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SECURITIES AND EXCHANGE COMMISSION  
Washington, D. C. 20549

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

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Washington, DC  
101

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: BULLARO SECURITIES, CORP.

OFFICIAL USE ONLY  
FIRM I.D. NO.

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

25-19 Steinway Street

(No. and Street)

Astoria, New York 11103

(City)

(State)

(Zip Code)

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

SAL BULLARO 718-204-2300

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

BALLO & CO

(Name of individual, state last, first, middle name)

67 Hudson Street, New York, New York 10013

(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)

SEC 1410 (06-02)

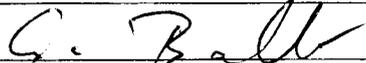
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AD

OATH OR AFFIRMATION

I, ANGELITO A. BALLO, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of BULLARO SECURITIES, CORP., as of December 31,, 2008, 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

Partner  
Title

\_\_\_\_\_  
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).

**BULLARO SECURITIES CORP.**  
**S.E.C. I.D. NO. 8-43400**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED  
DECEMBER 31, 2008 AND INDEPENDENT AUDITORS'  
REPORT AND SUPPLEMENTAL REPORT ON  
INTERNAL CONTROL STRUCTURE**

**Filed Pursuant to Rule 17a-5(e) (3)  
Under the Securities Exchange Act of 1934**

**BULLARO SECURITIES CORP.  
FINANCIAL STATEMENTS AND SCHEDULES**

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**Ballo & Co.**  
**Certified Public Accountants**  
**67 Hudson Street**  
**New York, NY 10013**

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**Tel no. (212) 406 1640**  
**Fax no. (212) 267 4772**

## **INDEPENDENT AUDITOR'S REPORT**

To the Stockholders of Bullaro  
Securities Corp.:

We have audited the accompanying statement of financial condition of Bullaro Securities Corp., as of December 31, 2008, and the related statements of income, changes in stockholder's equity, and cash flows for the year then ended. 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 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. 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 Bullaro Securities Corp., as of December 31, 2008, 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 made for the purpose of forming an opinion on the basic financial statements, taken as a whole. The information contained in the schedules of computation of minimum capital requirement and computation of net capital is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by 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 our opinion is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



**Ballo & Co.**

New York, NY  
February 20, 2009

Bullaro Securities, Corp.  
Statement of Financial Condition  
As of December 31, 2008

<b>Assets</b>	
Current assets	
Cash and cash equivalents	\$ 210
Due from clearance accounts	15,033,951
Other securities	<u>24,299,703</u>
Total current assets	39,333,864
Total assets	<u>\$ 39,333,864</u>
 <b>Liabilities and owner's equity</b>	
Current liabilities	
Accounts payable	\$ 3,500
Securities borrowing	<u>30,859,314</u>
Total current liabilities	30,862,814
Other liabilities	
Due to trader	<u>7,117,354</u>
Total liabilities	37,980,168
Owner's equity	
Common stock	250,000
Paid in capital	319,536
Retained earnings	<u>784,160</u>
Total owner's equity	<u>1,353,696</u>
Total liabilities and owner's equity	<u>\$ 39,333,864</u>

See Auditor's Report and Notes to Financial Statements

Bullaro Securities, Corp.  
Statement of Income (Loss) and Changes in Retained Earnings  
For the Year Ended December 31, 2008

Income	
Gain (loss) from trading account	\$ <u>840,176</u>
Total income	840,176
Expenses	
Salary and fringes	21,240
Clearing charges	368,742
Exchange fees	399,054
Telephone	3,161
Seat expenses	34,550
Dues and fees	2,982
Taxes	417
Legal and accounting	2,500
Postage and deliveries	777
Technology fees	1,634
Insurance	1,645
Other	<u>198</u>
Total expenses	836,900
Net income (loss)	3,276
Retained earnings, beginning	<u>780,884</u>
Retained earnings, ending	<u><u>\$ 784,160</u></u>

See Auditor's Report and Notes to Financial Statements

**Bullaro Securities, Corp.**  
**Statement of Changes in Stockholders' Equity**  
**For the Year Ended December 31, 2008**

	<u>Common Shares</u>	<u>Common Stock</u>	<u>Additional Paid-in Capital</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance, January 1, 2008	100	\$250,000	\$ 319,536	\$780,884	\$1,350,420
Net earnings (loss)	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,276</u>	<u>3,276</u>
Balance, December 31, 2008	<u>100</u>	<u>\$250,000</u>	<u>\$ 319,536</u>	<u>\$784,160</u>	<u>\$1,353,696</u>

See Auditor's Report and Notes to Financial Statements

Bullaro Securities, Corp.  
Statement of Cash Flows  
As of December 31, 2008

Cash flows from operating activities	
Net proceed from sales/purchases of securities and inventory	\$ 466,343
Cash paid to employees and vendors	(468,158)
Net cash provided by (used in) operating activities	<u>(1,815)</u>
Cash flows from investing activities	0
Cash flows from financing activities	<u>0</u>
Net increase (decrease) in cash	(1,815)
Cash, beginning	<u>2,025</u>
Cash, ending	<u><u>\$ 210</u></u>
Reconciliation of net income to net cash provided by (used in) operating activities	
Net income (loss)	\$ 3,276
Adjustment to reconcile net income to net cash provided by (used in) operating activities	
(Increase) decrease in due from clearance	(11,634,889)
(Increase) decrease in stock position	28,976,366
Increase (decrease) in accounts payable	-
Increase (decrease) in securities borrowings	(23,405,871)
Increase (decrease) in due to officer/trader	<u>6,059,303</u>
Net cash provided by (used in) operating activities	<u><u>\$ (1,815)</u></u>

See Auditor's Report and Notes to Financial Statements

**BULLARO SECURITIES CORP.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDING DECEMBER 31, 2008**

**NOTE 1 - NATURE OF BUSINESS**

**Nature of operations** - Bullaro Securities Corp. (the Company) was incorporated on January 2, 1991 under the laws of the State of New York for the purpose of doing business as a Securities Broker-Dealer. The Company is registered with the National Association of Securities Dealers (NASD) and the Securities and Exchange Commission (SEC) to serve as a broker for U.S. Government and corporate securities. The Company derives the majority of its revenue through securities commissions and proprietary trading profits. The Company clears all of its securities transactions with and for customers on a fully disclosed basis through a clearing arrangement.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Use of 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 reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

**Securities transactions** - Proprietary securities transactions in regular-way trades are recorded on the trade date as if settled. Profit and loss from all securities transactions entered into for the account and risk of the Company are recorded on a trade date basis. Customers' security transactions and related commissions and expenses are reported on a trade date basis.

**Cash equivalents** - Holdings of highly liquid investments with maturities of three months or less when purchased are considered to be cash equivalents.

**Concentration of credit risk** - The Company maintains its cash at various financial institutions. The cash balances at these institutions do not exceed the available Federal Deposit Insurance Corporation (FDIC) as of December 31, 2008.

**Marketable securities** - Securities owned are valued at quoted market prices. The unrealized gain or loss resulting from the difference between cost and market is included in income.

**NOTE 3 - NET CAPITAL REQUIREMENTS**

The Company's Net Capital requirement is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c3-1), as defined, which requires the maintenance of minimum net capital of \$100,000. As of December 31, 2008, the Company had net capital of \$1,353,696

Bullaro Securities, Corp.  
Supplemental Information  
For the Year Ended December 31, 2008

Computation of Basic Net Capital Requirement

Net worth, December 31, 2008	\$ 1,353,696
Less: Bonds	-
Haircuts	-
Options	-
	<hr/>
Net capital, December 31, 2008	\$ <u>1,353,696</u>
Minimum required net capital	\$ <u>474,724</u>
Minimum dollar net capital requirement of reporting broker	\$ <u>100,000</u>

Bullaro Securities, Corp.  
Supplemental Information  
For the Year Ended December 31, 2008

Reconciliation of the Audited Computation of Net  
Capital and the Broker-Dealer's Unaudited Computation

No material differences existed between the two computations

Supplemental Report Describing Any Material Inadequacies

No material inadequacies have been found to exist.

Records Availability

The Statement of Financial Condition as of December 31, 2008 of Bullaro Securities, Corp. is available for examination at the office of the corporation (25-19 Steinway Street Astoria, NY 11103) and at the regional office of the Commission (33 Whitehall Street, New York, NY 10004)

**Ballo & Co.**  
**Certified Public Accountants**  
**67 Hudson Street**  
**New York, NY 10013**

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**Tel no. (212) 406 1640**  
**Fax no. (212) 267 4772**

**REPORT OF INDEPENDENT ACCOUNTANTS ON INTERNAL CONTROL STRUCTURE  
AS REQUIRED BY SEC RULE 17a-15**

To the Stockholders of Bullaro  
Securities Corp.

In planning and performing our audit of the financial statements of Bullaro Securities Corp. for the year ended December 31, 2008, we considered its internal control structure, including procedures for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

We also made a study of the practices and procedures followed by the Company in making the periodic computations of aggregate indebtedness and net capital under rule 17a-3 (a) (11) and the procedures for determining compliance with the exemptive provisions of rule 15c3-3.

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 internal control structure policies and procedures 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 Commissions above mentioned objectives. Two of the objectives of an internal control structure 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 preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5 (g) list additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in any internal control structure or the practices and procedures referred to above, errors or irregularities 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.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control elements does not reduce to a relatively low level the risk that errors or irregularities in the amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving the internal control structure 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 the Commission to be adequate for its purposes in accordance with the Securities and 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 December 31, 2008, to meet the Commission's objectives.



Ballo & Co

New York, NY  
February 20, 2009