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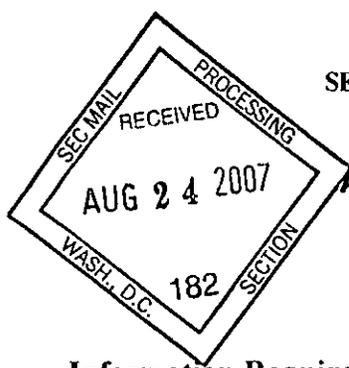


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**ANNUAL AUDITED REPORT**  
**FORM X-17A-5**  
**PART III**

SEC FILE NUMBER
8-25939

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 July 1, 2006 AND ENDING June 30, 2007  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Resource Securities Corporation

OFFICIAL USE ONLY
FIRM I.D. NO.

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

8725 Roswell Road, Suite O-307

(No. and Street)

Atlanta,

Georgia

30350

(City)

(State)

(Zip Code)

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

Larry A. Marshall

770-645-1651

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Rudney Solomon Cohen & Felzer PC

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

The Marple Commons, 2002 Sproul Road, Suite 102, Broomall, PA 19008

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

**PROCESSED**

**SEP 06 2007**  
**THOMSON FINANCIAL**

<b>FOR OFFICIAL USE ONLY</b>

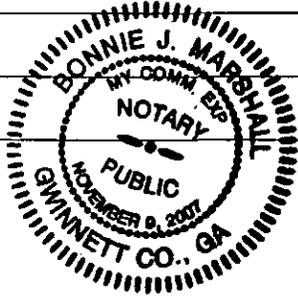
\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

*Handwritten initials/signature*

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

OATH OR AFFIRMATION

I, Larry A. Marshall, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Resource Securities Corporation, as of June 30, 20 07, 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:



[Signature]  
Signature  
[Title]  
Title

Bonnie J. Marshall  
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.
- (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).

**RESOURCE SECURITIES CORPORATION  
AND ITS WHOLLY-OWNED SUBSIDIARIES**

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August 7, 2007

Board of Directors  
Resource Securities Corporation  
Atlanta, Georgia

### INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying consolidated statements of financial condition of RESOURCE SECURITIES CORPORATION AND ITS WHOLLY-OWNED SUBSIDIARIES as of June 30, 2007 and 2006, and the related consolidated statements of income and comprehensive income, changes in stockholder's equity, and cash flows for the years then ended that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits 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 audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of RESOURCE SECURITIES CORPORATION AND ITS WHOLLY-OWNED SUBSIDIARIES at June 30, 2007 and 2006, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit of the 2007 consolidated financial statements was conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The information on pages 14 through 20 is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements, but is supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934 and Regulation 1.16 (c)(3) of the Commodity Futures Trading Commission. Such information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements, and in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

  
CERTIFIED PUBLIC ACCOUNTANTS

Certified Public Accountants • Established 1930

The Marple Commons, Suite 102, 2002 Sproul Road • Broomall, Pa. 19008 • (610) 359-1051 • FAX (610) 359-1059

Members: Private Companies Practice Section of American Institute of Certified Public Accountants; Pennsylvania Institute of Certified Public Accountants

**RESOURCE SECURITIES CORPORATION  
AND ITS WHOLLY-OWNED SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION**

**JUNE 30,**

**ASSETS**

	<b>2007</b>	<b>2006</b>
<b>Current Assets</b>		
Cash and cash equivalents	\$ 41,949	\$ 19,277
Certificates of deposits	31,634	30,896
Commissions and other receivables from clearing brokers and customers	58,673	68,390
Receivables from affiliated entities	53,416	49,922
Prepaid expenses and miscellaneous receivables	<u>956</u>	<u>272</u>
Total Current Assets	<u>186,628</u>	<u>168,757</u>
<b>Property, Plant, and Equipment, Net</b>	<u>-</u>	<u>-</u>
<b>Other Assets</b>		
Securities not readily marketable	77,246	77,740
Marketable securities	<u>59,420</u>	<u>59,800</u>
Total Other Assets	<u>136,666</u>	<u>137,540</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 323,294</u></u>	<u><u>\$ 306,297</u></u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

**RESOURCE SECURITIES CORPORATION  
AND ITS WHOLLY-OWNED SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION**

**JUNE 30,**

**LIABILITIES AND STOCKHOLDER'S EQUITY**

	<b>2007</b>	<b>2006</b>
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 1,623	\$ 961
Commissions payable	<u>3,927</u>	<u>11,284</u>
 Total Current Liabilities	 <u>5,550</u>	 <u>12,245</u>
<b>Stockholder's Equity</b>		
Common stock - \$1 par value 501 shares authorized, issued and outstanding	501	501
Preferred stock - \$1 par value 1,050,000 shares authorized, 600,000 shares issued and outstanding	600,000	600,000
Capital in excess of par value	192,939	192,939
Retained deficit	(456,723)	(481,289)
Accumulated other comprehensive income	<u>61,716</u>	<u>62,590</u>
	398,433	374,741
Less: treasury stock of 167 shares at cost	<u>(80,689)</u>	<u>(80,689)</u>
 Total Stockholder's Equity	 <u>317,744</u>	 <u>294,052</u>
 TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	 <u>\$ 323,294</u>	 <u>\$ 306,297</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

**RESOURCE SECURITIES CORPORATION  
AND ITS WHOLLY-OWNED SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF INCOME AND  
COMPREHENSIVE INCOME**

**FOR THE YEARS ENDED JUNE 30,**

	<b>2007</b>	<b>2006</b>
<b>Revenues</b>		
Commissions	\$ 276,670	\$ 247,335
Interest income	21,274	16,046
Other income	253	421
	<hr/>	<hr/>
Total Revenues	298,197	263,802
	<hr/>	<hr/>
<b>Expenses</b>		
Commissions	201,368	161,740
Depreciation expense	-	-
Other operating expenses	72,263	86,074
	<hr/>	<hr/>
Total Expenses	273,631	247,814
	<hr/>	<hr/>
Income before corporate income taxes	24,566	15,988
<b>Corporate Income Taxes</b>	<hr/> -	<hr/> -
NET INCOME	24,566	15,988
<b>Other Comprehensive Income</b>		
Unrealized (loss) gain on securities	(874)	45,852
	<hr/>	<hr/>
Total Comprehensive Income	<u>\$ 23,692</u>	<u>\$ 61,840</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

RESOURCE SECURITIES CORPORATION  
AND ITS WHOLLY-OWNED SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY

FOR THE YEARS ENDED JUNE 30, 2007 AND 2006

	Common Stock	Preferred Stock	Capital in Excess of Par Value	Retained Deficit	Accumulated Other Comprehensive Income	Treasury Stock	Total
BALANCE JULY 1, 2005	\$ 501	\$ 600,000	\$ 192,939	\$ (497,277)	\$ 16,738	\$ (80,689)	\$ 232,212
Net Income for Year ended June 30, 2006	-	-	-	15,988	-	-	15,988
Other Comprehensive Income	-	-	-	-	45,852	-	45,852
BALANCE AT YEAR END JUNE 30, 2006	\$ 501	\$ 600,000	\$ 192,939	\$ (481,289)	\$ 62,590	\$ (80,689)	\$ 294,052
Net Income for Year ended June 30, 2007	-	-	-	24,566	-	-	24,566
Other Comprehensive Income	-	-	-	-	(874)	-	(874)
BALANCE AT YEAR END JUNE 30, 2007	\$ 501	\$ 600,000	\$ 192,939	\$ (456,723)	\$ 61,716	\$ (80,689)	\$ 317,744

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

**RESOURCE SECURITIES CORPORATION  
AND ITS WHOLLY-OWNED SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

**FOR THE YEARS ENDED JUNE 30,**

	<b>2007</b>	<b>2006</b>
<b>Cash Flows from Operating Activities</b>		
Net income from continuing operations	\$ 24,566	\$ 15,988
Adjustments to reconcile net income to net cash:		
Commissions and other receivables from clearing brokers and customers	9,717	(17,041)
Receivables from affiliated entities	(3,494)	(3,266)
Prepaid expenses and miscellaneous receivables	(684)	379
Accounts payable and accrued expenses	662	(331)
Commissions payable	(7,357)	922
	<u>23,410</u>	<u>(3,349)</u>
<b>Cash Flows from Investing Activities</b>		
Certificates of deposit	(738)	(942)
Purchase of securities not readily marketable	-	(20,800)
	<u>(738)</u>	<u>(21,742)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	22,672	(25,091)
Cash and Cash Equivalents at Beginning of Year	<u>19,277</u>	<u>44,368</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 41,949</u>	<u>\$ 19,277</u>
<b>Supplemental Disclosure of Cash Flows Information</b>		
Cash paid during the year for:		
Interest	\$ -	\$ -
Income taxes	\$ -	\$ -

**THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS**

/

**RESOURCE SECURITIES CORPORATION  
AND ITS WHOLLY-OWNED SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2007 AND 2006**

**NOTE #1 NATURE OF BUSINESS**

The Company is a securities broker-dealer registered under the Securities Exchange Act of 1934 and its activities include marketing direct participation programs and a securities business on a fully disclosed basis.

**NOTE #2 SIGNIFICANT ACCOUNTING POLICIES**

**A. Principles of Consolidation**

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries:

**Ruff Insurance Service Corporation** – The Company is currently receiving only residuals from insurance sold in previous years and is not currently soliciting any new business.

**Resource Asset Management Corporation** – The Company is registered with the Securities and Exchange Commission as an investment advisor, providing services to the general public.

All material intercompany transactions are eliminated in consolidation.

**B. Consolidated Subsidiaries**

The following is a summary of certain financial information of the Company's consolidated subsidiaries:

	2007	2006
Total Assets	\$91,176	\$75,732
Stockholder's Equity	\$85,671	\$71,646

The subsidiaries stockholder's equity are not included in the Company's net capital computation in accordance with Rule 15c3-1. The subsidiaries are not consolidated on Form X-17a-5, Part IIA filed by the Company.

**RESOURCE SECURITIES CORPORATION  
AND ITS WHOLLY-OWNED SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2007 AND 2006**

**NOTE #2    SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**C.    Depreciation**

Fixed assets are stated at cost. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives, principally 5 to 7 years, using accelerated methods.

Property and equipment consist of the following:

	2007	2006
Furniture, fixtures and equipment	\$38,788	\$38,788
Less: accumulated Depreciation	<u>(38,788)</u>	<u>( 38,788)</u>
 NET PROPERTY, PLANT AND EQUIPMENT	 <u>\$     0</u>	 <u>\$     0</u>

**D.    Revenues and Expenses**

Securities transactions and related revenues and expenses are recognized on the trade date.

**E.    Income Taxes**

The Company and its subsidiaries file a consolidated income tax return.

**F.    Consolidated Statements of Cash Flows**

For purposes under the consolidated statements of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of thirty days or less to be cash equivalents.

**NOTE #3    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 at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**RESOURCE SECURITIES CORPORATION  
AND ITS WHOLLY-OWNED SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2007 AND 2006**

**NOTE #4    TRANSACTIONS WITH RELATED PARTIES**

The Company was owed \$53,416 and \$49,922 from the principal shareholder as of June 30, 2007 and 2006, respectively. All advances and borrowings are short-term in duration. Interest is charged at the rate of 7% on all loans.

The Company also paid management fees to an affiliated entity in the amount of \$15,400 and \$15,000 for the years ended June 30, 2007 and 2006, respectively.

Beginning March 2004, the Company leases its office space from a shareholder for \$2,500 per month on a month to month lease. Rent expense paid to the shareholder was \$30,000 and \$30,000 for the years ended June 30, 2007 and 2006, respectively.

**NOTE #5    MARKETABLE SECURITIES AND SECURITIES NOT READILY  
MARKETABLE**

The Company has 2,000 shares of common stock of the Nasdaq Stock Market, Inc. at June 30, 2007 and 2006 and 2,600 shares of Restricted stock of the Nasdaq Stock Market, Inc. at June 30, 2007.

	<u>Market Value</u>	<u>Cost</u>	<u>Other Comprehensive Income (Loss)</u>
6/30/07	136,666	74,950	61,716
6/30/06	137,540	74,950	62,590

**NOTE #6    LEASES AND COMMITMENTS**

The Company leases office space and equipment under noncancellable lease agreements which expired on various dates through the year 2007. Rent expense for the years ended June 30, 2007 and 2006 aggregated \$31,653 and \$33,941, respectively.

At June 30, 2007, there were no minimum required future rental commitments on noncancellable leases in excess of one year.

**RESOURCE SECURITIES CORPORATION  
AND ITS WHOLLY-OWNED SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2007 AND 2006**

**NOTE #7 INCOME TAXES**

The Company has, at June 30, 2007, unused net operating loss carryforwards for Federal tax purposes as follows:

**Year Originated**

June 30, 1994	35,736	Expires 2009
June 30, 1997	34,277	Expires 2012
June 30, 1998	30,371	Expires 2016
June 30, 1999	7,506	Expires 2017
June 30, 2000	24,583	Expires 2018
June 30, 2002	7,402	Expires 2020
June 30, 2003	192	Expires 2021

**NOTE #8 NET CAPITAL REQUIREMENTS**

The Company is subject to the Securities and Exchange Commission's Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum net capital, as defined, shall not exceed 15 to 1. Net capital and the related ratio of aggregate indebtedness to net capital, as defined, may fluctuate on a daily basis. The Company had net capital of \$111,107 and \$102,397 and excess capital of \$110,562 and \$101,172, for the years ended June 30, 2007 and 2006, respectively. The Company is also subject to regulation 1.17 of the Commodity Futures Trading Commission (CFTC). At June 30, 2007, the Company had to maintain a minimum net capital of \$45,000.

The Company had excess net capital of \$66,107 and \$72,397 for purposes of regulation 1.17 for the years ended June 30, 2007 and 2006, respectively.

Effective July 1, 1993, the Company no longer receives customer securities or cash to forward to a clearing firm. This policy reduced net capital requirements to \$5,000 under the Security and Exchange Commissions net capital rule.

Many of the states place various minimum tangible net worth requirements on the Company and its subsidiary. At June 30, 2007, the maximum amount of minimum tangible net worth was as follows:

Resource Securities Corporation	\$45,000
Resource Asset Management Corporation	\$20,000

**RESOURCE SECURITIES CORPORATION  
AND ITS WHOLLY-OWNED SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

JUNE 30, 2007 AND 2006

**NOTE #8 NET CAPITAL REQUIREMENTS (con't)**

This was accomplished as follows:

	Resource Securities Corp.	Ruff Insurance Corp.	Resource Asset Manage- ment Corp.	Conso- li- dating Entries	Total
Cash and cash equivalents	\$ 31,834	-	\$ 10,115	-	\$ 41,949
Certificates of deposit	10,462	-	21,172	-	31,634
Commissions and other receivables from clearing brokers and customers	58,350	247	76	-	58,673
Prepaid expenses and miscellaneous receivables	211	-	745	-	956
Intercompany & related party balances	-	5,405	53,416	(5,405)	53,416
Property and equipment - net of accumulated depreciation	-	-	-	-	-
Deposits	-	-	-	-	-
Investment in subsidiaries	131,000	-	-	(131,000)	-
Securities not readily marketable	77,246	-	-	-	77,246
Marketable securities	59,420	-	-	-	59,420
<b>TOTAL ASSETS</b>	<b>\$ 368,523</b>	<b>\$ 5,652</b>	<b>\$ 85,524</b>	<b>\$ (136,405)</b>	<b>\$ 323,294</b>

**RESOURCE SECURITIES CORPORATION  
AND ITS WHOLLY-OWNED SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

JUNE 30, 2007 AND 2006

**NOTE #8 NET CAPITAL REQUIREMENTS (con't)**

This was accomplished as follows:

	Resource Securities Corp.	Ruff Insurance Corp.	Resource Asset Manage- ment Corp.	Consoli- dating Entries	Total
<b>LIABILITIES &amp; STOCKHOLDER'S EQUITY</b>					
Accounts payable and accrued expenses	\$ 1,523	\$ -	\$ 100	\$ -	\$ 1,623
Commissions payable	3,927	-	-	-	3,927
Intercompany & related party balances	-	-	5,405	(5,405)	-
Common stock	501	1,000	500	(1,500)	501
Preferred stock	600,000	-	-	-	600,000
Capital in excess of par value	192,939	-	129,500	(129,500)	192,939
Retained earnings (deficit)	(411,400)	4,652	(49,981)	-	(456,729)
Treasury stock	(80,689)	-	-	-	(80,689)
Accumulated other comprehensive income	<u>61,722</u>	-	-	-	<u>61,722</u>
<b>TOTAL LIABILITIES &amp; STOCKHOLDER'S EQUITY</b>	<u>\$ 368,523</u>	<u>\$ 5,652</u>	<u>\$ 85,524</u>	<u>\$ (136,405)</u>	<u>\$ 323,294</u>

**RESOURCE SECURITIES CORPORATION  
AND ITS WHOLLY-OWNED SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2007 AND 2006**

**NOTE #8 NET CAPITAL REQUIREMENTS (con't)**

In order to properly calculate the above-mentioned net capital computation, the Company has to remove the effect of all subsidiary balances within the financial statements.

**NOTE #9 EXEMPTION UNDER RULE 15c3-3**

The Company does not maintain customer accounts nor securities for customers. Further, the Company claims an exemption from Rule 15c3-3 under Section (k)(2)(ii). Because the Company is exempt from Rule 15c3-3, there is no reserve requirements, no procedures for safeguarding of securities and no associated computation for determination of the reserve requirements.

**NOTE #10 COMMITMENTS AND CONTINGENT LIABILITIES**

The Company is subject to legal proceedings and claims which arise in the ordinary course of its business. In the opinion of management, the amount of ultimate liability with respect to these actions will not materially affect the financial position of the Company.

RESOURCE SECURITIES CORPORATION

COMPUTATION OF NET CAPITAL  
PURSUANT TO SEC RULE 15c3-1

AS OF JUNE 30, 2007

Computation of Net Capital

Total stockholder's equity	\$ 363,073
Deduct stockholder's equity not allowable for net capital	<u>-</u>
Total stockholder's equity qualified for net capital	363,073
Add liabilities subordinated to claims of general creditors	<u>-</u>
Total capital and allowable subordinated liabilities	<u>363,073</u>
Deduct undue concentration - marketable securities	7,139
Deduct customer unsecured debit balances	63
Deduct nonallowable assets:	
Commissions receivable - other	27,367
Investment in subsidiaries	131,000
Prepaid expenses and miscellaneous receivables	211
Certificate of deposit - haircut	27
Securities not readily marketable	77,246
Marketable securities	<u>8,913</u>
Total Nonallowable Assets	<u>244,764</u>
NET CAPITAL	<u><u>\$ 111,107</u></u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF  
THESE STATEMENTS

RESOURCE SECURITIES CORPORATION

COMPUTATION OF AGGREGATE INDEBTEDNESS AND  
BASIC NET CAPITAL REQUIREMENTS  
PURSUANT TO SEC RULE 15c3-1

AS OF JUNE 30, 2007

**Aggregate Indebtedness:**

Accounts payable and accrued expenses	\$ 1,523
Commissions payable	<u>3,927</u>
Total Aggregate Indebtedness	<u>\$ 5,450</u>

Ratio of aggregate indebtedness to net capital .05 to 1

**Computation of Basic Net Capital Requirements:**

Minimum net capital required (6 2/3% of aggregate indebtedness)	<u>\$ 363</u>
Minimum dollar net capital required (SEC)	<u>\$ 5,000</u>
Net capital requirements (CFTC)	<u>\$ 45,000</u>
Excess net capital	<u>\$ 66,107</u>
Excess capital at 1000% (net capital less 10% of aggregate indebtedness)	<u>\$ 110,562</u>
Reconciliation with Company's computations (included in Part IIA of Form X-17a-5 as of June 30, 2007: Net capital, as reported in the Company's Part IIA (unaudited) FOCUS report	111,108
Net adjustments: Rounding	<u>(1)</u>
NET CAPITAL	<u>\$ 111,107</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL  
PART OF THESE STATEMENTS

## SUPPLEMENTAL REPORT OF INDEPENDENT ACCOUNTANTS

August 7, 2007

Board of Directors  
Resource Securities Corporation  
and Its Wholly-Owned Subsidiaries

In planning and performing our audit of the consolidated financial statements and supplemental schedules of Resource Securities Corporation and Its Wholly-Owned Subsidiaries, for the year ended June 30, 2007 we considered its internal control structure, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing an opinion on the consolidated financial statements and not to provide assurance on the internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company, including tests of compliance with 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(a)(11) and for determining compliance with the exemptive provisions of Rule 15c3-3(e). 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.
2. Recordation of differences required by Rule 17a-13.
3. 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.
4. Obtaining and maintaining physical possession or control of all fully paid and excess margin securities as required by Note 15c3-3.

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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 the preparation of financial statements in accordance 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, 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. Our consideration of internal control would not necessarily disclose all matters in internal control 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 components does not reduce to a relatively low level the risk that errors or fraud 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, we noted no matters involving internal control, including control activities for safeguarding securities, that we consider to be material weaknesses as defined above.

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 were adequate at June 30, 2007, to meet the SEC's objectives.

This report is intended solely for the use of the Board of Directors, 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.

*Rudney Solomon Cohen & Felzer PC*  
CERTIFIED PUBLIC ACCOUNTANTS

**RESOURCE SECURITIES CORPORATION  
SUPPLEMENTAL STATEMENT OF FINANCIAL CONDITION  
CONSISTENT WITH FORM X-17a-5 PART IIA**

JUNE 30, 2007

**ASSETS**

	Allowable	Nonallowable	Total
Cash and cash equivalents	\$ 31,834	\$ -	\$ 31,834
Certificates of deposit	10,435	27	10,462
Commissions and other receivables from clearing brokers and customers	30,983	27,367	58,350
Marketable securities	50,507	8,913	59,420
Property and equipment, net of accumulated depreciation	-	-	-
Prepaid expenses and miscellaneous receivables	-	211	211
Investment in subsidiaries	-	131,000	131,000
Securities not readily marketable	-	77,246	77,246
<b>TOTAL ASSETS</b>	<b>\$ 123,759</b>	<b>\$ 244,764</b>	<b>\$ 368,523</b>

**LIABILITIES AND STOCKHOLDER'S EQUITY**

**LIABILITIES**

Accounts payable and accrued expenses	\$ 1,523
Commissions payable	3,927
<b>Total Liabilities</b>	<b>5,450</b>

**STOCKHOLDER'S EQUITY**

Common stock - authorized, issued and outstanding 501 shares of \$1 par value	501
Preferred stock - 1,050,000 shares authorized; 600,000 shares issued and outstanding \$1 par value	600,000
Capital in excess of par value	192,939
Retained deficit	(411,394)
Less: common stock in treasury - at cost, 167 shares	(80,689)
Accumulated other comprehensive income	61,716
<b>Total Stockholder's Equity</b>	<b>363,073</b>
<b>TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY</b>	<b>\$ 368,523</b>

**THE ACCOMPANYING NOTES ARE AN INTEGRAL  
PART OF THESE STATEMENTS**

**END**