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

SEC FILE NUMBER  
8 24767

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 4-01-2007 AND ENDING 3-31-2008  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Gramercy Securities, Inc.

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

3949 Old Post Road

(No. and Street)

Charlestown

(City)

RI

(State)

02813

(Zip Code)

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

Roderick Scribner

401-364-7700

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Muto, Vollucci & Co., Ltd.

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

51 Jefferson Blvd, Ste. 400

(Address)

Warwick

(City)

RI

(State)

02888

(Zip Code)

CHECK ONE:

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

**PROCESSED**  
JUN 03 2008  
THOMSON REUTERS

**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)

SEC 1410 (06-02)

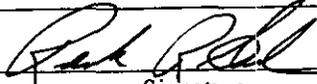
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OATH OR AFFIRMATION

I, Roderick Scribner, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Gramercy Securities, Inc. as of March 31, 20 08, 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:

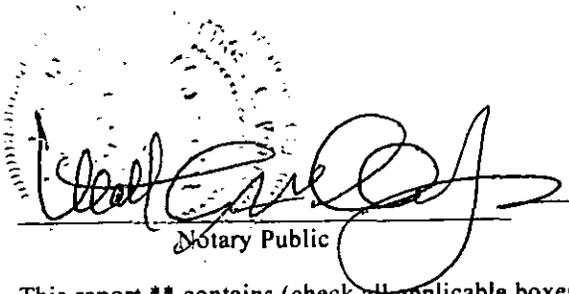
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\_\_\_\_\_



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.

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

**Gramercy Securities, Inc.**

**Financial Statements**

**For the Year Ended  
March 31, 2008**

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**Muto, Vollucci & Co., Ltd.**

Certified Public Accountants

51 Jefferson Blvd.  
Suite 400  
Warwick, RI  
02888  
  
401/461-9400  
Fax:  
401/461-1270

P.O. Box 3116  
Newport, RI  
02840

401/846-1800  
Fax:  
401/846-0994

e-mail:  
mvollucci@mutovollucci.com  
mmuto@mutovollucci.com

Independent Auditors' Report

Roderick Scribner  
Gramercy Securities, Inc.  
3949 Old Post Road  
Charlestown, RI 02813

We have audited the accompanying balance sheet of Gramercy Securities, Inc. as of March 31, 2008 and the related statements of income and retained earnings 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 Gramercy Securities, Inc. at March 31, 2008 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.

*Muto, Vollucci, & Co., Ltd.*

MUTO, VOLLUCCI & CO., LTD.

May 14, 2008

**Gramercy Securities, Inc.**  
**Balance Sheet**  
**March 31, 2008**

Assets

	<u>ALLOWABLE</u>	<u>NON- ALLOWABLE</u>	<u>TOTAL</u>
Current assets:			
Cash	\$ 60,466	\$	\$ 60,466
Amounts receivable	231,586	17,618	249,204
Prepaid corporate taxes		1,405	1,405
Total current assets	292,052	19,023	311,075
Property and equipment, net (Note 3)		1,222	1,222
Total assets	<u>\$292,052</u>	<u>\$ 20,245</u>	<u>\$312,297</u>

Liabilities and Shareholder's Equity

Current liabilities:			
Amounts payable	\$238,256	\$	\$238,256
Shareholder's equity:			
Common stock (200 shares authorized, no par, 10 shares issued and outstanding)	11,400		11,400
Additional paid-in-capital	1,114		1,114
Retained earnings	41,282	20,245	61,527
Total shareholder's equity	53,796	20,245	74,041
Total liabilities and shareholder's equity	<u>\$292,052</u>	<u>\$ 20,245</u>	<u>\$312,297</u>

See independent auditors' report  
and accompanying notes.

**Gramercy Securities, Inc.**  
**Statement of Income and Retained Earnings**  
**For the Year Ended March 31, 2008**

Revenue:	
Commissions	\$2,585,872
Other income	<u>35,000</u>
Total revenue	2,620,872
Expenses:	
Agent commissions	2,383,236
Officer commissions	187,885
Clearing fees	5,507
Contributions	140
Depreciation	716
Fidelity bond	728
Licenses and registrations	10,673
Office expenses	1,532
Overnight delivery charges	1,484
Professional fees	11,020
Telephone	<u>2,338</u>
Total expenses	<u>2,605,259</u>
Income before taxes	15,613
Corporate income taxes (Note 4)	<u>3,499</u>
Net income	12,114
Retained earnings, beginning of the year	<u>49,413</u>
Retained earnings, end of the year	<u><u>\$ 61,527</u></u>

See independent auditors' report  
and accompanying notes.

**Gramercy Securities, Inc.**  
**Statement of Cash Flows**  
**For the Year Ended March 31, 2008**

Cash flows from operating activities:	
Net income	\$ 12,114
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	716
Increase (decrease) in cash from changes in assets and liabilities:	
Amounts receivable	48,616
Prepaid expenses	(1,405)
Amounts payable	(54,724)
Accrued corporate income taxes	(4,192)
Total adjustments	<u>(10,989)</u>
Increase in cash provided by operating activities	1,125
Cash, beginning of the year	<u>59,341</u>
Cash, end of the year	<u><u>\$60,466</u></u>

See independent auditors' report  
and accompanying notes.

**Gramercy Securities, Inc.**  
**Notes to Financial Statements**

1. **Business Activity**

The Company was organized as of October 29, 1979 in the State of New York as a registered broker dealer in securities. It is presently located in Charlestown, Rhode Island and has branch offices in San Juan Capistrano, California and Dana Point, California and an office of supervisory jurisdiction in Amarillo, Texas. In total there are seven registered representatives. The Company limits its operations as described in SEC Rule 15c3-3(k)(2)(ii).

2. **Summary of Significant Accounting Policies**

Handling Customers' Funds

Customers' checks are made payable directly to the sponsors, escrow agents or other companies which clear the transactions ordered by the customer. The checks are promptly submitted to these firms no later than noon of the next business day following receipt and do not enter the accounts of the Company.

Revenue Recognition

Commission income from securities transactions is recorded on a trade date basis, or when earned.

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.

Amounts Receivable

Management does not record an allowance for doubtful collections because of favorable historical performance and the nature of the receivable obligations.

Depreciation

Depreciation of property and equipment is computed using the straight-line method over the estimated useful life of 5 years. For federal income tax purposes, depreciation is computed using accelerated methods.

See independent auditors' report.

**Gramercy Securities, Inc.**  
**Notes to Financial Statements**

3. Property and Equipment

Property and equipment, stated at cost, consisted of the following at March 31, 2008:

Furniture and fixtures	\$ 1,795
Office equipment	<u>1,785</u>
	3,580
Less accumulated depreciation	<u>2,358</u>
	<u>\$ 1,222</u>

4. Corporate Income Taxes

The components of income tax expense at fiscal year ended March 31, 2008 are as follows:

Federal income taxes	\$ 2,419
State income taxes	<u>1,080</u>
	<u>\$ 3,499</u>

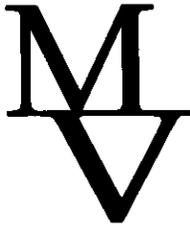
5. Net Capital and Reserve Requirements

As a registered broker and dealer in securities, the Company is subject to the Uniform Net Capital Rule (Rule 15c3-1), which requires that the Company maintain at minimum a net capital of \$15,883 and a ratio of aggregate indebtedness to net capital not exceeding 15 to 1.

At March 31, 2008, the Company had a net capital of \$53,796, which was \$37,913 in excess of its required net capital. At March 31, 2008, the Company's aggregate indebtedness to net capital ratio was 4.43 to 1.

See independent auditors' report.

INDEPENDENT AUDITORS' REPORT ON ADDITIONAL INFORMATION



**Muto, Vollucci & Co., Ltd.**

Certified Public Accountants

**INDEPENDENT AUDITORS' REPORT ON ADDITIONAL INFORMATION**

51 Jefferson Blvd.  
Suite 400  
Warwick, RI  
02888

401/461-9400  
Fax:  
401/461-1270

P.O. Box 3116  
Newport, RI  
02840

401/846-1800  
Fax:  
401/846-0994

e-mail:  
mvollucci@mutovollucci.com  
mmuto@mutovollucci.com

Roderick Scribner  
Gramercy Securities, Inc.  
3949 Old Post Road  
Charlestown, RI 02813

We have audited the accompanying financial statements of Gramercy Securities, Inc. as of and for the year ended March 31, 2008, and have issued our report thereon dated May 14, 2008. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying (additional information) computations of net capital, basic net capital requirement and aggregate indebtedness of Gramercy Securities, Inc. as of March 31, 2008 included in the accompanying prescribed form 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 and 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.

*Muto, Vollucci & Co., Ltd.*  
MUTO, VOLLUCCI & CO., LTD.

May 14, 2008

## COMPUTATION OF NET CAPITAL

1.	Total ownership equity from Statement of Financial Condition			74,041	
				[3480]	
2.	Deduct ownership equity not allowable for Net Capital			[3490]	
				74,041	
3.	Total ownership equity qualified for Net Capital			[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)				
		[3525A]	[3525B]		
		[3525C]	[3525D]		
		[3525E]	[3525F]	[3525]	
				74,041	
5.	Total capital and allowable subordinated liabilities				[3530]
6.	Deductions and/or charges:				
			20,245		
	A. Total nonallowable assets from Statement of Financial Condition (Notes B and C)				[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]
				-20,245	[3620]
7.	Other additions and/or credits (List)				
		[3630A]	[3630B]		
		[3630C]	[3630D]		
		[3630E]	[3630F]	[3630]	
8.	Net capital before haircuts on securities positions			53,796	[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:				

Note: No material differences exist between the above computation and the computation included in the Company's corresponding unaudited FOCUS report on Form X-17A-5, Part IIA filing as of March 31, 2008.

1. Exempted securities		[3735]	
2. Debt securities		[3733]	
3. Options		[3730]	
4. Other securities		[3734]	
D. Undue Concentration		[3650]	
E. Other (List)			
	[3736A]		[3736B]
	[3736C]		[3736D]
	[3736E]		[3736F]
		[3736]	[3740]
10. Net Capital			53,796
			[3750]

### COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

#### Part A

11. Minimum net capital required (6-2/3% of line 19)		15,883
		[3756]
12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with <u>Note(A)</u>		5,000
		[3758]
13. Net capital requirement (greater of line 11 or 12)		15,883
		[3780]
14. Excess net capital (line 10 less 13)		37,913
		[3770]
15. Excess net capital at 1000% (line 10 less 10% of line 19)		29,970
		[3780]

### COMPUTATION OF AGGREGATE INDEBTEDNESS

16. Total A.I. liabilities from Statement of Financial Condition		238,256
		[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)		

Note: No material differences exist between the above computation of net capital and the computation included in the Company's corresponding unaudited FOCUS report on Form X-17A-5, Part IIA filing at March 31, 2008.

	[3820A]	[3820B]	
	_____	_____	
	[3820C]	[3820D]	
	_____	_____	
	[3820E]	[3820F]	
		[3820]	
			[3830]
			238,256
19. Total aggregate indebtedness			[3840]
			443
20. Percentage of aggregate indebtedness to net capital (line 19 / line 10)		%	[3850]

**OTHER RATIOS**

21. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1(d)		%	[3860]
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Note: No material differences exist between the above computation of net capital and the computation included in the Company's corresponding unaudited FOCUS report on Form X-17A-5, Part IIA filing at March 31, 2008.

INDEPENDENT AUDITORS' REPORT ON INTERNAL ACCOUNTING CONTROL  
REQUIRED BY SEC RULE 17a-5



**Muto, Vollucci & Co., Ltd.**

Certified Public Accountants

Roderick Scribner  
Gramercy Securities, Inc.  
3949 Old Post Road  
Charlestown, RI 02813

51 Jefferson Blvd.  
Suite 400  
Warwick, RI  
02888

401/461-9400  
Fax:  
401/461-1270

P.O. Box 3116  
Newport, RI  
02840

401/846-1800  
Fax:  
401/846-0994

e-mail:  
mvollucci@mutovollucci.com  
mmuto@mutovollucci.com

**INDEPENDENT AUDITORS' REPORT ON INTERNAL ACCOUNTING CONTROL  
REQUIRED BY SEC RULE 17a-5**

In planning and performing our audit of the financial statements of Gramercy Securities, Inc. as of and for the year ended March 31, 2008 in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company including consideration of control activities for safeguarding securities. This study included tests of such practices and procedures that we considered relevant to the objectives stated in Rule 17a-5(g) in making the periodic computations of aggregate indebtedness and net capital under Rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons and recordation of differences required by Rule 17a-13
2. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System

The management of the Company is responsible for establishing and maintaining 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 internal 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 conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

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

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 control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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. We did not identify any deficiencies in internal control and 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, as described in the second paragraph of this report, were adequate at March 31, 2008 to meet the SEC's objectives.

This report is intended solely for the information and use of management, the SEC, the 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.

  
MUTO, VOLLUCCI & CO., LTD.

May 14, 2008

END