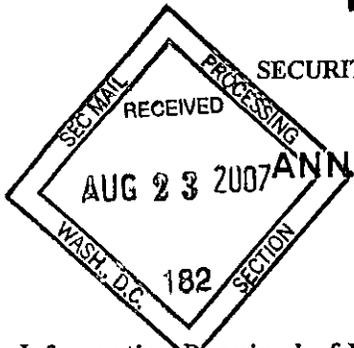


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SECURITY



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OMB APPROVAL	
OMB Number:	3235-0123
Expires:	January 31, 2007
Estimated average burden hours per response.....	12.00

SEC FILE NUMBER
B- 18311

ANNU... AUDITED REPORT  
FORM X-17A-5  
PART III

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 07/01 '06 AND ENDING 06/30/07  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: R.W. ELLWOOD & CO., INC.

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

450 7TH AVENUE-SUITE 601

(No. and Street)

NEW YORK  
(City)

NY  
(State)

10123  
(Zip Code)

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

ROBERT J. ELLWOOD

(212) 425-3360

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

SANFORD BECKER & CO PC

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

1430 BROADWAY, 6TH FLOOR NEW YORK  
(Address) (City)

NY  
(State)

10013  
(Zip Code)

CHECK ONE:

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

PROCESSED

SEP 07 2007

THOMSON FINANCIAL

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)

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, ROBERT J. ELLWOOD, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of R.W. ELLWOOD & CO., INC., as of JUNE 30, 2007, 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

PRES

Title

Margaret M O'Brien  
Notary Public

MARGARET M. O'BRIEN  
NOTARY PUBLIC, State of New York  
No. 4914828  
Qualified in Nassau County  
Commission Expires April 4, 2010

This report \*\* contains (check all applicable boxes):

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Changes in ~~Financial Condition~~. CASH FLOWS
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital.
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

R.W. ELLWOOD & CO., INC.

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

ON PART II OF FORM X-17A-5

YEAR ENDED JUNE 30, 2007

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

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	January 31, 2007
Estimated average burden hours per response.....	12.00

# Form X-17A-5

# FOCUS REPORT

(Financial and Operational Combined Uniform Single Report)

## PART II 11

*(Please read instructions before preparing Form.)*

This report is being filed pursuant to (Check Applicable Block(s)):

1) Rule 17a-5(a)  16

2) Rule 17a-5(b)  17

3) Rule 17a-11  18

4) Special request by designated examining authority  19

5) Other  26

NAME OF BROKER-DEALER

R W ELLWOOD & CO INC

SEC FILE NO.

8-18811 14

FIRM I.D. NO.

007021 15

FOR PERIOD BEGINNING (MM/DD/YY)

07/01/06 24

AND ENDING (MM/DD/YY)

06/30/07 25

ADDRESS OF PRINCIPAL PLACE OF BUSINESS (Do Not Use P.O. Box No.) 13

450 7TH AVENUE SUITE 601 20

(No. and Street)

NEW YORK 21

NY 22

10005 23

(City)

(State)

(Zip Code)

(Area Code) — Telephone No.

(212) 425-8360 31

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

ROBERT J. ELLWOOD 30

NAMES OF SUBSIDIARIES OR AFFILIATES CONSOLIDATED IN THIS REPORT:

OFFICIAL USE

32 33

34 35

36 37

38 39

DOES RESPONDENT CARRY ITS OWN CUSTOMER ACCOUNTS? YES  40 NO  41

CHECK HERE IF RESPONDENT IS FILING AN AUDITED REPORT  42

**EXECUTION:**

The registrant/broker or dealer submitting this Form and its attachments and the person(s) by whom it is executed represent hereby that all information contained therein is true, correct and complete. It is understood that all required items, statements, and schedules are considered integral parts of this Form and that the submission of any amendment represents that all unamended items, statements, and schedules remain true, correct and complete as previously submitted.

Dated the \_\_\_\_\_ day of \_\_\_\_\_,

Manual signatures of:

1) \_\_\_\_\_  
Principal Executive Officer or Managing Partner

2) \_\_\_\_\_  
Principal Financial Officer or Partner

3) \_\_\_\_\_  
Principal Operations Officer or Partner

**ATTENTION** — Intentional misstatement or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C. 78:f(a))

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R.W. ELLWOOD & CO., INC.

JUNE 30, 2007

CONTENTS

	<u>PAGE</u>
Report of Independent Certified Public Accountants	1
Statement of Financial Condition	2 - 5
Statement of Earnings	6
Statement of Stockholders' Equity	7
Statement of Cash Flows	8
Notes to Financial Statements	9 - 10
SUPPLEMENTARY SUPPORTING SCHEDULES:	
Computation of Net Capital and Alternate Net Capital Requirement	11 - 12
Computation for Determination of Reserve Requirements For Broker-Dealers Under Rule 15c3-3	13
Information for Possession or Control Requirements Under Rule 15c3-3	14
Reconciliation Between the Audited and Unaudited Statements of Financial Condition as of June 30, 2007	15
Report on Internal Control	16 - 17

SANFORD BECKER & CO., P.C.  
CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS ADVISORS

RICHARD S. BECKER, C.P.A.  
SANFORD E. BECKER, C.P.A.  
GEORGE S. GETZ, C.P.A.

SANFORD BECKER, C.P.A. 1922-1994

1430 BROADWAY  
NEW YORK, N.Y. 10018  
TELEPHONE - (212) 921 - 9000  
FACSIMILE - (212) 354 - 1822

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors  
R.W. Ellwood & Co., Inc.

We have audited the accompanying statement of financial condition of R.W. Ellwood & Co., Inc. as of June 30, 2007 and the related statements of income, changes in stockholders' 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 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 R.W. Ellwood & Co., Inc. as of June 30, 2007 and the results of their operations and their 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 in the schedules listed on the accompanying index is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 of the Securities and Exchange Commission. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

New York, New York  
July 26, 2007





# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART II

BROKER OR DEALER

R.W. ELLWOOD & CO., INC.

as of 06/30/07

### STATEMENT OF FINANCIAL CONDITION

	ASSETS		
	Allowable	Non-Allowable	
E. Stocks and warrants .....	\$ 8,913	410	
F. Options .....		420	
G. Arbitrage .....		422	
H. Other securities .....		424	
I. Sport commodities .....		430	
			\$ 8,913 850
8. Securities owned not readily marketable:			
A. At Cost ..... \$	130	440	\$ 610 860
9. Other investments not readily marketable:			
A. At Cost ..... \$	140		
B. At estimated fair value .....		450	620 870
10. Securities borrowed under subordination agreements and partners' individual and capital securities accounts, at market value:			
A. Exempted securities .. \$	150		
B. Other .....	160	460	630 880
11. Secured demand notes- market value of collateral:			
A. Exempted securities .. \$	170		
B. Other .....	180	470	640 890
12. Memberships in exchanges:			
A. Owned, at market value .....	190		
B. Owned at cost .....			650
C. Contributed for use of company, at market value .....			660 900
13. Investment in and receivables from affiliates, subsidiaries and associated partnerships	480	670	910
14. Property, furniture, equipment, leasehold improvements and rights under lease agreements:			
At cost (net of accumulated depreciation and amortization).....	490	680	920
15. Other Assets:			
A. Dividends and interest receivable .....	500	690	
B. Free shipments .....	510	700	
C. Loans and advances .....	520	3,879	710
D. Miscellaneous .....	530	39,092	720
16. TOTAL ASSETS .....	\$ 417,779 540	\$ 41,971 740	\$ 459,750 940

OMIT PENNIES

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART II

BROKER OR DEALER

R.W. ELLWOOD & CO., INC.

as of 06/30/07

### STATEMENT OF FINANCIAL CONDITION

#### LIABILITIES AND OWNERSHIP EQUITY (continued)

Liabilities	A.I. Liabilities*	Non-A.I. Liabilities*	Total
17. Bank loans payable:			
A. Includable in "Formula for Reserve Requirements" .....	\$ 1030	\$ 1240	\$ 1460
B. Other .....	1040	1250	1470
18. Securities sold under repurchase agreement....		1260	1480
19. Payable to brokers or dealers and clearing organizations:			
A. Failed to receive:			
1. Includable in "Formula for Reserve Requirements" .....	1050	1270	1490
2. Other .....	1060	1280	1500
B. Securities loaned:			
1. Includable in "Formula for Reserve Requirements" .....	1070		1510
2. Other .....	1080	1290	1520
C. Omnibus accounts:			
1. Includable in "Formula for Reserve Requirements" .....	1090		1530
2. Other .....	1095	1300	1540
D. Clearing organizations:			
1. Includable in "Formula for Reserve Requirements" .....	1100		1550
2. Other .....	1105	1310	1560
E. Other: .....	1110	1320	1570
20. Payable to customers:			
A. Securities accounts-including free credits of .....\$ 950	1120		1580
B. Commodities accounts .....	1130	1330	1590
21. Payable to non customers:			
A. Securities accounts .....	1140	1340	1600
B. Commodities accounts .....	1150	1350	1610
22. Securities sold not yet purchased at market value-including arbitrage of .....\$ 960		1360	1620
23. Accounts payable and accrued liabilities and expenses:			
A. Drafts payable .....	1160		1630
B. Accounts payable .....	5,774	1170	5,774 1640
C. Income taxes payable .....	1180		1650
D. Deferred income taxes .....		1370	1660
E. Accrued expenses and other liabilities .....	1190		1670
F. Other .....	1200	1380	1680

OMIT PENNIES

\*Brokers or Dealers electing the alternative net capital requirement method need not complete these columns.

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART II

BROKER OR DEALER

R.W. ELLWOOD & CO., INC.

as of 06/30/07

### STATEMENT OF FINANCIAL CONDITION

#### LIABILITIES AND OWNERSHIP EQUITY (continued)

	A.I. Liabilities*	Non-A.I. Liabilities*	Total
<b>Liabilities</b>			
24. Notes and mortgages payable:			
A. Unsecured .....	\$ 1210		\$ 1690
B. Secured .....	25 1211	\$ 1390	1700
25. Liabilities subordinated to claims of general creditors:			
A. Cash borrowings:		1400	1710
1. from outsiders 24 \$ 970			
2. Includes equity subordination (15c3-1(d)) of ..... \$ 980			
B. Securities borrowings, at market value .....		1410	1720
from outsiders \$ 990			
C. Pursuant to secured demand note collateral agreements .....		1420	1730
1. from outsiders \$ 1000			
2. Includes equity subordination (15c3-1(d)) of ..... \$ 1010			
D. Exchange memberships contributed for use of company, at market value .....		26 1430	1740
E. Accounts and other borrowings not qualified for net capital purposes .....	1220	1440	1750
26. TOTAL LIABILITIES .....	\$ 5,774 1230	\$ 1450	\$ 5,774 1760
<b>Ownership Equity</b>			
27. Sole Proprietorship .....			\$ 1770
28. Partnership-limited partners .....	\$ 1020		\$ 1780
29. Corporation:			
A. Preferred stock .....			1791
B. Common stock .....		28 58,473	1792
C. Additional paid-in capital .....			1793
D. Retained earnings .....			395,503 1794
E. Total .....			453,976 1795
F. Less capital stock in treasury .....			( ) 1796
30. TOTAL OWNERSHIP EQUITY .....			\$ 453,976 1800
31. TOTAL LIABILITIES AND OWNERSHIP EQUITY .....			\$ 459,750 1810

OMIT PENNIES

\*Brokers or Dealers electing the alternative net capital requirement method need not complete these columns.

R.W. ELLWOOD & CO., INC.  
STATEMENT OF EARNINGS  
YEAR ENDED JUNE 30, 2007

REVENUE

Commissions \$ 694,044

TOTAL \$ 694,044

EXPENSES

Employee Compensation & Benefits \$ 382,010

Communications 25,212

Occupancy and Equipment Rental 110,576

Promotional Costs 6,937

Taxes

Clearing Costs 30,000

Regulatory Fees 4,936

Other Operating Expenses 126,215

TOTAL \$ 685,886

Net Income \$ 8,158

R.W. ELLWOOD & CO., INC.  
STATEMENT OF STOCKHOLDERS' EQUITY  
YEAR ENDED JUNE 30, 2007

	COMMON <u>STOCK</u>	RETAINED <u>EARNINGS</u>	<u>TOTAL</u>
<u>BALANCE</u> at July 1, 2006	\$ 58,473	\$ 387,345	\$ 445,818
Net Income		8,158	8,158
<u>Balance</u> at June 30, 2007	<u>\$ 58,473</u>	<u>\$ 395,503</u>	<u>\$ 453,976</u>

R.W. ELLWOOD & CO., INC.  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2007  
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

Cash Flows from Operating Activities:		
Net Income		\$ 8,158
Adjustments to Reconcile Net Loss to Net Cash Used for Operating Activities:		
Increase in Receivable from Brokers or Dealers and Clearing Organizations:	164,058	
Decrease in Accounts Payable and Accrued Expenses Payable:	9,566	
Decrease in Other Assets:	<u>(173,088)</u>	
Total Adjustments		<u>536</u>
Net Cash Used for Operating Activities		\$ 8,694
Cash Flows From Investing Activities:		
Increase in Securities Owned		<u>3</u>
		\$ 8,697
Net Increase in Cash and Cash Equivalents		7,697
Cash and Cash Equivalents at Beginning of Year		<u>15,012</u>
Cash and Cash Equivalents at End of Year		<u>\$ 22,709</u>
Supplemental Cash Flows Disclosures		
Income Tax Payments	None	
Interest Payments	None	

For the purpose of the statement of cash flows, the company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

R.W. ELLWOOD & CO., INC.  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2007

(1) Summary of Significant Accounting Policies:

- (a) Accounting for securities transactions is on a settlement date basis (Normally three business days after trade date).
- (b) Furniture and equipment are stated at cost less accumulated depreciation. Depreciation is computed using accelerated methods over the estimated useful lives of the related assets.
- (c) In the normal course of its business, the Company enters into financial transactions where the risk of potential loss due to changes in the market value (market risk) or failure of the other party to the transaction to perform (credit risk) exceeds the amounts recorded for customer and counter party with which it conducts business. R.W. Ellwood & Co., Inc does not do business in foreign currency, futures or forward contracts.
- (d) The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.
- (e) The company is obligated under a noncancelable operating lease for its office premises expiring September 30, 2010. Total remaining obligations under this lease amount to \$156,000.00.

(2) Capital Stock:

Capital Stock consists of the following:

Common Stock without par value  
Authorized 1, 000 Shares  
Issued and outstanding, 556 Shares

(3) Net Capital Requirement:

The Company registration with the Securities & Exchange Commission became effective February 2, 1976.

As a registered Broker-Dealer, R.W. Ellwood & Co., Inc. is subject to Rule 15c3-1 of the Securities & Exchange Commission which specifies uniform minimum net capital requirements for its registrants. At June 30, 2007 R.W. Ellwood & Co., Inc. had net capital of \$410,668 which exceeded requirements by \$260,668 the percentage of aggregate indebtedness to net capital as of June 30, 2007 was 2%. At all times during the year, R.W. Ellwood & Co., Inc was in compliance with the net capital rules.

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART II

BROKER OR DEALER

R.W. ELLWOOD & CO., INC.

as of 06/30 '07

### COMPUTATION OF NET CAPITAL

1. Total ownership equity from Statement of Financial Condition - Item 1800 .....	\$	453,975	3480
2. Deduct Ownership equity not allowable for Net Capital .....			3490
3. Total ownership equity qualified for Net Capital .....		453,975	3500
4. Add:			
A. Liabilities subordinated to claims of general creditors allowable in computation of net capital .....			3520
B. Other (deductions) or allowable credits (List) .....	33		3525
5. Total capital and allowable subordinated liabilities .....	\$	453,975	3530
6. Deductions and/or charges:			
A. Total nonallowable assets from			
Statement of Financial Condition (Notes B and C) .....	\$	41,970	3540
1. Additional charges for customers' and non-customers' security accounts .....	\$		3550
2. Additional charges for customers' and non-customers' commodity accounts .....			3560
B. Aged fail-to-deliver .....			3570
1. Number of items .....	29	3450	
C. Aged short security differences-less reserve of .....	\$	3460	3580
number of items .....		3470	3590
D. Secured demand note deficiency .....			3590
E. Commodity futures contracts and spot commodities - proprietary capital charges .....			3600
F. Other deductions and/or charges .....			3610
G. Deductions for accounts carried under Rule 15c3-1(a)(6), (a)(7) and (c)(2)(x) .....			3615
H. Total deductions and/or charges .....		( 41,970 )	3620
7. Other additions and/or allowable credits (List) .....			3630
8. Net capital before haircuts on securities positions .....	\$	412,005	3640
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:			
1. Bankers' acceptances, certificates of deposit and commercial paper .....	31		3680
2. U.S. and Canadian government obligations .....			3690
3. State and municipal government obligations .....			3700
4. Corporate obligations .....			3710
5. Stocks and warrants .....		1,337	3720
6. Options .....			3730
7. Arbitrage .....			3732
8. Other securities .....	32		3734
D. Undue Concentration .....			3650
E. Other (List) .....			3736
10. Net Capital .....	\$	410,668	3750

OMIT PENNIES

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART II

BROKER OR DEALER

R W. ELLWOOD & CO., INC

as of 06/30/07

### COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

**Part A**

11. Minimum net capital required (6 $\frac{2}{3}$ % of line 19) .....	\$	385	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) .....	\$	150,000	3758
13. Net capital requirement (greater of line 11 or 12) .....	\$	150,000	3760
14. Excess net capital (line 10 less 13) .....	\$	260,669	3770
15. Excess net capital at 1000% (line 10 less 10% of line 19) .....	\$		3780

### COMPUTATION OF AGGREGATE INDEBTEDNESS

16. Total A.I. liabilities from Statement of Financial Condition .....	\$	5,774	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
18. Deduct: Adjustment based on deposits in Special Reserve Bank Accounts (15c3-1(c)(1)(vii)) .....	\$		3838
19. Total aggregate indebtedness .....	\$	5,774	3840
20. Percentage of aggregate indebtedness to net capital (line 19 ÷ by line 10) .....	%	2%	3850
21. Percentage of aggregate indebtedness to net capital <i>after</i> anticipated capital withdrawals (line 19 ÷ by line 10 less Item 4880 page 25) .....	%		3853

### COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT

**Part B**

22. 2% of combined aggregate debt items as shown in Formula for Reserve Requirements pursuant to Rule 15c3-3 prepared as of 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. Percentage of Net Capital to Aggregate Debits (line 10 ÷ by line 17 page 8) .....	%		3851
27. Percentage of Net Capital, <i>after</i> anticipated capital withdrawals, to Aggregate Debits (line 10 less item 4880 page 11 ÷ by line 17 page 8) .....	%		3854
28. Net capital in excess of the greater of:			
A. 5% of combines aggregate debit items or \$120,000 .....	\$		3920

### OTHER RATIOS

**Part C**

29. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1(d) .....	%		3860
30. Options deductions/Net Capital ratio (1000% test) total deductions exclusive of liquidating equity under Rule 15c3-1(a)(6), (a)(7) and (c)(2)(x) ÷ Net Capital .....	%		3852

**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 $\frac{2}{3}$ % 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 notes 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.

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART II

BROKER OR DEALER

R.W. ELLWOOD & CO., INC.

as of 06 '30 '07

### COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS FOR BROKER-DEALERS UNDER RULE 15c3-3 (See Rule 15c3-3, Exhibit A and Related Notes)

**CREDIT BALANCES**

1. Free credit balances and other credit balances in customers' security accounts (see Note A, Exhibit A, Rule 15c3-3) .....	46	\$	4340	
2. Monies borrowed collateralized by securities carried for the accounts of customers (see Note B) .....			4350	
3. Monies payable against customers' securities loaned (see Note C) .....			4360	
4. Customers' securities failed to receive (see Note D) .....			4370	
5. Credit balances in firm accounts which are attributable to principal sales to customers .....			4380	
6. Market value of stock dividends, stock splits and similar distributions receivable outstanding over 30 calendar days .....			4390	
7. **Market value of short security count differences over 30 calendar days old .....			4400	
8. **Market value of short securities and credits (not to be offset by logs or by debits) in all suspense accounts over 30 calendar days .....	47		4410	NOT APPLICABLE
9. Market value of securities which are in transfer in excess of 40 calendar days and have not been confirmed to be in transfer by the transfer agent or the issuer during the 40 days .....			4420	
10. Other (List) .....			4425	
11. TOTAL CREDITS .....		\$	4430	

**DEBIT BALANCES**

12. **Debit balances in customers' cash and margin accounts excluding unsecured accounts and accounts doubtful of collection net of deductions pursuant to Note E, Exhibit A, Rule 15c3-3 .....	48	\$	4440	
13. Securities borrowed to effectuate short sales by customers and securities borrowed to make delivery on customers' securities failed to deliver .....			4450	
14. Failed to deliver of customers' securities not older than 30 calendar days .....			4460	
15. Margin required and on deposit with Options Clearing Corporation for all option contracts written or purchased in customer accounts (see Note F) .....			4465	
16. Other (List) .....	48		4469	
17. **Aggregate debit items .....		\$	4470	
18. **Less 3% (for alternative method only--see Rule 15c3-1(f)(5)(i)) .....			4471	
19. **TOTAL 14c3-3 DEBITS .....		\$	4472	

**RESERVE COMPUTATION**

20. Excess of total debits over total credits (line 19 less line 11) .....	49	\$	4480	
21. Excess of total credits over total debits (line 11 less line 19) .....			4490	
22. If computation permitted on a monthly basis, enter 105% of excess of total credits over total debits .....			4500	
23. Amount held on deposit in "Reserve Bank Account(s)," including value of qualified securities, at end of reporting period .....			4510	
24. Amount of deposit (or withdrawal) including \$ <span style="border: 1px solid black; padding: 0 5px;">4515</span> value of qualified securities .....			4520	
25. New amount in Reserve Bank Account(s) after adding deposit or subtracting withdrawal including \$ <span style="border: 1px solid black; padding: 0 5px;">4525</span> value of qualified securities .....		\$	4530	
26. Date of deposit (MMDDYY) .....			4540	

**FREQUENCY OF COMPUTATION**

27. Daily  4332 Weekly  4333 Monthly  4334

\*\* In the event the Net Capital Requirement is computed under the alternative method, this "Reserve Formula" shall be prepared in accordance with the requirements of paragraph (f) of Rule 15c3-1.

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT PART II

BROKER OR DEALER

R. W. ELLWOOD & CO., INC.

as of 06 '30 '07

## COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS FOR BROKER-DEALERS UNDER RULE 15c3-3 (continued)

### EXEMPTIVE PROVISIONS

28. If an exemption from Rule 15c3-3 is claimed, identify below the section upon which such exemption is based (check only one)

A. (k)(1) — \$2,500 capital category as per Rule 15c3-1 .....	\$	4550
B. (k)(2)(A) — "Special Account for the Exclusive Benefit of customers" maintained .....	X	4560
C. (k)(2)(B) — All customer transactions cleared through another broker-dealer on a fully disclosed basis. Name of clearing firm <sup>51</sup> .....	4335	4570
D. (k)(3) — Exempted by order of the Commission .....		4580

### Information for Possession or Control Requirements Under Rule 15c3-3

State the market valuation and number of items of:

1. Customers' fully paid securities and excess margin securities not in the respondent's possession or control as of the report date (for which instructions to reduce to possession or control had been issued as of the report date) but for which the required action was not taken by respondent within the time frame specified under Rule 15c3-3. Notes A and B .....	\$	4586
A. Number of items .....		4587
2. Customers' fully paid securities and excess margin securities for which instructions to reduce possession or control had not been issued as of the report date, excluding items arising from "temporary lags which result from normal business operations" as permitted under Rule 15c3-3. Notes B, C and D .....	\$	4588
A. Number of items .....	\$3	4589
OMIT PENNIES		
3. The system and procedures utilized in complying with the requirement to maintain physical possession or control of customers' fully paid and excess margin securities have been tested and are functioning in a manner adequate to fulfill the requirements of Rule 15c3-3 .....	Yes	4584
	X	4585

### NOTES

- A—Do not include in item one customers' fully paid and excess margin securities required by Rule 15c3-3 to be in possession or control but for which no action was required by the respondent as of the report date or required action was taken by respondent with the time frames specified under Rule 15c3-3.
- B—State separately in response to items one and two whether the securities reported in response thereto were subsequently reduced to possession or control by the respondent.
- C—Be sure to include in item two only items not arising from "temporary lags which result from normal business operations" as permitted under Rule 15c3-3.
- D—Item two must be responded to only with report which is filed as of the date selected for the broker's or dealer's annual audit of financial statements, whether or not such date is the end of a calendar quarter. The response to item two should be filed within 60 calendar days after such date, rather than with the remainder of this report. This information may be required on a more frequent basis by the Commission or the designated examining authority in accordance with Rule 17a-5(a)(2)(iv).

R.W. ELLWOOD & CO., INC.  
RECONCILIATION BETWEEN AUDITED AND UNAUDITED  
STATEMENTS OF FINANCIAL CONDITION  
JUNE 30, 2007

Unaudited Total Ownership Equity - June 30, 2007	\$453,976
Audited Total Ownership Equit - June 30, 2007	<u>\$453,976</u>

SANFORD BECKER & CO., P.C.  
CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS ADVISORS

RICHARD S. BECKER, C.P.A.  
SANFORD E. BECKER, C.P.A.  
GEORGE S. GETZ, C.P.A.

SANFORD BECKER, C.P.A. 1922-1994

1430 BROADWAY  
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REPORT ON INTERNAL CONTROL

Board of Directors  
R. W. Ellwood & Co., Inc.

In planning and performing our audit of the financial statements of R.W. Ellwood & Co., Inc., for the year ended June 30, 2007, we considered its internal control structure including procedures for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

Also, as required by rule 17A-5 (g) (1) of the Securities and Exchange Commission, we have made a study of the practices and procedures (including tests of compliance with such practices and procedures) followed by R.W. Ellwood & Co., Inc., that we considered relevant to the objectives stated in rule 17A-5 (g), (i) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under rule 17A-3 (a) (ii) and the reserve required by rule 15C3-3(e); (2) in making the quarterly securities examinations, counts, verifications and comparisons, and the recordation of differences required by rule 17A-13; (3) in complying with the requirements for prompt payment for securities under section 8 of Regulation T of the Board of Governors of the Federal Reserve System; and (4) in obtaining and maintaining physical possession or control of all fully paid and excess margin securities of customers as required by rule 15C3-3.

The management of the Company is responsible for establishing and maintaining an internal control structure and practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of internal control structure policies and procedures and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the commission's above-mentioned objectives. Two of the objectives of an internal control structure and the practices and procedures are to provide management with reasonable, but not absolute, assurance that assets for which the Company has responsibility and safeguarded against loss from unauthorized use or disposition and that the transactions are executed in accordance with management's authorization and recorded properly to permit preparation of financial statements in conformity with general accepted accounting principals. Rule 17A-5 (g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

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

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving the internal control structure, including procedures 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 Commission to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicated 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 Commission's objectives.

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

New York, New York,  
July 26, 2007



**END**