rule 17a-13 and 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 or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with accounting principles generally accepted in the United States of America. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

To the Board of Directors and Stockholder of  
Heritage Capital Group, Inc.  
February 25, 2010  
Page Two

Because of inherent limitations in internal control and the practices and procedures referred to above, error 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.

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 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.

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 Company's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of 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. However, we identified the following deficiency in internal control that we consider to be a material weakness, as defined above. This condition was considered in determining the nature, timing and extent of the procedures performed in our audit of the financial statements of Heritage Capital Group, Inc. as of and for the year ended December 31, 2009, and this report does not affect our report thereon dated February 25, 2010.

*The size of the Company and limited number of employees imposes practical limitations on the effectiveness of those internal control procedures that depend on the segregation of duties. Since this condition is inherent in the size of the Company, the specific weaknesses are not described herein and no corrective action has been taken or proposed by the Company.*

To the Board of Directors and Stockholder of  
Heritage Capital Group, Inc.  
February 25, 2010  
Page Three

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 December 31, 2009, to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, the Financial Industry Regulatory Authority (FINRA), 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.

*Harbeson, Fletcher & Bates, LLP*

**HERITAGE CAPITAL GROUP, INC.**

**REPORT ON APPLYING AGREED-UPON  
PROCEDURES RELATED TO AN ENTITY'S  
SIPC ASSESSMENT RECONCILIATION  
PURSUANT TO SEC RULE 17a-5**

**DECEMBER 31, 2009**

SEC Mail Processing  
Section

MAR 01 2010

Washington, DC  
110



# Harbeson, Fletcher & Bateh, LLP

Certified Public Accountants

E. Cobb Harbeson  
John C. Fletcher, Jr.  
Raymond Z. Bateh  
M. Ronald Hargraves, Jr.

**INDEPENDENT AUDITOR'S REPORT ON APPLYING AGREED-UPON  
PROCEDURES RELATED TO AN ENTITY'S SIPC ASSESSMENT  
RECONCILIATION REQUIRED BY SEC RULE 17a-5(e)(4)**

February 25, 2010

To the Board of Directors and Stockholder of  
Heritage Capital Group, Inc.

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 [Transitional Assessment Reconciliation (Form SIPC-7T)] to the Securities Investor Protection Corporation (SIPC) for the period from April 1, 2009 to December 31, 2009, which were agreed to by Heritage Capital Group, Inc. and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc. (FINRA), and SIPC, solely to assist you and the other specified parties in evaluating Heritage Capital Group, Inc.'s compliance with the applicable instructions of the Transitional Assessment Reconciliation (Form SIPC-7T). Heritage Capital Group, Inc.'s management is responsible for the Heritage Capital Group, 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-7T with respective cash disbursement records entries, noting no differences;
- (2) Compared the total revenue amounts of the audited Form X-17A-5 for the year ended December 31, 2009, less revenues reported on the FOCUS reports for the period from January 1, 2009 to March 31, 2009, as applicable, with the amounts reported in Form SIPC-7T for the period from April 1, 2009 to December 31, 2009, noting no differences;
- (3) Compared any adjustments reported in Form SIPC-7T with supporting schedules and working papers, noting no differences;
- (4) Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7T and in the related schedules and working papers supporting the adjustments, noting no differences; and
- (5) Compared the amount of any overpayment applied to the current assessment with the Form SIPC-7T on which it was originally computed, noting no differences.

To the Board of Directors and Stockholder of  
Heritage Capital Group, Inc.  
February 25, 2010  
Page Two

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.

*Harbeson, Fletcher & Bates, LLP*

SIPC-7T

(27-REV 3/09)

SECURITIES INVESTOR PROTECTION CORPORATION  
805 15th St. N.W. Suite 800, Washington, D.C. 20005-2215  
202-371-8300

Transitional Assessment Reconciliation

(Read carefully the instructions in your Working Copy before completing this Form)

SIPC-7T

(27-REV 3/09)

TO BE FILED BY ALL SIPC MEMBERS WITH FISCAL YEAR ENDINGS

1. Name of Member, address, Designated Examining Authority, 1934 Act registration no. and month in which fiscal year ends for purposes of the audit requirement of SEC Rule 17a-5:

HERITAGE CAPITAL GROUP, INC.  
4811 BEACH BLVD, STE 300  
JACKSONVILLE, FL 32207

Note: If any of the information shown on the mailing label requires correction, please e-mail any corrections to form@sipc.org and so indicate on the form filed.

Name and telephone number of person to contact respecting this form.

C. DONALD WIGGINS (904) 354-9600

- 2. A. General assessment [item 2e from page 2 (not less than \$150 minimum)] \$ 1,221
- B. Less payment made with SIPC-4 made in January, February or March 2009 (For all fiscal year ends except January, February, or March) ( 109 )
- Date Paid 08/03/2009
- C. Assessment balance due 1,112
- D. Interest computed on late payment (see instruction E) for \_\_\_\_\_ days at 20% per annum
- E. Total assessment balance and interest due (or overpayment carried forward) \$ 1,112
- F. PAID WITH THIS FORM:  
Check enclosed, payable to SIPC  
Total (must be same as E above) \$ 1,112

3. Subsidiaries (S) and predecessors (P) included in this form (give name and 1934 Act registration number):

The SIPC member submitting this form and the person by whom it is executed represent thereby that all information contained herein is true, correct and complete.

HERITAGE CAPITAL GROUP, INC.

(Name of Corporation, Partnership or other organization)

*C. Donald Wiggins*  
(Authorized Signature)

PRESIDENT

(Title)

Dated the 25<sup>th</sup> day of FEBRUARY, 20 10

This form and the assessment payment is due 60 days after the end of the fiscal year. Retain the Working Copy of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.

SIPC REVIEWER

Dates: Postmarked Received Reviewed

Calculations Documentation Forward Copy

Exceptions:

Disposition of exceptions:

**DETERMINATION OF "SIPC NET OPERATING REVENUES"  
AND GENERAL ASSESSMENT**

Amounts for the fiscal period  
beginning April 1, 2009  
and ending 12/31, 2009  
Eliminate cents

Item No.

2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)

\$ 495,925

2b. Additions:

- (1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above.
- (2) Net loss from principal transactions in securities in trading accounts.
- (3) Net loss from principal transactions in commodities in trading accounts.
- (4) Interest and dividend expense deducted in determining item 2a.
- (5) Net loss from management of or participation in the underwriting or distribution of securities.
- (6) Expenses other than advertising, printing, registration fees and legal fees deducted in determining net profit from management of or participation in underwriting or distribution of securities.
- (7) Net loss from securities in investment accounts.

Total additions

2c. Deductions:

- (1) Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, from the business of insurance, from investment advisory services rendered to registered investment companies or insurance company separate accounts, and from transactions in security futures products.
- (2) Revenues from commodity transactions.
- (3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.
- (4) Reimbursements for postage in connection with proxy solicitation.
- (5) Net gain from securities in investment accounts.
- (6) 100% of commissions and markups earned from transactions in (i) certificates of deposit and (ii) Treasury bills, bankers acceptances or commercial paper that mature nine months or less from issuance date.
- (7) Direct expenses of printing advertising and legal fees incurred in connection with other revenue related to the securities business (revenue defined by Section 16(9)(L) of the Act).
- (8) Other revenue not related either directly or indirectly to the securities business.  
(See Instruction C):

**REIMBURSABLE EXPENSES**

5,323

2,261

(9) (i) Total interest and dividend expense (FOCUS Line 22/PART IIA Line 13, Code 4075 plus line 2b(4) above) but not in excess of total interest and dividend income.

\$ \_\_\_\_\_

(ii) 40% of interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960).

\$ \_\_\_\_\_

Enter the greater of line (i) or (ii)

Total deductions

7,584

488,341

2d. SIPC Net Operating Revenues

\$ \_\_\_\_\_

2e. General Assessment @ .0025

\$ 1,221

(to page 1 but not less than \$150 minimum)