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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

OMB APPROVAL
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8-52795

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 01/01/08 AND ENDING 12/31/08
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: **INVESTOR FORCE SECURITIES, INC.**

OFFICIAL USE ONLY
FIRM I.D. NO.

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

640 LEE ROAD, SUITE 200

(No. and Street)

WAYNE

PA

19087

(City)

(State)

(Zip Code)

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

PHILIP ROONEY

610-727-6888

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

KPMG LLP

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

1601 MARKET STREET

PHILADELPHIA

PA

19103

(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)

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OATH OR AFFIRMATION

I, PHILIP A. ROONEY, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of INVESTOR FORCE SECURITIES, INC. of DECEMBER 31, 2009, 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:

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Carolyn A. Brown, Notary Public
Tredyffrin Twp., Chester County
My Commission Expires Apr. 16, 2010
Member, Pennsylvania Association of Notaries

Signature of Philip A. Rooney

CEO/CCO
Title

Signature of Carolyn A. Brown
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 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).



KPMG LLP
1601 Market Street
Philadelphia, PA 19103-2499

Independent Auditors' Report

SEC Mail Processing
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MAY 13 2009

The Board of Directors
Investor Force Securities, Inc.:

Washington, DC
110

We have audited the accompanying statement of financial condition of Investor Force Securities, Inc. (the Company) as of December 31, 2008 that you are filing pursuant to Rule 17a-5 under the Securities 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 obtain reasonable assurance about whether the statement of financial condition is 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 of a statement of financial condition also includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial condition, 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 of the statement of financial condition 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 Investor Force Securities, Inc. as of December 31, 2008 in conformity with U.S. generally accepted accounting principles.

The accompanying statement of financial condition had been prepared assuming that the Company will continue as a going concern. As discussed in note 1 to the statement of financial condition, the Company has an accumulated deficit as of December 31, 2008. Historically, the Company's primary sources of liquidity have been through capital contributions from its parent company, Investor Force Holdings, Inc. (IFH). Additional capital contributions from IFH may be required in the future. There is no assurance that additional capital contributions will be available to the Company as needed. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are described in note 1 to the financial statements. The statement of financial condition does not include any adjustments that might result from the outcome of this uncertainty.

Our audit was conducted for the purpose of forming an opinion on the statement of financial condition taken as a whole. The information contained in the accompanying schedule is presented for purposes of additional analysis and is not a required part of the statement of financial condition, 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 statement of financial condition and, in our opinion, is fairly stated in all material respects in relation to the statement of financial condition taken as a whole.

KPMG LLP

February 27, 2009

INVESTOR FORCE SECURITIES, INC.

Statement of Financial Condition

December 31, 2008

Assets

Cash and cash equivalents	\$	60,535
Accounts receivable		30,001
		<u> </u>
Total assets	\$	<u><u>90,536</u></u>

Liabilities and Stockholder's Equity

Liabilities:		
Accrued expenses	\$	19,992
		<u> </u>
Total liabilities		<u>19,992</u>
Stockholder's equity:		
Common stock, \$0.01 par value. Authorized, issued, and outstanding 100 shares		1
Additional paid-in capital		1,119,999
Accumulated deficit		<u>(1,049,456)</u>
		<u> </u>
Total stockholder's equity		<u>70,544</u>
Total liabilities and stockholder's equity	\$	<u><u>90,536</u></u>

See accompanying notes to statement of financial condition.

These financial statements should be deemed confidential pursuant to subparagraph (e)(3) Rule 17a-5.

INVESTOR FORCE SECURITIES, INC.

Notes to Statement of Financial Condition

December 31, 2008

(1) The Company and Summary of Significant Accounting Policies

(a) *Organization and Description of Business*

Investor Force Securities, Inc. (the Company) was incorporated under the laws of the State of Delaware and is a registered broker-dealer with the Securities and Exchange Commission (SEC). On February 13, 2001, the Company was accepted as a member of the National Association of Securities Dealers (NASD). The Company is a wholly owned subsidiary of Investor Force Holdings, Inc. (IFH).

The Company was historically engaged in the business of providing data on hedge funds that are not investment companies under the Investment Company Act of 1940 to qualified institutional investors. In 2006, the Company divested its web technology, but retains the trailing commissions associated with past transactions.

(b) *Liquidity and Going Concern*

Prior to 2007, the Company incurred net losses since its inception. As of December 31, 2008, the Company had an accumulated deficit of \$1,049,456. Historically, the Company's primary sources of liquidity have been through capital contributions from IFH. Additional capital contributions from IFH may be required in the future (note 3). There is no assurance that additional capital contributions will be available to the Company as needed.

The Company's future results of operations involve a number of risks and uncertainties. Factors that could affect the Company's future operating results and cause actual results to vary materially from expectations include, but are not limited to dependence on major customers, risks from competition, technological change, and dependence on key personnel. These factors raise substantial doubt about the Company's ability to continue as a going concern. This statement of financial condition does not include any adjustments that might result from the outcome of this uncertainty.

Management's plans in regard to those matters are to continue to explore means of securing additional capital contributions.

(c) *Cash Equivalents*

The Company considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents.

(d) *Use of Estimates*

The preparation of a statement of financial condition in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of any potential contingent assets and liabilities at the date of the statement of financial condition. Actual results could differ from those estimates.

INVESTOR FORCE SECURITIES, INC.

Notes to Statement of Financial Condition

December 31, 2008

(e) Income Taxes

Income taxes are accounted for under the asset-and-liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and the tax effect of net operating loss carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is recorded against deferred tax assets if it is more likely than not that such assets will not be realized based on consideration of available evidence on a separate-return basis.

(2) Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash, cash equivalents, and accounts receivable. The Company manages the credit risk associated with cash and cash equivalents by investing with high-quality institutions and, by policy, limiting the amount of credit exposure to any one institution. The Company maintains cash accounts that, at times, may exceed federally insured limits. The Company has not experienced any losses from maintaining cash accounts in excess of such limits. Management believes that it is not exposed to any significant risks related to its cash accounts.

All credit is extended to customers based upon management's evaluation of creditworthiness and collateral is not required.

One customer accounted for 100% of the account receivable balance as of December 31, 2008.

(3) Net Capital Requirements

The Company is subject to the SEC 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. In addition, SEC Rule 15c3-1 provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1, or would cause its net capital to fall below 120% of its minimum requirement or below 5% of its debits.

Historically, the Company has received capital contributions from IFH to sustain its operations. During 2008 and 2007, no such capital contribution was received or necessary to sustain its operations. Additional capital contributions may be required in the future (note 1(b)).

The accompanying schedule provides a detailed computation of the Company's net capital position at December 31, 2008.

(4) Customer Protection Rule

The Company is exempt from the SEC Customer Protection Rule (SEC Rule 15c3-3). During 2008, the Company's operations met the definition of the exemption under SEC Rule 15c3-3 k(2)(i) and 15c3-3 k(2)(ii).

Customers that historically invested in hedge funds transferred their balances directly to the fund manager.

INVESTOR FORCE SECURITIES, INC.

Notes to Statement of Financial Condition

December 31, 2008

(5) Income Taxes

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. In assessing the realization of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which temporary differences representing net future deductible amounts become deductible. Due to the uncertainty of the Company's ability to realize the benefit of the deferred tax assets, the net deferred tax assets are fully offset by a valuation allowance at December 31, 2008.

As of December 31, 2008, the Company's deferred tax assets consisted of Federal and state net operating loss carryforwards that are available to offset future taxable income. There were no deferred tax liabilities as of December 31, 2008. The Company's federal and state net operating loss carryforwards equaled \$982,908 and \$959,995, respectively, as of December 31, 2008, and generated \$430,092 in deferred tax assets. The federal and state net operating loss carryforwards will begin to expire in 2022. At December 31, 2008, a valuation allowance has been recognized to offset the deferred tax assets. The change in the valuation allowance in 2008 was a decrease of \$24,857.

(6) Related Parties

The Company operates under an Affiliate Expense Sharing Agreement (the agreement), as amended effective August 31, 2003, with Investor Force, Inc. (IFI), a wholly owned subsidiary of IFH, pursuant to which the Company agrees to reimburse IFI a certain amount per month as IFI pays certain expenses on behalf of the Company. The Company reimburses IFI for expenses, including, but not limited to, record-keeping and other services, payroll and benefits of registered representatives of the Company, professional services, and other general and administrative expenses. The agreement ensures compliance with the SEC's guidance on the recording of expenses and liabilities by broker-dealers as presented in the SEC's Division of Market Regulation letter dated July 11, 2003 and addresses the New York Stock Exchange, Inc. and the NASD Regulation, Inc. Under this amended agreement, both IFI and the Company agreed that IFI would allocate expenses incurred on behalf of the Company to the Company on a monthly basis. The allocation is based on both parties' review of the nature of expenses and reasonable determination of the amounts incurred to support the operations of the Company. The allocation of expenses is reviewed periodically, and at least once per year to ensure the appropriate amounts are being allocated to the Company.

INVESTOR FORCE SECURITIES, INC.

Computation of Net Capital under Rule 15c3-1 of the
Securities and Exchange Commission

December 31, 2008

Net capital:		
Total stockholder's equity	\$	70,544
Deductions:		
Nonallowable assets:		
Accounts receivable		30,001
Net capital before haircuts on securities positions (tentative net capital)		40,543
Haircuts on securities		—
Net capital	\$	40,543
Aggregate indebtedness:		
Items included in statement of financial condition	\$	19,992
Items not included in statement of financial condition		—
Total aggregate indebtedness	\$	19,992
Computation of basic net capital requirement:		
Minimum net capital required	\$	25,000
Excess net capital		15,543
Excess net capital at 1,500%		37,544
Excess net capital at 1,000%		38,544
Percentage aggregate indebtedness to net capital		49%

Note: There is no difference from the Company's computation included in Part II of Form X-17A-5 as of December 31, 2008, and therefore, a reconciliation is not provided.

See accompanying independent auditors' report.



INVESTOR FORCE SECURITIES, INC.

Statement of Financial Condition

December 31, 2008

(With Independent Auditors' Report Thereon)