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Washington, D.C. 20549

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

SEC FILE NUMBER  
8-23744

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 04/01/08 AND ENDING 3/31/09  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER:  
**NORDBERG CAPITAL INC.**  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
**641 LEXINGTON AVE**

OFFICIAL USE ONLY  
FIRM I.D. NO.

**NEW YORK** (No. and Street) **NY** **10022**  
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
**(212) 803-8130**  
(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

**O'CONNOR DAVIES MUNNS & DOBBINS, LLP**

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

**60 EAST 42ND STREET** **NEW YORK** **NY** **10165**  
(Address) (City) (State) (Zip Code)

CHECK ONE:

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

SEC  
Mail Processing  
Section

JUN - 7 2009

**FOR OFFICIAL USE ONLY** Washington, DC  
100

\*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)

OATH OR AFFIRMATION

I, H. GERALD NORDBERG, JR., swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of NORDBERG CAPITAL INC., as of MARCH 31, 20 09, 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:

\_\_\_\_\_  
\_\_\_\_\_

H. Gerald Nordberg  
Signature  
**CHAIRMAN**  
Title

Robert P. Knapp III  
Notary Public

**ROBERT P. KNAPP III**  
Notary Public, State of New York  
No. 4991390  
Qualified in Nassau County  
Commission Expires February 3, 2010

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).



O'Connor Davies Munns & Dobbins, llp  
ACCOUNTANTS AND CONSULTANTS

## Independent Auditors' Report

### **The Board of Directors** Nordberg Capital, Inc..

We have audited the accompanying statement of financial condition of Nordberg Capital, Inc.. as of March 31, 2009 and the related statements of operations, changes in stockholders equity and cash flows for the year then ended that you are filing pursuant to rule 17a-5 under the Securities and 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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of Nordberg Capital, Inc.. at March 31, 2009 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.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in 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 under the Securities 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.

*O'Connor Davies Munns & Dobbins, LLP*

New York, New York  
May 22, 2009

**Nordberg Capital, Inc.**  
Statement of Financial Condition  
March 31, 2009

**ASSETS**

Cash and cash equivalents	\$ 2,962
Receivable from broker dealer-clearance account	129,000
Securities owned	24,411
Furniture, equipment and leasehold improvements	12,950
Other assets	109,572
Miscellaneous receivable	<u>138,904</u>
	<u>\$ 417,799</u>

**LIABILITIES AND STOCKHOLDER'S EQUITY**

Liabilities

Accounts payable and accrued expenses	<u>\$ 13,500</u>
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Total Liabilities	<u>13,500</u>
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Stockholder's equity

Common stock, no par value; 200 shares authorized 100 shares issued and outstanding	10,000
Paid-in capital	5,600,141
Accumulated deficit	<u>(5,205,842)</u>

Total Stockholder's Equity	<u>404,299</u>
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\$ 417,799

See notes to financial statements.

**Nordberg Capital, Inc.**  
Statement of Operations  
Year Ended March 31, 2009

**REVENUE**

Commissions	\$ 50,770
Gain on securities trading account	26,601
Investment banking fees and other	<u>87,645</u>
Total Revenue	<u>165,016</u>

**EXPENSES**

Employee compensation	195,344
Benefits	106,128
Clearance charges	12,517
Communications	41,389
Occupancy	208,357
Equipment Rental	629
Taxes	17,832
Travel and entertainment	55,196
Professional fees	24,500
Depreciation	3,000
Miscellaneous	-
Other operating expenses	<u>77,934</u>
Total Expenses	<u>742,826</u>
Net Loss	<u>\$ (577,810)</u>

See notes to financial statements.

**Nordberg Capital, Inc.**  
**Statement of Changes in Stockholders Equity**  
**Year Ended March 31, 2009**

	<u>Common Stock</u>	<u>Paid-in Capital</u>	<u>Accumulated Deficit</u>	<u>Total Stockholder's Equity</u>
Balance, beginning of year	\$ 10,000	\$ 5,080,479	(4,628,032)	\$ 462,447
Capital contributed	-	519,662	-	519,662
Net loss	<u>-</u>	<u>-</u>	<u>(577,810)</u>	<u>(577,810)</u>
Balance, end of year	<u>\$ 10,000</u>	<u>\$ 5,600,141</u>	<u>\$ (5,205,842)</u>	<u>\$ 404,299</u>

See notes to financial statements.

**Nordberg Capital, Inc.**  
Statement of Cash Flows  
Year Ended March 31, 2009

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net loss	\$ (577,810)
Adjustments to reconcile net loss to net cash from operating activities	
Depreciation and amortization	3,000
Unrealized loss on securities	33,812
Change in operating assets and liabilities	
Receivable from clearing broker	46,731
Other Assets	<u>(26,409)</u>
 Net Cash from Operating Activities	 <u>(520,676)</u>

Other Assets

-

**CASH FLOWS FROM FINANCING ACTIVITIES**

Capital contributed	<u>519,662</u>
 Net Cash Provided by Financing Activities	 <u>519,662</u>
 Net Change in Cash and Cash Equivalents	 (1,014)

**CASH AND CASH EQUIVALENTS**

Beginning of year	<u>3,976</u>
 End of year	 <u>\$ 2,962</u>

See notes to financial statements.

## **Nordberg Capital, Inc..**

### **Notes to Financial Statements**

#### **1. Description of Business**

Nordberg Capital, Inc.. (the Company) is a wholly owned subsidiary of Nordberg Capital Group Inc. The Company is a registered broker and dealer under the Securities Exchange Act of 1934. Pursuant to its clearing agreement, all securities transactions of the Company, its officers and customers, are introduced to and cleared on a fully disclosed basis. The Company is exempt from the provisions of Rule 15c3-3 and is not responsible for compliance with Section 4(c) of Regulation T of the Board of Governors of the Federal Reserve System, as all customers' accounts, as defined by such rules, are carried by the company's clearing broker.

#### **2. Summary of Significant Accounting Policies**

##### ***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

##### ***Cash and Cash Equivalents***

For purposes of the statement of cash flows, cash and cash equivalents include all cash investments with a maturity of less than ninety days when purchased.

##### ***Securities Transactions***

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

##### ***Securities Owned***

Securities owned are valued at fair value based upon quoted market prices on the principal exchange on which such shares are traded, with related changes in value included in net trading profit as shown in the statement of operations.

## Nordberg Capital, Inc.

### Notes to Financial Statements

#### 2. Summary of Significant Accounting Policies (continued)

##### *Securities Owned (continued)*

The Company follows FASB 157 "Fair Value Measurements" which established a fair value hierarchy organized into three levels based upon the "input" assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices that are observable, either directly or indirectly with fair value being determined through the use of models or other valuation methodologies. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist. As of and for the year ended December March 31, 2009, all of the Company's investments, bought, sold and held were Level 1 investments.

##### *Receivable from Clearing Broker*

Amounts receivable from clearing broker include amounts for customers' transactions which are collateralized by customers' securities.

##### *Furniture, Equipment and Leasehold Improvements*

Furniture, equipment and leasehold improvements are carried at cost. Depreciation is provided under the straight-line method over the estimated lives of the related assets.

##### *Income Taxes*

The Company files a consolidated federal income tax return with its parent company. The Company has an informal tax sharing agreement with the parent company which stipulates that taxes will be allocated based upon the consolidated operating results.

#### 3. Securities Owned

The Company follows FASB 157 "Fair Value Measurements" which established a fair value hierarchy organized into three levels based upon the "input" assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices that are observable, either directly or indirectly with fair value being determined through the use of models or other valuation methodologies. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist. As of and for the year ended December March 31, 2009, all of the Company's investments, bought, sold and held were Level 1 investments.

## Nordberg Capital, Inc.

### Notes to Financial Statements

#### 3. Securities Owned (continued)

Securities owned as of March 31, 2009 are as follows:

	<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
Treasury Reserve Fund	3,071	\$ 2,215	\$ 3,763
OxiGene, Inc.	30,000	53,800	20,400
Psion pls	333	3,414	248
		<u>\$ 59,429</u>	<u>\$ 24,411</u>

#### 4. Furniture, Equipment and Leasehold Improvements

As of March 31, 2009, furniture, equipment and leasehold improvements consist of the following:

Furniture and equipment	\$ 117,835
Less: Accumulated depreciation and amortization	<u>(104,885)</u>
	<u>\$ 12,950</u>

#### 5. Net Capital Requirements

The Company is subject to the Securities and Exchange Commissions Uniform Net Capital Rule (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. As of March 31, 2009, the company had net capital of \$139,653 which was \$39,653 in excess of its required net capital. The company's net capital ratio was .10 to 1.

#### 6. Income Taxes

The Company files its tax return on a consolidated basis with its Parent. The combined entities have a net operating loss carry forward of approximately \$1,500,000. The deferred tax assets related to net operating loss carry-forwards and unrealized loss on investments has been fully offset by an allowance account as it is more likely than not that this asset will not be realized.

**Nordberg Capital, Inc.**

Notes to Financial Statements

**7. Commitments**

The Company leases office space on a month to month basis. Rent expense for the year ended March 31, 2009 amounted to approximately \$207,363.

**Supplementary Information  
Pursuant to Rule 17a-5 of the  
Securities Exchange Act of 1934**

**As of March 31, 2009**

**Nordberg Capital, Inc.**

Schedule of Computation of Net Capital Under  
Securities and Exchange Commission Rule 15c3-1

As of March 31, 2009

**NET CAPITAL**

Total stockholder's equity \$ 404,299

Non-allowable assets:

Advances	\$ 138,904
Furniture, equipment and leasehold improvements, net	12,950
Deposits	14,610
Prepaid tax	107
Other assets	<u>93,999</u>

260,570

Net capital before haircuts on securities positions 143,729

Haircuts on trading and investment securities 4,076

Net capital 139,653

**COMPUTATION OF BASIC NET CAPITAL REQUIREMENT**

Minimum net capital required (the greater of 6-2/3% of  
aggregate indebtedness or \$100,000) 100,000

Excess net capital 39,653

**COMPUTATION OF AGGREGATE INDEBTEDNESS**

Total aggregate indebtedness liabilities 13,500

Percent of aggregate indebtedness to  
net capital 10%

**Nordberg Capital, Inc..**

**SCHEDULE OF COMPUTATION OF RESERVE REQUIREMENTS  
UNDER EXHIBIT A OF SECURITIES AND EXCHANGE COMMISSION RULE 15c3-3**

**AS OF MARCH 31, 2009**

The firm is engaged in a general securities business and carried no customer accounts on its books. All customer transactions are cleared through another stock brokerage firm on a fully disclosed basis.

**SCHEDULE RELATING TO THE POSSESSION OR CONTROL REQUIREMENTS  
UNDER SECURITIES AND EXCHANGE COMMISSION RULE 15c3-3**

**AS OF MARCH 31, 2009**

The firm is engaged in a general securities business and carried no customer accounts on its books. All customer transactions are cleared through another stock brokerage firm on a fully disclosed basis and the firm does not have possession of customer securities.



**Independent Auditors' Report on Internal Control Structure  
Required by SEC Rule 17a-5**

**The Board of Directors  
Nordberg Capital, Inc.**

In planning and performing our audit of the financial statements and supplemental schedules of Nordberg Capital, Inc. (the "Company"), for the year ended March 31, 2009, in accordance with auditing standards generally accepted in the United States of America, we considered the company's internal control over financial reporting 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 Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company consideration of control activities for safe guarding 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 (or aggregate debits) and net capital under Rule 17a-3(a)(11) and the determining compliance with the exemptive provisions of Rule 15c-3-3. 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 an internal control structure 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 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 accordance 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 structure or 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 reliability 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 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 were adequate at March 31, 2009, 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 National Association of Securities Dealers, 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.

*O'Connor Davies Munno & Dobbins, LLP*

New York, New York  
May 22, 2009

**Nordberg Capital, Inc..**  
**(a wholly owned subsidiary of**  
**Nordberg Capital Group, Inc.)**

**Financial Statements**

**March 31, 2009**