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

SEC FILE NUMBER  
8-52009

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 1/1/09 AND ENDING 12/31/09  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER - DEALER:

FOLIOfn Investments, Inc.

OFFICIAL USE ONLY

FIRM ID. NO.

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

8180 Greensboro Drive, 8<sup>th</sup> Floor

(No. and Street)

McLean

(City)

VA

(State)

22102

(Zip Code)

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

MS. BETH KIRKSEY

703-245-4874

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

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

UHY LLP

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

53 STATE STREET

BOSTON

MA

02109

(Address)

(City )

(State)

(Zip Code)

CHECK ONE:

Certified Public Accountant

Public Accountant

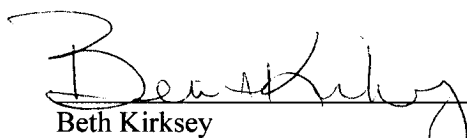
Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

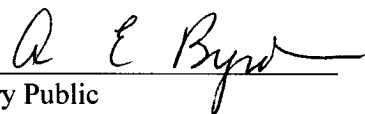
\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

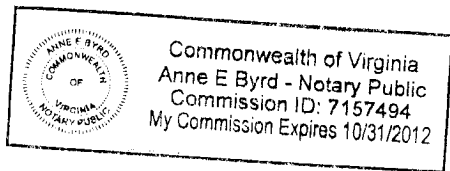
AFFIRMATION

I, Beth Kirksey, affirm that, to the best of my knowledge and belief, the accompanying financial statements and supplemental schedules pertaining to the firm FOLIO*fn* Investments, Inc. (the "Company") for the year ended December 31, 2009 are true and correct. I further 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.

 2/23/10  
Beth Kirksey Date  
Chief Operating Officer and Chief Financial Officer

Subscribed and sworn to before me,  
this 23<sup>rd</sup> day of February, 2010

  
Notary Public



53 State Street  
Boston, MA 02109

Phone 617-742-7733  
Fax 617-742-3528  
Web [www.uhy-us.com](http://www.uhy-us.com)

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholder of  
FOLIO*fn* Investments, Inc.  
(A Wholly Owned Subsidiary of FOLIO*fn*, Inc.)  
McLean, Virginia

We have audited the accompanying statement of financial condition of FOLIO*fn* Investments, Inc. (the "Company") (a wholly owned subsidiary of FOLIO*fn*, Inc.) as of December 31, 2009 and the related statements of operations, 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, including those control activities for safeguarding securities, as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such 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 conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules listed in the accompanying table of contents are presented for the purposes of additional analysis and are not a required part of the basic financial statements, but are supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934. These schedules are the responsibility of the Company's management. Such schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

UHY LLP

Boston, Massachusetts  
February 23, 2010

**FOLIOfn INVESTMENTS, INC.**  
**(A Wholly Owned Subsidiary of FOLIOfn, Inc.)**  
**STATEMENT OF FINANCIAL CONDITION**  
**AS OF DECEMBER 31, 2009**  
**(In thousands)**

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**ASSETS**

|   |    |                      |
|---|----|----------------------|
| Cash and cash equivalents                                 | \$ | 17,381               |
| Cash segregated under federal and other regulations       |    | 13,172               |
| Deposits with clearing organizations                      |    | 1,173                |
| Receivable from customers                                 |    | 2,980                |
| Receivable from broker dealers and clearing organizations |    | 278                  |
| Other receivables   |    | 216                  |
| Dividends and interest receivable                         |    | 10                   |
| Corporate equity securities owned - at market value       |    | 1,407                |
| Prepaid expenses and other assets                         |    | 135                  |
| Deferred tax asset  |    | 318                  |
|   |    | <hr/>                |
| Total assets  | \$ | <u><u>37,070</u></u> |

**LIABILITIES AND STOCKHOLDER'S EQUITY**

LIABILITIES:

|  |    |               |
|--|----|---------------|
| Payable to customers                                 | \$ | 15,880        |
| Payable to broker-dealers and clearing organizations |    | 3,755         |
| Accounts payable and accrued expenses                |    | 835           |
| Deferred tax liabilities                             |    | 318           |
| Due to parent  |    | 35            |
| Deferred revenue                                     |    | 632           |
|  |    | <hr/>         |
| Total liabilities                                    |    | <u>21,455</u> |

STOCKHOLDER'S EQUITY:

|  |  |               |
|--|--|---------------|
| Common stock, \$0.0001 par value - 1,000 shares authorized,<br>issued, and outstanding |  | -             |
| Additional paid-in capital   |  | 21,142        |
| Accumulated deficit  |  | (5,527)       |
|  |  | <hr/>         |
| Total stockholder's equity   |  | <u>15,615</u> |

|  |    |                      |
|--|----|----------------------|
| TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY | \$ | <u><u>37,070</u></u> |
|--|----|----------------------|

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