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

SEC FILE NUMBER
8-53490

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 04/01/07 AND ENDING 03/31/08
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Saxony Securities, Inc.

OFFICIAL USE ONLY

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

FIRM I.D. NO.

86 Kenrick Plaza

(No. and Street)

St. Louis

MO

63119

(City)

(State)

(Zip Code)

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

Richard Griffard

(314) 963-9336

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Dunleavy & Company, P.C.

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

13116 South Western Avenue,

Blue Island,

Illinois

60406

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

Certified Public Accountant

Public Accountant

Accountant not resident in United States or any of its possessions

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

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OATH OR AFFIRMATION

I, Richard E. Griffard, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Saxony Securities, Inc., as of March 31, 2008, 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:

NONE

Richard E. Griffard
Signature
PRESIDENT
Title

Nathan Matarazzi
Notary Public

NATHAN MATARAZZI
Notary Public - Notary Seal
State of Missouri
Commissioned for St. Louis County
My Commission Expires: April 20, 2011
Commission Number: 7038242

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 15c3-3 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).

SAXONY SECURITIES, INC.

STATEMENT OF FINANCIAL CONDITION
AND INDEPENDENT AUDITORS' REPORT

MARCH 31, 2008

DUNLEAVY & COMPANY, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

13116 SOUTH WESTERN AVENUE

BLUE ISLAND, ILLINOIS 60406

(708) 489-1680

Fax: (708) 489-1717

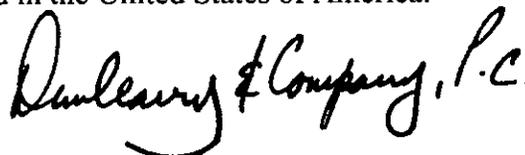
INDEPENDENT AUDITORS' REPORT

Board of Directors
Saxony Securities, Inc.

We have audited the accompanying statement of financial condition of Saxony Securities, Inc. as of March 31, 2008 that you are filing pursuant to rule 17a-5 under the Securities and Exchange Act of 1934. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement 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 attain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 statement of financial condition referred to above presents fairly, in all material respects, the financial position of Saxony Securities, Inc. as of March 31, 2008, in conformity with accounting principles generally accepted in the United States of America.



DUNLEAVY & COMPANY, P. C.
Certified Public Accountants

Blue Island, Illinois
May 8, 2008

SAXONY SECURITIES, INC.

STATEMENT OF FINANCIAL CONDITION

MARCH 31, 2008

ASSETS

Cash and cash equivalents	\$ 632,468
Receivable from broker/dealers	708,288
Notes receivable	435,738
Furniture, equipment and software, at cost net of \$83,332 accumulated depreciation	85,176
Other assets	<u>90,000</u>
TOTAL ASSETS	<u>\$ 1,951,670</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

LIABILITIES

Accounts payable	\$ 88,959
Commissions payable	991,607
Reserve for contingencies	31,196
Income tax payable	<u>6,461</u>

Total Liabilities \$ 1,118,223

SHAREHOLDERS' EQUITY

Common stock, \$1 par value; authorized 18,000 shares, issued and outstanding 14,081 shares;	\$ 14,081
Additional paid-in capital	553,919
Retained earnings	<u>265,447</u>

Total Shareholders' Equity \$ 833,447

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY \$ 1,951,670

The accompanying notes are an integral part of this financial statement.

SAXONY SECURITIES, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2008

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Organization - The Company was incorporated in the state of Missouri on July 13, 2001. The Company is a wholly-owned subsidiary of Saxony Holdings, Inc. The Company is registered with the Securities and Exchange Commission and is a member of the Financial Industry Regulatory Authority (FINRA), formerly known as the National Association of Securities Dealers, Inc. (NASD). The Company's principal business activity is the sale of securities. Operations began during February 2002.

Securities Transactions - Commission revenue and related expense arising from securities transactions are recorded on a trade date basis.

Cash Equivalents - Cash equivalents are defined as certificates of deposit and U.S. government obligations with a maturity date, when purchased by the Company, of less than 90 days and those securities registered under the Investment Company Act of 1940 which are comprised of cash and other short-term debt instruments and are commonly referred to as "money market funds."

Concentration of Risk - Substantially all the Company's cash is on deposit at one financial institution and the balance at times may exceed the federally insured limit. Due to the strong credit rating of this financial institution, the Company believes it is not exposed to any significant credit risk to cash.

Furniture, equipment and software - Depreciation is provided using the straight-line method over three to ten year periods.

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

NOTE 2 - NET CAPITAL REQUIREMENTS

As a registered broker/dealer and member of the Financial Industry Regulatory Authority, the Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (rule 15c3-1), which requires the maintenance of

SAXONY SECURITIES, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2008

NOTE 2 - NET CAPITAL REQUIREMENTS - (Continued)

minimum net capital and requires that the ratio of aggregated indebtedness to net capital, both as defined, shall not exceed 1500%. At March 31, 2008 the Company's net capital and required net capital were \$174,921 and \$74,548 respectively. The ratio of aggregate indebtedness to net capital was 639%.

NOTE 3 - OFF-BALANCE-SHEET RISK AND CLEARING AGREEMENT

The Company's customers may enter into various transactions involving derivatives and other off-balance-sheet financial instruments. These financial instruments include options, mortgage-backed to-be-announced securities (TBA's) and securities purchased and sold on a when-issued basis. These derivative financial instruments are used to meet the needs of customers and are subject to varying degrees of market and credit risk. In addition, the Company's customers may sell securities that they do not currently own and will, therefore, be obligated to purchase such securities at a future date.

Since the Company enters into the aforementioned transactions only for the benefit of its customers, the Company does not bear any of the credit or market risk of those customers, with the exception of the risk to the Company should its customers fail to honor their obligations related to these derivative and other off-balance sheet financial instruments, as mentioned below.

Clearing Agreement - To facilitate securities transactions, including the aforementioned transactions, on behalf of its customers, the Company has entered into an agreement with another broker/dealer (Clearing Broker/dealer) whereby the Company forwards (introduces) customer securities transactions to the Clearing Broker/dealer, fully disclosing the customer name and other information. The processing and, if applicable, any financing pertaining to the introduced securities transactions are performed by the Clearing Broker/dealer. The customer account is therefore maintained and recorded in the books and records of the Clearing Broker/dealer on the Company's behalf. In consideration for introducing customers to the Clearing Broker/dealer, the Company receives commissions and other consideration, less the processing and other charges of the Clearing Broker/dealer. As part of the terms of the agreement between the Company and Clearing Broker/dealer, the Company is held responsible for any losses arising when the customers introduced by the Company to the Clearing Broker/dealer fail to meet their contractual

SAXONY SECURITIES, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2008

NOTE 3 - OFF-BALANCE-SHEET RISK AND CLEARING AGREEMENT - (Continued)

commitments pertaining to the purchase, sale and possible financing of securities transactions. The Company may therefore be exposed to off-balance-sheet risk in the event the customer is unable to fulfill its contracted obligations and it is necessary for the Clearing Broker/dealer to purchase or sell the securities at a loss. The Company's exposure to risk would consist of the amount of the loss realized and any additional expenses incurred pertaining to the transaction or other customer activity.

The Company has deposited \$100,000 with the Clearing Broker/dealer to assure the Company's performance under the agreement and this amount is included in the "Receivable from broker/dealers" on the statement of financial condition. The agreement may be terminated by either party with 90 days prior notification. Additional terms state that if this agreement is terminated, the Company may be subject to early termination fees, as follows: if terminated prior to July 1, 2008, \$150,000, if terminated prior to July 1, 2009, \$75,000, if terminated prior to July 1, 2010, \$50,000; and reasonable expenses for anytime thereafter.

NOTE 4 - LEASE COMMITMENTS

Occupancy - The Company is party to a noncancellable lease agreement for office space that expires March 31, 2009. Terms of the agreement provide for two renewal options each having a three year period. The annualized rate for the first renewal option period is \$43,750 and \$45,500 for the second renewal option period. The total expenditure for office space for the year ended March 31, 2008 was \$59,426. This amount includes additional charges pursuant to the lease agreement. The net expense for the year was \$50,621, which equals the total expenditure less \$8,805 received from a sublease for a portion of the leased space. The sublease terminated December 31, 2007.

Quotation and Communication Service Leases - The Company has entered into noncancellable leases for three quotation services and two communication services. The quotation service agreements are due to expire May 3, 2010, June 29, 2008 and March 31, 2010 and the communication service agreements expire

SAXONY SECURITIES, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2008

NOTE 4 - LEASE COMMITMENTS - (Continued)

August 1, 2008 and August 30, 2009 respectively. Total expenses relating to these agreements for the year ended March 31, 2008 were \$40,277 for quotation services and \$27,948 for the communication services.

Future minimum lease payments for these leases, exclusive of additional payments which may be required, are as follows:

<u>Year Ended</u>				
<u>March 31</u>	<u>Occupancy</u>	<u>Quotations</u>	<u>Communications</u>	<u>Total</u>
2009	\$ 42,000	\$ 45,200	\$ 15,568	\$ 102,768
2010	-0-	36,900	5,608	42,508
2011	-0-	1,700	-0-	1,700
Total	<u>\$ 42,000</u>	<u>\$ 83,800</u>	<u>\$ 21,176</u>	<u>\$ 146,976</u>

NOTE 5 - INCOME TAXES

The Company reports its income for federal and state income tax purposes on a calendar year basis. Effective January 1, 2008, the Company elected S Corporation status. Income taxes are therefore the responsibility of the Parent company. The provision for income taxes on the statement of income applies to the first nine months of the Company's fiscal year in which it did not claim S Corporation status.

NOTE 6 - CONTINGENCIES

The Company has received customer complaints seeking damages and/or rescissions. Two of the customer complaints were received during the year ended March 31, 2008 and the others were received in prior years. After investigating each complaint the Company has determined the complaints to be without merit and intends to vigorously defend itself in regards to these matters. The Company's management and/or its legal counsel are unable to determine the ultimate liability or the likelihood of an unfavorable outcome for any of these actions. However, the Company has accrued \$31,196 as a contingent liability relating to one complaint and has made a \$10,000 settlement offer in another. As of May 8, 2008, none of the complaints have resulted in a formal statement of claim filed in arbitration against the Company.

SAXONY SECURITIES, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2008

NOTE 7 - RELATED PARTY TRANSACTIONS

As mentioned in Note 1, the Company is a wholly-owned subsidiary of Saxony Holdings, Inc. (Parent) and this became effective on January 1, 2008. At March 31, 2008, the Parent owed \$2,080 to the Company for expenses paid on behalf of the Parent.

In addition, through common ownership and management the Company is affiliated with Saxony Financial Holdings, LLC (SFH), Saxony Capital Management, LLC (SCM), Saxony Insurance Agency, LLC (SIA), RECA Group, Inc. (RECA) and Coastline Financial Corp.

The Company has entered into a promissory note agreement with SFH whereby SFH may borrow funds not to exceed \$50,000. Additional terms state that any amounts borrowed will bear an interest rate of prime, as defined, and the note expires on September 17, 2012. At March 31, 2008, the principal balance of the note was \$20,000. This amount is included with notes receivable on the statement of financial condition. Total interest earned during the year was \$720 and \$307 of that amount was owed to the Company at March 31, 2008.

The Company has an agreement with RECA to lease software on a month to month basis. The agreement may be terminated by either party with 30 days written notice. Total payments made by the Company during the year ended March 31, 2008 relating to this agreement were \$12,300.

The Company has been reimbursed \$274,000 from SCM for commissions and payroll expenses the Company has paid on SCM's behalf and SCM was owed \$3,392 by the Company at March 31, 2008.

The Company has paid Coastline Financial Corp. \$137,200 for expense reimbursements and business development services it provided the Company during the year ended March 31, 2008.

The Company has incurred expenses to SIA totaling \$18,000 for licensing services provided during the year ended March 31, 2008.

In addition, the Company has been reimbursed \$11,520 from SIA for commissions the Company has paid on SIA's behalf.

SAXONY SECURITIES, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2008

NOTE 8 - OTHER AGREEMENTS

Third Party Broker Agreements - The Company has entered into agreements with other Broker/dealers (third party brokers) whereby the third party brokers will introduce securities transactions to the Company and the Company will then introduce the same transactions to the Company's Clearing Broker/dealer (see Note 3). This is commonly referred to as a piggyback arrangement. The third party brokers receive commissions from the Company for the transactions introduced through the Company to its Clearing Broker/dealer, less certain fees and charges. The agreements have initial 12 month terms that automatically extend for additional 12 month periods. Either party may terminate the agreement at any time with thirty days prior written notice. Additional terms state that each party will not hire or recruit registered representatives from the other without prior written consent until 12 months have elapsed after the termination of the agreement. These agreements contain the same off-balance-sheet risk as discussed in Note 3.

NOTE 9 - NOTES RECEIVABLES

At March 31, 2008, notes receivable of \$435,738 as stated on the statement of financial condition include the principal portion of notes receivable from an employee, registered representatives and a related party (as described in Note 7). The interest rates for these notes range from prime to 14% per annum. In addition, notes totaling \$394,000 will be forgiven by the Company in the future if the other parties fulfill certain requirements.

NOTE 10 - NONMONETARY TRANSACTION

Effective December 31, 2007, two officers of the Company were issued shares of common stock in lieu of monetary compensation. The total value of the stock at the time of the transaction was \$132,000.

END