

SEC  
Mail Processing  
Section

DEC 22 2009

Washington, DC  
105



SECURITY NUMBER: 09041183  
Washington, D.C. 20549

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

12/31/09

OMB APPROVAL  
OMB Number: 3235-0123  
Expires: February 28, 2010  
Estimated average burden  
hours per response... . . . .  
12.00

SEC FILE NUMBER  
8- 18021

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 10/01/08 AND ENDING 09/30/09  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Western Financial Corporation

OFFICIAL USE ONLY  
FIRM I.D. NO.

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

600 B Street Suite 2204

(No. and Street)

San Diego

CA 92101

(City)

(State)

(Zip Code)

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

Richard S. Levenson

619-234-3235

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

DENNIS & DENNIS LLP, CERTIFIED PUBLIC ACCOUNTANTS

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

16959 BERNARDO CENTER DRIVE, SUITE 208, SAN DIEGO, CA. 92128

(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)

OATH OR AFFIRMATION

I, Richard S. Levenson, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Western Financial Corporation, as of September 30, 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:

NO EXCEPTIONS

Richard S. Levenson  
Signature

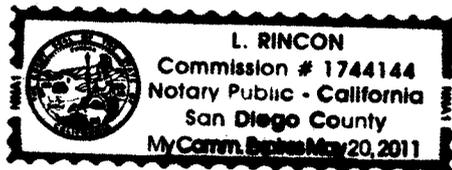
President  
Title

Alain  
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).



STATE OF CALIFORNIA  
COUNTY OF SAN DIEGO

SUBSCRIBED AND SWORN TO (OR AFFIRMED) BEFORE ME ON THIS 16th DAY OF DECEMBER, 2009 BY Richard S. Levenson PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON WHO APPEARED BEFORE ME.

**Western Financial Corporation**  
**Statement of Financial Condition**  
**As of September 30, 2009**

**Assets**

Cash	\$ 50,694
Commissions receivable	26,769
Deferred tax asset, net	1,622
Tax refund receivable	<u>7,778</u>
Total Assets	<u>\$ 86,863</u>

**Liabilities and Stockholders' Equity**

Liabilities

Commissions payable & accrued expenses	\$ 14,161
Subordinated note payable to related party	<u>34,000</u>
Total Liabilities	48,161

Stockholder's Equity

Common stock, no par value, 7,500 shares authorized, 3,500 issued and outstanding	15,000
Additional paid in capital	3,354
Retained earnings	<u>20,348</u>
Total Stockholder's Equity	<u>38,702</u>
Total Liabilities and Stockholder's Equity	<u>\$ 86,863</u>

See accompanying notes to the financial statements and auditor's report

# Western Financial Corporation

## Schedule I – Computation of Net Capital And Schedule II – Computation of Aggregate Indebtedness For the Year Ended September 30, 2009

### Schedule I – Computation of Net Capital

Total Shareholders' Equity	\$38,702
Deferred Tax Asset, net	(1,622)
Tax refund receivable	(7,778)
Subordinated Notes Payable to Related Party	<u>34,000</u>
Net Capital	<u>\$63,302</u>

### Schedule II – Computation of Aggregate Indebtedness

Total Aggregate Indebtedness Liabilities	\$14,161
Adjustments	<u>-</u>
Total Aggregate indebtedness as adjusted	<u>\$14,161</u>

See auditor's report

## Western Financial Corporation

### Schedule III – Computation of Net Capital Requirement And Schedule IV – Reconciliation of Net Capital For the Year Ended September 30, 2009

#### Schedule III – Computation of Net Capital Requirement

Minimum net capital required (6.67% of aggregate indebtedness)	<u>\$ 944</u>
Minimum dollar net capital requirement	<u>\$50,000</u>
Net Capital Requirement	<u>\$50,000</u>
Excess Net Capital (Net Capital Less Net Capital Required)	<u>\$13,302</u>
Excess Net Capital at 1000% (Net Capital Less 10% of Aggregate Indebtedness)	<u>\$61,885</u>
Ratio: Aggregate Indebtedness to Net Capital	<u>.23 to 1</u>

#### Schedule IV – Reconciliation of Net Capital under rule 15c3-1

Net Capital, as reported in Part II (Unaudited) original FOCUS Report	\$72,701
Deferred Tax Asset, net	(1,622)
Tax refund receivable	<u>(7,778)</u>
Net Capital, per Schedule I	\$63,301
Rounding	<u>1</u>
Net Capital, as reported herein	<u>\$63,302</u>

See auditor's report