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SECURITIES

COMMISSION

Washington, D.C. 20549

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Securities and Exchange Commission
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 and Examinations

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

SEC FILE NUMBER
8- 31528

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 3/31/08
MM/DD/YY MM/DD/YY

Washington, DC
 20549

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Riverside Securities, Inc.
 ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
1422 N. LaSalle Street

OFFICIAL USE ONLY
FIRM I.D. NO.

(No. and Street)

Chicago Illinois 60610
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Jordan P. Zaro (312) 922-6777
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Dooley, Bradford R., CPA
(Name - if individual, state last, first, middle name)

220 S. State Street, 1910 Chicago Illinois 60604
(Address) (City) (State) (Zip Code)

CHECK ONE:

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

PROCESSED
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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)

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.

SEC 1410 (06-02)

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RIVERSIDE SECURITIES, INC.
FINANCIAL STATEMENTS

MARCH 31, 2008

(FILED PURSUANT TO RULE 17a-5(d)
UNDER THE SECURITIES EXCHANGE ACT OF 1934)

BRADFORD R. DOOLEY & ASSOCIATES

Accountants and Auditors

220 SOUTH STATE STREET - SUITE 1910

CHICAGO, ILLINOIS 60604

Member

AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
ILLINOIS CPA SOCIETY

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INDEPENDENT AUDITOR'S REPORT

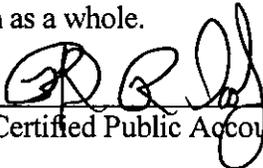
To the Board of Directors
Riverside Securities, Inc.
Chicago, Illinois 60610

I have audited the accompanying statement of financial condition of Riverside Securities, Inc. as of March 31, 2008, and the related statements of income, changes in stockholder's equity and cash flows for the year then ended that you are filing pursuant to rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Riverside Securities, Inc. as of March 31, 2008, and the results of its operations and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information 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 my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Certified Public Accountant

Chicago, Illinois
May 28, 2008

RIVERSIDE SECURITIES, INC.
STATEMENT OF FINANCIAL CONDITION
AS OF MARCH 31, 2008

ASSETS

Cash	\$ 12,473
Receivables from brokers/dealers	83
Receivable from stockholder	82,975
Other assets	<u>17,210</u>
 Total assets	 <u>\$ 112,741</u>

LIABILITIES AND STOCKHOLDER'S EQUITY

Liabilities

Accounts payable and accrued expenses	\$ 5,912
---------------------------------------	----------

Stockholder's Equity

Common stock, no par value, authorized 100,000 shares; issued and outstanding 1,000 shares	\$ 1,000
Paid in capital	84,394
Retained earnings	<u>21,435</u>
 Total stockholder's equity	 <u>106,829</u>
 Total liabilities and stockholder's equity	 <u>\$ 112,741</u>

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

RIVERSIDE SECURITIES, INC.
STATEMENT OF INCOME
FOR THE YEAR ENDED MARCH 31, 2008

Revenue

Commissions	\$ 9,132
Interest	3,434
Other income	<u>35,000</u>
Total revenue	47,566

Expenses

Clearing and execution charges	1,885
Communication	1,764
Professional fees	5,819
Regulatory fees	1,300
Other operating expenses	<u>12,514</u>
Total expenses	<u>23,282</u>

Net income before income taxes 24,284

Provision for Income Taxes 1,902

Net income \$ 22,382

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

RIVERSIDE SECURITIES, INC.
STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY
FOR THE YEAR ENDED MARCH 31, 2008

	<u>Common Stock</u>	<u>Paid In Capital</u>	<u>Retained Earnings</u>	<u>Total Stockholder's Equity</u>
Balance, April 1, 2007	\$ 1,000	\$ 84,394	\$ (947)	\$ 84,447
Add: Net income	<u>-0-</u>	<u>-0-</u>	<u>22,382</u>	<u>22,382</u>
Balance, March 31, 2008	<u>\$ 1,000</u>	<u>\$ 84,394</u>	<u>\$ 21,435</u>	<u>\$ 106,829</u>

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

RIVERSIDE SECURITIES, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2008

Cash Flows From (To) Operating Activities:

Net income	\$ 22,382	
Adjustments to reconcile net income to net cash provided by operating activities:		
Changes in assets and liabilities:		
Receivables from broker/dealers	970	
Other assets	(3,390)	
Accounts payable and accrued expenses	<u>1,100</u>	
Net cash from (to) operating activities		\$ 21,062

Cash Flows From (Used in) Investing Activities:

Increase in receivable from shareholder	<u>(22,100)</u>	
Net cash from (used in) investing activities		(22,100)

Cash Flows From (To) Financing Activities:

		<u>-0-</u>
Net increase (decrease) in cash		(1,038)
Cash at beginning of year		<u>13,511</u>
Cash at end of year		<u>\$ 12,473</u>

Supplemental Information:

During the year the following amounts were paid for:

Interest expense	\$ <u>-0-</u>
Income taxes	\$ <u>-0-</u>

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

RIVERSIDE SECURITIES, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2008

(1) **ORGANIZATION AND GENERAL**

Riverside Securities, Inc. was incorporated in the State of Illinois on February 1, 1984. The Company is registered with the Securities and Exchange Commission and is a member of the Financial Industry Regulatory Authority, Inc. The Company's principal business is the sale of securities.

(2) **SIGNIFICANT ACCOUNTING POLICIES**

A summary of significant accounting policies which have been followed by Riverside Securities, Inc. in preparing the accompanying financial statements is set forth below.

Accounting 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.

Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less at the date of acquisition to be cash equivalents.

Income Recognition

Securities transactions and related revenue and expense are recorded on a trade date basis.

Property and Equipment

Furniture and equipment – Depreciation is provided using the straight line method over five and seven year periods. Maintenance and repair are charged to income as incurred.

Income Taxes

Income tax expense differs from the statutory tax rate due to net operating loss carryforwards which can be used to offset ordinary income of the current year.

(3) **RECEIVABLE FROM STOCKHOLDER**

The Company shareholder has borrowed \$82,975 from the Company. This unsecured receivable is due on demand. Interest was charged at the rate of four and one half (4 ½%) for the fiscal year ended March 31, 2008 in the amount of \$3,390.

At March 31, 2008, \$17,210 interest is due from the stockholder.

RIVERSIDE SECURITIES, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2008

(4) CLEARING AGREEMENT WITH OFF-BALANCE SHEET RISK

Clearing Agreement – the Company has entered into an agreement with another broker/dealer (Clearing Broker/Dealer) whereby that broker/dealer will execute and clear securities transactions for the Company on a fully disclosed basis. Under the terms of the agreement, the Company is prohibited from entering into a similar agreement with another broker/dealer while this agreement is in effect.

The Company is obligated for nonperformance by customers it has introduced to the clearing broker. The Company actively monitors its exposure under this obligation by requesting substantiation of its customers' activities from the clearing broker on a daily basis. No such nonperformance by a customer, based on refusal or inability to fulfill its obligation, occurred during the period ended March 31, 2008.

(5) NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c3-1). Under this rule, the Company is required to maintain "net capital" equivalent to \$250,000 or 6 2/3% of "aggregate indebtedness", whichever is greater as these terms are defined.

Net Capital and aggregate indebtedness change from day to day, but at March 31, 2008, the Company had net capital and net capital requirements of \$6,561 and \$250,000 respectively. The net capital rule may effectively restrict the payment of cash distributions.

At March 31, 2008, the Company was not in compliance with the minimum net capital requirement of \$250,000.

(6) CONTINGENCY

A customer has filed an arbitration proceeding with the Financial Industry Regulatory Authority, Inc (FINRA) against the Company and the Company's clearing broker. The customer alleges that certain improprieties occurred within the customer's account and is seeking to recover between \$250,000 and \$375,000 in damages.

The arbitration is in the discovery stages; however, the Company intends to vigorously attest this matter. The ultimate outcome of the arbitration is not yet possible to determine.

(7) SUBSEQUENT EVENT

During April, 2008, the Company's minimum net capital requirement was reduced from \$250,000 to \$5,000 pursuant to the Company operating as a "fully disclosed" broker dealer which clears customer transactions through another broker dealer.

SUPPLEMENTARY SCHEDULES

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART IIA

BROKER OR DEALER

Riverside Securities, Inc.

as of 3/31/08

COMPUTATION OF NET CAPITAL

1. Total ownership equity from Statement of Financial Condition	\$ <u>106,829</u>	<u>3480</u>	
2. Deduct ownership equity not allowable for Net Capital	19 ()	<u>3490</u>	
3. Total ownership equity qualified for Net Capital	<u>106,829</u>	<u>3500</u>	
4. Add:			
A. Liabilities subordinated to claims of general creditors allowable in computation of net capital		<u>3520</u>	
B. Other (deductions) or allowable credits (List)		<u>3525</u>	
5. Total capital and allowable subordinated liabilities	\$ <u>106,829</u>	<u>3530</u>	
6. Deductions and/or charges:			
A. Total non-allowable assets from Statement of Financial Condition (Notes B and C)	17 \$ <u>100,268</u>	<u>3540</u>	
B. Secured demand note delinquency		<u>3590</u>	
C. Commodity futures contracts and spot commodities - proprietary capital charges		<u>3600</u>	
D. Other deductions and/or charges		<u>3610</u>	(<u>100,268</u>)
7. Other additions and/or allowable credits (List)		<u>3630</u>	
8. Net capital before haircuts on securities positions	20 \$ <u>6,561</u>	<u>3640</u>	
9. Haircuts on securities (computed, where applicable, pursuant to 15c3-1(f)):			
A. Contractual securities commitments	\$	<u>3660</u>	
B. Subordinated securities borrowings		<u>3670</u>	
C. Trading and investment securities:			
1. Exempted securities	18	<u>3735</u>	
2. Debt securities		<u>3733</u>	
3. Options		<u>3730</u>	
4. Other securities		<u>3734</u>	
D. Undue Concentration		<u>3650</u>	
E. Other (List)		<u>3736</u>	() <u>3740</u>
10. Net Capital	\$ <u>6,561</u>	<u>3750</u>	

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Line 6A; Non-Allowable Assets

<u>Amount</u>	<u>Amount</u>
Receivable from broker/dealer	\$ 83
Receivables from stockholder	82,975
Other assets	17,210
Total	<u>\$ 100,268</u>

A reconciliation between the above audited computation and the Company's corresponding unaudited filing is as follows:

Net Capital per unaudited filing	\$ 8,981
Less: Increase in accounts payable	<u>(2,420)</u>
Net Capital per above audited comp.	<u>\$ 6,561</u>

See Auditor's Report.

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART IIA

BROKER OR DEALER Riverside Securities, Inc.

as of 3/31/08

COMPUTATION OF NET CAPITAL REQUIREMENT

Part A

11. Minimum net capital required (6 2/3% of line 19)	\$	394	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)	\$	250,000	3758
13. Net capital requirement (greater of line 11 or 12)	\$	250,000	3760
14. Excess net capital (line 10 less 13)	\$	(243,439)	3770
15. Excess net capital at 1000% (line 10 less 10% of line 19)	\$	5,970	3780

COMPUTATION OF AGGREGATE INDEBTEDNESS

16. Total A.I. liabilities from Statement of Financial Condition	\$	5,912	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	
18. Total aggregate indebtedness	\$	5,912	3840
19. Percentage of aggregate indebtedness to net capital (line 18 ÷ by line 10)	%	91	3850
20. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1(d)	%		3860

COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT

Part B

21. 2% of combined aggregate debit items as shown in Formula for Reserve Requirements pursuant to Rule 15c3-3 prepared as of the date of the net capital computation including both brokers or dealers and consolidated subsidiaries' debits	\$		3970
22. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	\$		3880
23. Net capital requirement (greater of line 21 or 22)	\$		3760
24. Excess capital (line 10 less 23)	\$		3910
25. Net capital in excess of the greater of:			
A. 5% of combined aggregate debit items or \$120,000	\$		3920

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 2/3% of aggregate indebtedness or 4% of aggregate debits if alternative method is used.
- (B) Do not deduct the value of securities borrowed under subordination agreements or secured demand note 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.

A reconciliation between the above audited computation and the Company's corresponding unaudited filing is as follows:

Total A.I. per unaudited filing	\$	3,492
Add: Increase in accounts payable		2,420
Total A.I. per above computation	\$	5,912

See Auditor's Report.

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT PART IIA

BROKER OR DEALER **Riverside Securities, Inc.** as of **3/31/08**

EXEMPTIVE PROVISION UNDER RULE 15c3-3

24. If an exemption from Rule 15c3-1 is claimed, identify below the section upon which such exemption is based (check one only)

- | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| 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 | 4560 |
| C. (k)(2)(B) — All customer transactions cleared through another broker-dealer on a fully disclosed basis.
Name of clearing firm ³⁰ Terra Nova Trading, LLC 4335 | X
4570 |
| D. (k)(3) — Exempted by order of the Commission (include copy of letter) | 4580 |

Ownership Equity and Subordinated Liabilities maturing or proposed to be withdrawn within the next six months and accruals, (as defined below), which have not been deducted in the computation of Net Capital.

Type of Proposed Withdrawal or Accrual (See below for code)	Name of Lender or Contributor	Insider or Outsider? (In or Out)	Amount to be Withdrawn (cash amount and/or Net Capital Value of Securities)	(MMDDYY) Withdrawal or Maturity Date	Expect to Renew (Yes or No)	
31	4600	4601	4602	4603	4604	4605
32	4610	4611	4612	4613	4614	4615
33	4620	4621	4622	4623	4624	4625
34	4630	4631	4632	4633	4634	4635
35	4640	4641	4642	4643	4644	4645
Total \$ ³⁶						4699

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Instructions: Detail Listing must include the total of items maturing during the six month period following the report date, regardless of whether or not the capital contribution is expected to be renewed. The schedule must also include proposed capital withdrawals scheduled within the six month period following the report date including the proposed redemption of stock and anticipated accruals which would cause a reduction of Net Capital. These anticipated accruals would include amounts of bonuses, partners' drawing accounts, taxes, and interest on capital, voluntary contributions to pension or profit sharing plans, etc., which have not been deducted in the computation of Net Capital, but which you anticipate will be paid within the next six months.

WITHDRAWAL CODE:	DESCRIPTIONS
1.	Equity Capital
2.	Subordinated Liabilities
3.	Accruals

See Auditor's Report.

BRADFORD R. DOOLEY & ASSOCIATES

Accountants and Auditors

220 SOUTH STATE STREET - SUITE 1910

CHICAGO, ILLINOIS 60604

Member

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ILLINOIS CPA SOCIETY

TELEPHONE
(312) 939-0477

FAX
(312) 939-8739

To the Board of Directors
Riverside Securities, Inc.

In planning and performing my audit of the financial statements of Riverside Securities, Inc. (the Company) as of and for the year ended March 31, 2008, in accordance with auditing standards generally accepted in the United States of America, I considered the Company's internal control over financial reporting (internal control) as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, I 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), I 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 I 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 rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, I 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 judgements 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 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, 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.

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.

My 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. I did not identify any deficiencies in internal control and control activities for safeguarding securities that I consider to be material weaknesses, as defined above. However, my study and evaluation disclosed that a lack of segregation of functions exists. Although this condition may be considered to be a material weakness in internal control, it is a common condition in entities of this size. This condition was considered in determining the nature, timing, and extent of the procedures to be performed in my audit of the financial statements of Riverside Securities, Inc. for the year ended March 31, 2008 and this report does not affect my report thereon dated May 28, 2008.

I 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 my study, I believe that the Company's practices and procedures, as described in the second paragraph of this report, were adequate at May 28, 2008, to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, the Financial Industry Regulatory Authority, Inc. 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.



Certified Public Accountant

Chicago, Illinois
May 28, 2008

END