

SECURITIES



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OMB APPROVAL

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

SEC FILE NUMBER

8-52009

**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 1/1/08 AND ENDING 12/31/08  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER - DEALER:

FOLIOfn Investments, Inc.

OFFICIAL USE ONLY

FIRM ID. NO.

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

8000 Towers Crescent Drive, 15<sup>th</sup> Floor

(No. and Street)

Vienna

(City)

VA

(State)

22182

(Zip Code)

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

MS. BETH KIRKSEY

703-245-4874

(Area Code - Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

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

UHY LLP

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

SEC Mail Processing

53 STATE STREET

BOSTON

MA

02109

(Address)

(City )

(State)

(Zip Code)

CHECK ONE:

FEB 26 2009

Certified Public Accountant

Washington, DC

Public Accountant

111

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

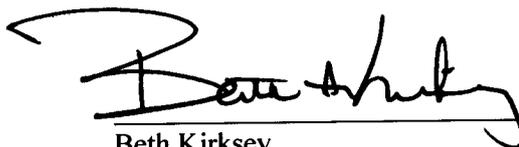
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\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

KJ  
3/2

AFFIRMATION

I, Beth Kirksey, affirm that, to the best of my knowledge and belief, the accompanying financial statements and supplemental schedules pertaining to the firm FOLIO*fn* Investments, Inc. (the "Company") for the year ended December 31, 2008 are true and correct. I further 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.

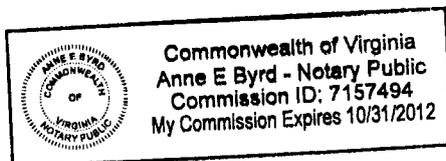
 2/23/09

Beth Kirksey Date  
Chief Operating Officer and Chief Financial Officer

Subscribed and sworn to before me,  
this 23<sup>rd</sup> day of February, 2009



Notary Public



# FOLIO<sup>fn</sup> INVESTMENTS, INC.

## STATEMENT OF FINANCIAL CONDITION AS OF DECEMBER 31, 2008 (In thousands)

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### ASSETS

|   |    |               |
|---|----|---------------|
| Cash and cash equivalents                                 | \$ | 10,443        |
| Cash segregated under federal and other regulations       |    | 12,356        |
| Deposits with clearing organizations                      |    | 2,478         |
| Receivable from customers                                 |    | 2,427         |
| Receivable from broker dealers and clearing organizations |    | 53            |
| Other receivables   |    | 268           |
| Dividends and interest receivable                         |    | 12            |
| Corporate equity securities owned - at market value       |    | 681           |
| Prepaid expenses and other assets                         |    | 229           |
| Deferred tax asset  |    | 276           |
|   |    | <hr/>         |
| Total assets  | \$ | <u>29,223</u> |

### LIABILITIES AND STOCKHOLDER'S EQUITY

#### LIABILITIES:

|  |    |               |
|--|----|---------------|
| Payable to customers                                 | \$ | 10,291        |
| Payable to broker-dealers and clearing organizations |    | 1,019         |
| Accounts payable and accrued expenses                |    | 567           |
| Deferred tax liabilities                             |    | 276           |
| Due to parent  |    | 757           |
| Deferred revenue                                     |    | 655           |
|  |    | <hr/>         |
| Total liabilities                                    |    | <u>13,565</u> |

#### STOCKHOLDER'S EQUITY:

|  |  |               |
|--|--|---------------|
| Common stock, \$0.0001 par value - 1,000 shares authorized,<br>issued, and outstanding |  | -             |
| Additional paid-in capital   |  | 23,792        |
| Accumulated deficit  |  | (8,134)       |
|  |  | <hr/>         |
| Total stockholder's equity   |  | <u>15,658</u> |

|  |    |               |
|--|----|---------------|
| TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY | \$ | <u>29,223</u> |
|--|----|---------------|

*The accompanying notes are an integral part of these financial statements.*