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

SEC FILE NUMBER
8- 67493

Washington, DC

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 01/01/2008 AND ENDING 12/31/2008
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

UU Equities, Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

4424 16th Avenue

(No. and Street)

Brooklyn

New York

(City)

(State)

11210

(Zip Code)

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

Sheldon S. Traube

(212) 991-9100

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Kempisty & Company, Certified Public Accountants, P.C.

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

15 Maiden Lane, Suite 1003

New York

New York

10038

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

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.

SEC 1410 (06-02)

OATH OR AFFIRMATION

I, Sheldon S. Traube, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of UU Equities, Inc., as of December 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:



Signature

President

Title

DIERDRE STEINHAUS AINBINDER
Notary Public, State of New York
No. 01A14899711
Qualified in Nassau County
Commission Expires July 6, 20 11



Notary Public

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 Proprietor's 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).

U U EQUITIES, INC.

Statement of Financial Condition

December 31, 2008

(With Independent Auditor's Report Thereon)

U U EQUITIES, INC.

DECEMBER 31, 2008

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KEMPISTY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS, P.C.

15 MAIDEN LANE - SUITE 1003 - NEW YORK, NY 10038 - TEL (212) 406-7272 - FAX (212) 513-1930

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
U U Equities

We have audited the accompanying statement of financial condition of U U Equities, Inc. as of December 31, 2008. 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 obtain reasonable assurance about whether the statement of financial condition is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial condition. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement of financial condition 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 U U Equities, Inc. as of December 31, 2008, in conformity with accounting principles generally accepted in the United States of America.

Kempisty & Company CPAs PC

Kempisty & Company
Certified Public Accountants PC
New York, New York
March 30, 2009

U U EQUITIES, INC.

STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2008

ASSETS

Cash	\$	37,571
Prepaid expenses		4,460
Fixed assets, net (Note 5)		4,104
Prepaid tax (Note 4)		<u>16,524</u>
TOTAL ASSETS	\$	<u><u>62,659</u></u>

LIABILITIES AND STOCKHOLDER'S EQUITY

LIABILITIES

Accounts payable and accrued expenses	\$	<u>18,149</u>
TOTAL LIABILITIES		18,149

Commitments and contingent liabilities (Note 6) -

Stockholder's equity

Common stock, par value \$0.001, 200 shares authorized, 200 shares issued and outstanding		5,000
Additional paid-in capital		159,634
Retained earnings		<u>(120,124)</u>
Total Stockholder's Equity		<u>44,510</u>

TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY \$ 62,659

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

U U EQUITIES, INC.

NOTES TO FINANCIAL STATEMENTS
December 31, 2008

NOTE 1- ORGANIZATION AND NATURE OF BUSINESS

U U Equities, Inc. (the "Company") was incorporated in the State of New York on June 26, 2006. The Company is registered as a broker-dealer with the Securities and Exchange Commission and became a member of the Financial Industry Regulatory Authority ("FINRA") in June, 2007.

The Company earns income by the private placement of securities.

Going Concern Consideration

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. The Company has limited operations and a net loss of \$137,002 for the year ended December 31, 2008. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Management is currently funding the operations and determining its plans going forward.

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Depreciation

The cost of furniture and equipment is depreciated over the estimated useful lives of the related assets of 5 to 7 years on a straight line basis for book and on an accelerated basis for tax purposes.

Concentration of Credit Risk

The Company is engaged in various investment and brokerage activities in which counterparties primarily include broker-dealers, banks, and other financial institutions. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counterparty.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Company's 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

U U EQUITIES, INC.

NOTES TO FINANCIAL STATEMENTS
December 31, 2008

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

The amount of current and deferred taxes payable or refundable is recognized as of the date of the financial statements, utilizing currently enacted tax laws and rates. Deferred tax expenses or benefits are recognized in the financial statements for the changes in deferred tax liabilities or assets between years.

Revenue recognition

Investment banking fees are recorded upon the closing of the transaction.

Comprehensive Income

The Company adopted Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income ("SFAS No. 130"). SFAS No. 130 requires an entity to report comprehensive income and its components and increases financial reporting disclosures. This standard has no impact on the Company's financial position, cash flows or results of operations since no elements of the Company's comprehensive income exist other than the loss from operations.

Recent Accounting Pronouncements

The Company does not expect the adoption of recent accounting pronouncements to have any material impact on its financial condition or results of operations

Fair Value of Financial Instruments

Financial instruments are recorded at fair value in accordance with FASB Statement No. 157.

NOTE 3- RELATED PARTY TRANSACTIONS

During 2008, the Company paid a \$100,000 dividend to its sole shareholder.

U U EQUITIES, INC.

**NOTES TO FINANCIAL STATEMENTS
December 31, 2008**

NOTE 4- PROVISION FOR STATE AND LOCAL TAXES

The Company elected "S Corporation" status with the Internal Revenue Service and New York State commencing for the year 2007. The stockholder includes the "S Corporation" income or loss in her personal tax returns, and accordingly, neither federal nor state income taxes or benefits are provided for in the financial statements during the period of "S Corporation" status.

The election for "S Corporation" status was made with the filing of the 2007 tax returns. The Internal Revenue Service approved the "S Corporation" election on May 14, 2008.

Provision for local income taxes is calculated on reported financial statement pretax income based on current tax law.

The current and deferred portions of the local income tax expense (benefit) included in the statement of operations as determined in accordance with FASB Statement No. 109, Accounting for Income Taxes, are as follows:

	<u>Current Benefit</u>	<u>Deferred Benefit</u>	<u>Total Benefit</u>
Local	\$ <u>14,304</u>	\$ <u>-</u>	<u>14,304</u>

As of December 31, 2008 the Company has approximately \$153,000 in net operating loss carryforwards ("NOL's") for local taxes. These NOL's begin expiring in 2028.

Deferred tax assets consist of the following at December 31, 2008:

Net operating loss	\$ 13,600
Valuation allowance	<u>(13,600)</u>
	<u>\$ -</u>

NOTE 5- FIXED ASSETS

Fixed assets are comprised of the following at December 31, 2008:

	\$ 5,130
Less: Accumulated depreciation and amortization	<u>(1,026)</u>
	<u>\$ 4,104</u>

U U EQUITIES, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

NOTE 6- COMMITMENTS AND CONTINGENCIES

The Company leased office space for 2007 for \$1,000 per month under a lease expiring December 31, 2007. Prior to the Company's approval as a FINRA member the sole member paid and incurred the rent expense. The Company ended its lease in 2008 and paid \$1,060 rent on a monthly basis. During 2008, the Company incurred rent expense of \$12,680.

NOTE 7- NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1 (the ratio is 8 to 1 for the first year of FINRA membership) and equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1. At December 31, 2008, the Company had net capital of \$19,422, which was \$14,422 in excess of its required net capital of \$5,000. The Company's net capital ratio was 0.9345 to 1.