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

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

SEC Mail  
Mail Processing  
Section  
OCT 06 2009  
Washington, DC  
105

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

SEC FILE NUMBER  
8-30576

FACING PAGE  
Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 There under

REPORT FOR THE PERIOD BEGINNING JULY 1, 2008 AND ENDING JUNE 30, 2009  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: **NELSON SECURITIES, INC.**

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

OFFICIAL USE ONLY  
FIRM I.D. NO.

601 W. MAIN STREET, SUITE 1118

(No. and Street)

SPOKANE  
(City)

WA  
(State)

99201  
(Zip Code)

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

PATRICK K. DONAHUE

509-838-1313

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

McDIRMID, MIKKELSON & SECREST, P.S.

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

926 W. SPRAGUE, SUITE 380  
(Address)

SPOKANE WA  
(City) (State)

99201  
(Zip Code)

CHECK ONE:

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

SECURITIES AND EXCHANGE COMMISSION  
**RECEIVED**  
OCT 06 2009  
BRANCH OF REGISTRATIONS  
AND  
EXAMINATIONS

**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)

ASB  
10/30

OATH OR AFFIRMATION

I, ROBERT O. NELSON, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of NELSON SECURITIES, INC., as of JUNE 30, 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:

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



Robert Nelson  
Signature

PRESIDENT  
Title

Heidi Jo Yose  
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).

**McDIRMID, MIKKELSEN & SECREST, P.S.**

Certified Public Accountants

James K. McDirmid  
Chris D. Mikkelsen  
Kenneth E. Secrest  
William A. Simer  
Andrew J. McDirmid  
Marcie M. Harper  
Keith A. Schmidr

926 W. Sprague, Suite 300  
Spokane, WA 99201.4000  
509.747.6154  
FAX 509.838.0508  
www.mmsps.com

INDEPENDENT AUDITORS' REPORT ON THE SIPC  
ASSESSMENT REQUIRED BY SEC RULE 17a-5(e)(4)

Board of Directors  
Nelson Securities, Inc.  
Spokane, WA

In accordance with Rule 17a-5(e)(4) of the Securities and Exchange Commission, we have performed the following procedures with respect to the accompanying schedule (Form SIPC-7) of Securities Investor Protection Corporation assessment and payments of Nelson Securities, Inc. for the period April 1, 2009 and ending June 30, 2009. Our procedures were performed solely to assist you in complying with Rule 17a-5(e)(4), and our report is not to be used for any other purposes. The procedures we performed are as follows:

1. Compared listed assessment payments with respective cash disbursement records;
2. Compared amounts reported on the audited Form X-17A-5 for the period April 1, 2009, to June 30, 2009, with the amount reported in the General Assessment Reconciliation (Form SIPC-7);
3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers; and
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting adjustments.

Because the above procedures do not constitute an audit made in accordance with generally accepted auditing standards, we do not express an opinion on the schedule referred to above. In connection with the procedures referred to above, nothing came to our attention that caused us to believe that the amounts shown on Form SIPC-7 were not determined in accordance with applicable instructions and forms. This report relates only to the schedule referred to above and does not extend to any financial statements of Nelson Securities, Inc. taken as a whole.

*McDirmid, Mikkelsen & Secrest, P.S.*

September 30, 2009  
Spokane, Washington

Transitional Assessment Reconciliation

(Read carefully the instructions in your Working Copy before completing this Form)

TO BE FILED BY ALL SIPC MEMBERS WITH FISCAL YEAR ENDINGS

1. Name of Member, address, Designated Examining Authority, 1934 Act registration no. and month in which fiscal year ends for purposes of the audit requirement of SEC Rule 17a-5:

030576 FINRA JUN  
NELSON SECURITIES INC  
601 W MAIN AVE STE 1118  
SPOKANE WA 99201-0613

Note: If any of the information shown on the mailing label requires correction, please e-mail any corrections to form@sipc.org and so indicate on the form filed.

Name and telephone number of person to contact respecting this form.

PATRICK K DONAHUE

2. A. General assessment [item 2e from page 2 (not less than \$150 minimum)]

\$ 379.45

B. Less payment made with SIPC-4 made in January, February or March 2009  
(For all fiscal year ends except January, February, or March)

( 150.00 )

1-6-09

Date Paid

229.45

C. Assessment balance due

0

D. Interest computed on late payment (see instruction E) for \_\_\_\_\_ days at 20% per annum

E. Total assessment balance and interest due (or overpayment carried forward)

\$ 229.45

F. PAID WITH THIS FORM:

Check enclosed, payable to SIPC  
Total (must be same as E above)

\$ 229.45

3. Subsidiaries (S) and predecessors (P) included in this form (give name and 1934 Act registration number):

The SIPC member submitting this form and the person by whom it is executed represent thereby that all information contained herein is true, correct and complete.

Nelson Securities Inc

(Name of Corporation, Partnership or other organization)

Patrick K Donahue

(Authorized Signature)

Dated the 27 day of Aug, 2009.

CKettles

(Title)

This form and the assessment payment is due 60 days after the end of the fiscal year. Retain the Working Copy of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.

SIPC REVIEWER

Dates:            Postmarked            Received            Reviewed           

Calculations            Documentation            Forward Copy           

Exceptions:

Disposition of exceptions:

**DETERMINATION OF "SIPC NET OPERATING REVENUES"  
AND GENERAL ASSESSMENT**

Amounts for the fiscal period  
beginning April 1, 2009  
and ending 6-30, 2009  
Eliminate cents

**Item No.**

2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)

\$ 429,134

2b. Additions:

- (1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above.
- (2) Net loss from principal transactions in securities in trading accounts.
- (3) Net loss from principal transactions in commodities in trading accounts.
- (4) Interest and dividend expense deducted in determining item 2a.
- (5) Net loss from management of or participation in the underwriting or distribution of securities.
- (6) Expenses other than advertising, printing, registration fees and legal fees deducted in determining net profit from management of or participation in underwriting or distribution of securities.
- (7) Net loss from securities in investment accounts.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ 0

Total additions

2c. Deductions:

- (1) Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, from the business of insurance, from investment advisory services rendered to registered investment companies or insurance company separate accounts, and from transactions in security futures products.
- (2) Revenues from commodity transactions.
- (3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.
- (4) Reimbursements for postage in connection with proxy solicitation.
- (5) Net gain from securities in investment accounts.
- (6) 100% of commissions and markups earned from transactions in (i) certificates of deposit and (ii) Treasury bills, bankers acceptances or commercial paper that mature nine months or less from issuance date.
- (7) Direct expenses of printing advertising and legal fees incurred in connection with other revenue related to the securities business (revenue defined by Section 16(9)(L) of the Act).
- (8) Other revenue not related either directly or indirectly to the securities business.  
(See Instruction C):

\_\_\_\_\_ 195,576  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ 81,777  
\_\_\_\_\_ ↓

(9) (i) Total interest and dividend expense (FOCUS Line 22/PART IIA Line 13, Code 4075 plus line 2b(4) above) but not in excess of total interest and dividend income. \$ \_\_\_\_\_

(ii) 40% of interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960). \$ \_\_\_\_\_

Enter the greater of line (i) or (ii)

Total deductions

\_\_\_\_\_ 277,353  
\_\_\_\_\_ 151,781  
\_\_\_\_\_ 379.45

2d. SIPC Net Operating Revenues

\$ \_\_\_\_\_

2e. General Assessment @ .0025

\$ \_\_\_\_\_

(to page 1 but not less than \$150 minimum)

SEC Mail  
Mail Processing  
Section  
OCT 06 2009  
Washington, DC  
106

**NELSON SECURITIES, INC.**

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INDEPENDENT AUDITORS' REPORT ON THE SIPC  
ASSESSMENT REQUIRED BY SEC RULE 17a-5(e)(4)

*June 30, 2009*

Section  
OCT 06 2009  
UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20540

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

<b>OMB APPROVAL</b>
OMB Number: 3235-0123
Expires: February 28, 2010
Estimated average burden Hours per response.....12.00

<b>SEC FILE NUMBER</b>
<b>8-30576</b>

**FACING PAGE**  
**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 There under**

REPORT FOR THE PERIOD BEGINNING JULY 1, 2008 AND ENDING JUNE 30, 2009  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: **NELSON SECURITIES, INC.**  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

<b>OFFICIAL USE ONLY</b>
<b>FIRM I.D. NO.</b>

601 W. MAIN STREET, SUITE 1118  
(No. and Street)

SPOKANE WA 99201  
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
PATRICK K. DONAHUE 509-838-1313  
(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

McDIRMID, MIKKELSON & SECREST, P.S.  
(Name - if individual, state last, first, middle name)

926 W. SPRAGUE, SUITE 380 SPOKANE WA 99201  
(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>
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\*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, ROBERT O. NELSON, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of NELSON SECURITIES, INC., as of JUNE 30, 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:

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



Heidi Jo Vose  
Notary Public

Robert O Nelson  
Signature

PRESIDENT  
Title

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).

**McDIRMID, MIKKELSEN & SECREST, P.S.**  
Certified Public Accountants

James K. McDirmid  
Chris D. Mikkelsen  
Kenneth E. Secrest  
William A. Simer  
Andrew J. McDirmid  
Marcie M. Harper  
Keith A. Schmidt

926 W. Sprague, Suite 300  
Spokane, WA 99201.4000  
509.747.6154  
FAX 509.838.0508  
www.mmsps.com

INDEPENDENT AUDITORS' REPORT ON THE SIPC  
ASSESSMENT REQUIRED BY SEC RULE 17a-5(e)(4)

Board of Directors  
Nelson Securities, Inc.  
Spokane, WA

In accordance with Rule 17a-5(e)(4) of the Securities and Exchange Commission, we have performed the following procedures with respect to the accompanying schedule (Form SIPC-7) of Securities Investor Protection Corporation assessment and payments of Nelson Securities, Inc. for the period April 1, 2009 and ending June 30, 2009. Our procedures were performed solely to assist you in complying with Rule 17a-5(e)(4), and our report is not to be used for any other purposes. The procedures we performed are as follows:

1. Compared listed assessment payments with respective cash disbursement records;
2. Compared amounts reported on the audited Form X-17A-5 for the period April 1, 2009, to June 30, 2009, with the amount reported in the General Assessment Reconciliation (Form SIPC-7);
3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers; and
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting adjustments.

Because the above procedures do not constitute an audit made in accordance with generally accepted auditing standards, we do not express an opinion on the schedule referred to above. In connection with the procedures referred to above, nothing came to our attention that caused us to believe that the amounts shown on Form SIPC-7 were not determined in accordance with applicable instructions and forms. This report relates only to the schedule referred to above and does not extend to any financial statements of Nelson Securities, Inc. taken as a whole.

*McDirmid, Mikkelsen & Secrest, P.S.*

September 30, 2009  
Spokane, Washington

Transitional Assessment Reconciliation

(Read carefully the instructions in your Working Copy before completing this Form)

TO BE FILED BY ALL SIPC MEMBERS WITH FISCAL YEAR ENDINGS

1. Name of Member, address, Designated Examining Authority, 1934 Act registration no. and month in which fiscal year ends for purposes of the audit requirement of SEC Rule 17a-5:

030576 FINRA JUN  
NELSON SECURITIES INC  
601 W MAIN AVE STE 1118  
SPOKANE WA 99201-0613

Note: If any of the information shown on the mailing label requires correction, please e-mail any corrections to form@sipc.org and so indicate on the form filed.

Name and telephone number of person to contact respecting this form.

PATRICK K DONAHUE

2. A. General assessment [item 2e from page 2 (not less than \$150 minimum)]

\$ 379.45

B. Less payment made with SIPC-4 made in January, February or March 2009  
(For all fiscal year ends except January, February, or March)

( 150.00 )

1-6-09

Date Paid

229.45

C. Assessment balance due

0

D. Interest computed on late payment (see instruction E) for \_\_\_\_\_ days at 20% per annum

E. Total assessment balance and interest due (or overpayment carried forward)

\$ 229.45

F. PAID WITH THIS FORM:

Check enclosed, payable to SIPC  
Total (must be same as E above)

\$ 229.45

3. Subsidiaries (S) and predecessors (P) included in this form (give name and 1934 Act registration number):

The SIPC member submitting this form and the person by whom it is executed represent thereby that all information contained herein is true, correct and complete.

Nelson Securities Inc

(Name of Corporation, Partnership or other organization)

Patrick K Donahue

(Authorized Signature)

Dated the 27 day of Aug, 2009.

CKe/Tres

(Title)

This form and the assessment payment is due 60 days after the end of the fiscal year. Retain the Working Copy of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.

SIPC REVIEWER

Dates:                      Postmarked                      Received                      Reviewed                     

Calculations                      Documentation                      Forward Copy                     

Exceptions:

Disposition of exceptions:

# DETERMINATION OF "SIPC NET OPERATING REVENUES" AND GENERAL ASSESSMENT

Amounts for the fiscal period  
beginning April 1, 2009  
and ending 6-30, 2009  
Eliminate cents

**Item No.**

2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)

\$ 429,134

2b. Additions:

- (1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above.
- (2) Net loss from principal transactions in securities in trading accounts.
- (3) Net loss from principal transactions in commodities in trading accounts.
- (4) Interest and dividend expense deducted in determining item 2a.
- (5) Net loss from management of or participation in the underwriting or distribution of securities.
- (6) Expenses other than advertising, printing, registration fees and legal fees deducted in determining net profit from management of or participation in underwriting or distribution of securities.
- (7) Net loss from securities in investment accounts.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ 0

Total additions

2c. Deductions:

- (1) Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, from the business of insurance, from investment advisory services rendered to registered investment companies or insurance company separate accounts, and from transactions in security futures products.
- (2) Revenues from commodity transactions.
- (3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.
- (4) Reimbursements for postage in connection with proxy solicitation.
- (5) Net gain from securities in investment accounts.
- (6) 100% of commissions and markups earned from transactions in (i) certificates of deposit and (ii) Treasury bills, bankers acceptances or commercial paper that mature nine months or less from issuance date.
- (7) Direct expenses of printing advertising and legal fees incurred in connection with other revenue related to the securities business (revenue defined by Section 16(9)(L) of the Act).
- (8) Other revenue not related either directly or indirectly to the securities business. (See Instruction C):

\_\_\_\_\_ 195,576  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ 81,777  
\_\_\_\_\_ ↓

(9) (i) Total interest and dividend expense (FOCUS Line 22/PART IIA Line 13, Code 4075 plus line 2b(4) above) but not in excess of total interest and dividend income. \$ \_\_\_\_\_

(ii) 40% of interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960). \$ \_\_\_\_\_

Enter the greater of line (i) or (ii)

Total deductions

\_\_\_\_\_ 277,353  
\_\_\_\_\_ 151,781  
\_\_\_\_\_ 379.45

2d. SIPC Net Operating Revenues

\$ \_\_\_\_\_

2e. General Assessment @ .0025

\$ \_\_\_\_\_

(to page 1 but not less than \$150 minimum)

SEC Mail  
Mail Processing  
Section

OCT 06 2009

Washington, DC  
105

**NELSON SECURITIES, INC.**

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INDEPENDENT AUDITORS' REPORT ON THE SIPC  
ASSESSMENT REQUIRED BY SEC RULE 17a-5(e)(4)

*June 30, 2009*