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

SEC Mail Processing Section

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SEC FILE NUMBER
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FACING PAGE

Washington, DC

**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 11/1/08 AND ENDING 10/31/09  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: GWM Group, Inc.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
410 Park Avenue Suite 410  
(No. and Street)

New York NY 10022  
(City) (State) (Zip Code)

OFFICIAL USE ONLY
FIRM I.D. NO.

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
Jose Gonzalez 212-644-6440  
(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*  
Edward Richardson Jr., CPA  
(Name - if individual, state last, first, middle name)

15565 Northland Dr. Suite 508 West Southfield, MI. 48075  
(Address) (City) (State) (Zip Code)

**CHECK ONE:**

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

<b>FOR OFFICIAL USE ONLY</b>

\*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, Jose Gonzalez, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of GWM Group, Inc.

of \_\_\_\_\_, 20\_\_\_\_, 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:

N/A

VIVIAN PALACIOS  
Notary Public, State of New York  
No. 01PA6154099  
Qualified in New York County  
Commission Expires Oct. 20, 2010

*Vivian Palacios*

Notary Public

*Jose Gonzalez*

Signature

President

Title

SWORN TO BEFORE ME THIS 23rd  
DAY OF December, 2009  
STATE OF NEW YORK  
COUNTY OF New York N.Y.

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).

Edward Richardson Jr., CPA  
15565 Northland Dr W Ste 508  
Southfield, MI 48075  
248-559-4514

## Independent Auditor's Report

December 22, 2009

Board of Directors  
GWM Group, Inc.  
410 Park Avenue Suite 410  
New York, NY 10022

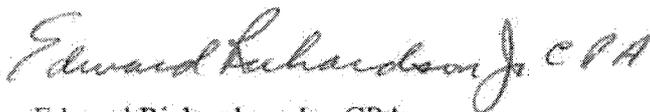
I have audited the accompanying balance sheets of GWM Group, Inc. as of October 31, 2009 and October 31, 2008, and the related statements of income, retained earnings, changes in stockholder's equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally in the United States of America. Those standards require that we plan and perform the audits 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material aspects, the financial position of GWM Group, Inc. as of October 31, 2009 and October 31, 2008, and the results of its operations, cash flows, and changes in stockholders equity for the years then ended in conformity with accounting principles generally accepted in the United States of America.

My examination was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in pages 9-15 is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by rule 17a-5 of the Securities and Exchange Commission. Such information has been subjected to the auditing procedures applied in the examination of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Further, there were no material differences in the audited Computation of Net Capital and the broker-dealer's corresponding Unaudited Pat II or IIA of the focus report as required under Rule 15c3-1.



Edward Richardson Jr., CPA

**GWM Group, Inc.**  
**BALANCE SHEET**  
**As of October 31, 2009**

**ASSETS**

**CURRENT ASSETS**

Cash in Bank - Business Maximizer	\$	0.02
Cash in Bank - Business Economy		10.00
NFS - Depoist		100,000.00
NFS - Revenue Account		6,538.24
NFS - Unallocated Account		4.14
NFS - Average Price Account		0.63
NFS - Riskless Principal Account		63,175.36
Cash in Bank		10,898.18
Investments		32,720.00
Accounts Receivable		<u>44,973.88</u>

**Total Current Assets** 258,320.45

**PROPERTY AND EQUIPMENT**

**TOTAL ASSETS** \$ 258,320.45

**GWM Group, Inc.**  
**BALANCE SHEET**  
**As of October 31, 2009**

**LIABILITIES AND STOCKHOLDERS' EQUITY**

**CURRENT LIABILITIES**

Accounts Payable	\$ 33,660.55
Commission Payable	<u>35,838.13</u>

<b>Total Current Liabilities</b>	<u>69,498.68</u>
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**LONG-TERM LIABILITIES**

<b>Total Liabilities</b>	<u>69,498.68</u>
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**STOCKHOLDERS' EQUITY**

Capital Stock, \$1 par value, 1,000,000 shares authorized, 1,000 shares issued, 665 outstanding	665.00
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Paid in Excess	106,191.00
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Retained Earnings	<u>94,927.77</u>
	201,783.77

Less: Cost of Treasury Stock	(12,962.00)
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<b>Total Stockholders' Equity</b>	<u>188,821.77</u>
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<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<u>\$ 258,320.45</u>
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**GWM Group, Inc.**  
**STATEMENT OF INCOME**

12 Months Ended  
October 31, 2009

<b>Revenues</b>	
Commissions Earned	\$ 579,601.81
Investment Income	2,507.82
Realized Gains (Losses)	(24,623.58)
Unrealized Gains (Losses)	245.00
Other Income	(8,380.64)
Interest Income	53,167.04
Dividend Income	939.45
<b>Total Revenues</b>	<u>603,456.90</u>
<b>Operating Expenses</b>	
Employee compensation and ben	354,354.49
Floor brokerage, exchange, and c	7,270.33
Communications and data proces	65,224.22
Interest and dividends	46,772.52
Occupancy	24,506.46
Other expenses	135,998.96
<b>Total Operating Expenses</b>	<u>633,126.98</u>
<b>Operating Income (Loss)</b>	<u>(29,670.08)</u>
<b>Net Income (Loss)</b>	<u>\$ (29,670.08)</u>

See Accountant's Audit Report

**GWM Group, Inc.**  
**STATEMENT OF RETAINED EARNINGS**

	<b>12 Months Ended October 31, 2009</b>
Beginning of Period	\$ 116,098.37
Plus: Net Income	\$ (29,670.08)
Less: Dividends Paid	0.00
Plus: Prior Period Adjustment	<u>8,499.48</u>
 <b>RETAINED EARNINGS END OF PERIOD</b>	 <u>\$ 94,927.77</u>

See Accountant's Audit Report

**GWM Group, Inc.**  
**STATEMENT OF CASH FLOWS**  
**For the 12 months Ended October 31, 2009**

	<u>2009</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Net Income (Loss)	\$ (29,670.08)
Adjustments to reconcile Net Income (Loss) to net Cash provided by (used in) operating activities:	
Prior Period Adjustment	8,499.48
Losses (Gains) on sales of Fixed Assets	0.00
Decrease (Increase) in Operating Assets:	
Increase (Decrease) in Operating Liabilities:	
Accounts Payable	43,153.99
Accrued Liabilities	0.00
Total Adjustments	<u>51,653.47</u>
<b>Net Cash Provided By (Used in) Operating Activities</b>	<u>21,983.39</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Proceeds From Sale of Fixed Assets	<u>0.00</u>
<b>Net Cash Provided By (Used In) Investing Activities</b>	<u>0.00</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Proceeds From Sale of Stock	<u>81,000.00</u>
<b>Net Cash Provided By (Used In) Financing Activities</b>	<u>81,000.00</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	102,983.39
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<u>155,337.06</u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u>\$ 258,320.45</u>

**GWM GROUP, INC.**  
**STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY**  
**FOR THE YEAR ENDED OCTOBER 31, 2009**

	Common Stock		Paid-in Capital		Retained Earnings		Treasury Stock - Common		Total Stockholder's Equity	
	Shares	Amount	Shares	Amount	Amount	Shares	Amount	Shares	Amount	Amount
Balance at November 1, 2008	665	\$ 665		\$ 25,191	\$ 116,098	12,962	\$ (12,962)		\$ 128,992	
Net Income					(29,670)				(29,670)	
Prior Period Adjustments					8,499				8,499	
Capital Transactions				81,000					81,000	
Balance at October 31, 2009	665	\$ 665		\$ 106,191	\$ 94,927	12,962	\$ (12,962)		\$ 188,821	

See Accountant's Audit Report

**GWM Group, Inc.**  
**Notes to the Financial Statements**  
**For the Year Ended October 31, 2009**

**I. Organization and Summary of Significant Accounting Policies**

**(a) Nature of Operations**

The Company was incorporated on February 2, 1997 to conduct business as a broker/dealer with the Securities and Exchange Commission under the Federal Securities and Exchange Act of 1934. The Company does not maintain discretionary accounts for its customers.

Securities transactions (and related commission revenues and expenses) are recorded on a settlement-date basis.

**(b) Net Capital Requirements**

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c 3-1), which requires the maintenance of minimum net capital and requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital not exceed certain limits.

**(c) Accounts Receivable**

Accounts receivable included amounts due from Fidelity Investments Corporation; the entire amount was considered fully collectible; therefore, it was not considered necessary to carry an amount for allowance for doubtful accounts.

**(d) Income Taxes**

The Company provides for federal income taxes currently payable, and significant deferred income taxes resulting from temporary differences between the carrying value of assets and liabilities for financial reporting and Federal income tax reporting purposes.

**(e) Cash Flows**

For purposes of the statement of cash flows, cash includes cash and cash equivalents.

**(f) Common Stock**

The Company is authorized to issue 1,000,000 common shares of \$1 par value stock, of which 1,000 shares are issued, and 665 shares are outstanding.

**GWM Group, Inc.**  
**Notes to the Financial Statements**  
**For the Year Ended October 31, 2009**

(1) **Organization and Summary of Significant Accounting Policies (Continued)**

(g) **Use of estimates**

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenue and expenses. Such estimates primarily relate to unsettled transactions, and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

(h) **Concentration of Credit Risk**

Concentrations of credit risk consist of cash. The Company maintains cash balances at quality financial institutions and limits the amount of exposure at any one financial institution.

(2) **Income Taxes**

There is no provision of any income tax expense or benefit, or any income taxes receivable or payable or deferred tax accounts in the accompanying financial statements due to the insignificant amounts relating to such accounts.

(3) **Possession or Control Requirements**

There were no material inadequacies in the procedures followed in adhering to the exemptive provisions of Securities and Exchange Commission Rule 15c3-3 (K)(2)(ii) which requires that all customer funds and securities be promptly transmitted to the clearing broker who carries the customer accounts. The Company does not have any possession or control of customer funds or securities.

(4) **Subordinated Liabilities**

There are no liabilities which were subordinated to the claims of general creditors as of October 31, 2009, or at any time during the year ended October 31, 2009.

(5) **Advertising**

The Company expenses advertising costs for the year as they are incurred. Advertising expenses for the year ended October 31, 2009 was \$713.86

(6) **Leasing Arrangements**

The company leases its office space under a month to month lease agreement. The annual lease is \$24,360.81.

**GWM Group, Inc.**  
**Notes to the Financial Statements**  
**For the Year Ended October 31, 2009**

(7) **Accounts Payable**

Negative cash (\$32,018.95) was reclassified to accounts payable along with regular trade payables (\$1,641.60).

(8) **Related Party**

The entity paid \$35,200 to Shereen Marketing. The owner of Shereen Marketing is the spouse of the owner of GWM Group, Inc. The amount paid was for marketing services provided to the corporation.

(9) **Prior Period Adjustment**

A prior period adjustment of \$8,499.48 was recorded related to the write-off of an accounts receivable for the prior year. The settlement did not occur until the current year.

**Supplementary**

**Pursuant to rule 17a-5 of the**

**Securities and Exchange Act of 1934**

**As of and for the Year Ended October 31, 2009**

**GWM Group, Inc.**  
**Supplemental Schedules Required by Rule 17a-5**  
**As of and for the year ended October 31, 2009**

**Computation of Net Capital**

Total stockholder's equity:		\$188,821
Nonallowable assets:		
Other		<u>2,881</u>
Less:		
Other Securities Haircuts	4,908	
Undue Concentration Charges	<u>619</u>	<u>5,527</u>
Net allowable capital		180,413

**Computation of Basic Net Capital Requirement**

Minimum net capital required as a percentage of aggregate indebtedness	<u>\$ 4,636</u>
Minimum dollar net capital requirement of reporting broker or dealer	<u>\$ 5,000</u>
Net capital requirement	<u>\$ 5,000</u>
Excess net capital	<u>\$ 175,413</u>

**Computation of Aggregate Indebtedness**

Total Aggregate Indebtedness	<u>\$ 69,499</u>
Percentage of aggregate indebtedness to net capital	<u>38.52%</u>

**Reconciliation of the Computation of Net Capital Under Rule 15c3-1**

There were no material differences in the computation of net capital between these audited financial statements and the Company's unaudited Focus Reports.

Computation of Net Capital as reported on FOCUS IIA as of October 31, 2009

Net Capital per audited report	\$180,413
Net Capital per FOCUS IIA	184,423
Reconciliation	
Increase (Decrease) in Nonallowable Assets	(2,330)
Increase (Decrease) in Concentration Charges	1,418
Decrease in Equity	<u>(3,098)</u>
Total Adjustments	<u>(4,010)</u>
Reconciled Net Capital	\$ 180,413
Difference	<u>\$ 0</u>

**GWM Group, Inc.**  
**Supplemental Schedules Required by Rule 17a-5**  
**As of and for the year ended October 31, 2009**

**Exemptive Provisions Rule 15c3-3**

The Company is exempt from Rule 15c3-3 because all customer transactions are cleared through another broker-dealer on a fully disclosed basis. The name of the clearing firms are National Financial Services and Interactive Brokers.

**Statement of Changes in Liabilities Subordinated to the Claims of General Creditors**

Balance of such claims at November 1, 2008	\$ -
Additions	-
Reductions	-
Balance of such claims at October 31, 2009	<u>\$ -</u>

**REPORT ON INTERNAL CONTROL**

**For the year Ended October 31, 2009**

Edward Richardson, Jr., CPA  
15565 Northland Suite 508 West  
Southfield, MI. 48075

December 22, 2009

Board of Directors  
GWM Group, Inc.  
410 Park Avenue Suite 410  
New York, NY 10022

In planning and performing my audit of the financial statements and supplemental schedules of GWM Group, Inc. for the year ended October 31, 2009, I considered its internal control, in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements, and not to provide assurance on internal control.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), I have made a study of the practices and procedures followed by the company, including tests of such practices and procedures that I considered relevant to the objective stated in rule 17a-5(g) in making the periodic computations of aggregate indebtedness and net capital under rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, I 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.
2. Recordation of differences required by rule 17a-13.
3. 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 internal control, and the practices and procedures referred to the preceding paragraphs. 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 paragraphs 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 authorized use of 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 accounting principles generally accepted in the United States. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraphs.

Because of inherent limitations in internal control or the practices and procedures referred to above, errors or fraud may occur and not be detected. Also, projection or 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.

My consideration of internal control would not necessarily disclose all matters in internal control 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 components does not reduce to a relatively low level the risk that errors or fraud in 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, I noted the following condition that I consider to be a material weakness as defined above.

Only one person is responsible for all accounting and reporting functions. Accordingly, there is no segregation of duties. Due to the size of the Company, management does not feel it is cost-effective to change this condition.

I understand that practices and procedures that accomplish the objectives referred to in the preceding paragraphs of this report are considered by the SEC 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 my study, I believe that the Company's practices and procedures were adequate at October 31, 2009, to meet the SEC's objectives.

This report is intended solely for the information and use of management, the SEC and the regulatory agencies that rely on rule 17a-5(g) under the Securities and 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.

*Edward Richardson, Jr. CPA*  
Edward Richardson, Jr., CPA

**GWM GROUP, INC.**  
**AUDIT REPORT**  
*October 31, 2009*

**GWM Group, Inc.**

**Financial Statements and Supplemental  
Schedules Required by the  
Securities and Exchange Commission**

**For the Year Ended October 31, 2009  
(With Independent Auditor's Report Thereon)  
and  
Supplemental Report on Internal Control**

*October 31, 2009*

**GWM GROUP, INC.**  
**October 31, 2009**

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