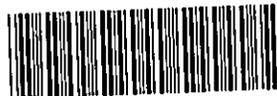


19  
2/12

2/11



SECURIT

09055055

SSION

Washington, D.C. 20549

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

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

SEC FILE NUMBER
8-65759

FACING PAGE

SEC Mail Processing Section

Information Required of Brokers and Dealers Pursuant to Section 17 of the Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

FEB 10 2009

REPORT FOR THE PERIOD BEGINNING 01/01/08 AND ENDING 12/31/08  
MM/DD/YY MM/DD/YY

Washington, DC  
111

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: SEIDMAN PRIVATE SECURITIES, LLC

OFFICIAL USE ONLY

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

FIRM I.D. NO.

C/O BDO SEIDMAN, LLP 520 KIRKLAND WAY, STE 300

KIRKLAND WA 98083  
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
VICTORIA K. SERLES (425) 822-6557  
(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

PETERSON SULLIVAN, LLP

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

601 UNION ST, STE 2300 SEATTLE WA 98101  
(Address) (City) (State) (Zip Code)

CHECK ONE:

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

**PROCESSED**

FEB 19 2009

**THOMSON REUTERS**

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 240.17 a-5(e)(2)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

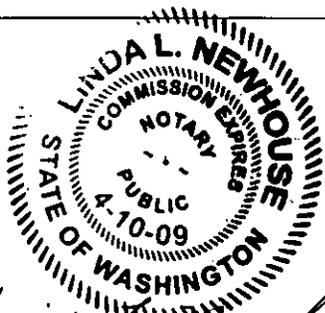
SEC 1410 (06.02)

2-18

OATH OR AFFIRMATION

I, Victoria K. Serles, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Seidman Private Securities, LLC, 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:

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



Linda L. Newhouse  
Notary Public

Victoria Serles  
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. (Cash Flows)
- (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. (Not Applicable)
- (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3. (Not Applicable)
- (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-3 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. (Not Applicable)
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report. (Not Applicable)
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit. (Not Applicable)

\*\* For conditions of confidential treatment of certain portions of this filing, see section 240.17 a-5(e)(3).

X (O) INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL REQUIRED BY SEC RULE 17a-5 FOR A BROKER-DEALER CLAIMING AN EXEMPTION FROM SEC RULE 15c3-3.

\* RESERVE REQUIREMENT IS NOT APPLICABLE

SEC Mail Processing  
Section

FEB 10 2009

Washington, DC  
111

**SEIDMAN PRIVATE SECURITIES, LLC**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2008**

**C O N T E N T S**

	<b>Page</b>
<b>FACING PAGE</b> .....	<b>1</b>
<b>OATH OR AFFIRMATION</b> .....	<b>2</b>
<b>INDEPENDENT AUDITORS' REPORT</b> .....	<b>3</b>
<b>FINANCIAL STATEMENTS</b>	
STATEMENT OF FINANCIAL CONDITION.....	4
STATEMENT OF OPERATIONS .....	5
STATEMENT OF MEMBER'S EQUITY .....	6
STATEMENT OF CASH FLOWS .....	7
NOTES TO FINANCIAL STATEMENTS.....	8 and 9
<b>SUPPLEMENTARY INFORMATION</b>	
SCHEDULE I – COMPUTATION OF NET CAPITAL PURSUANT TO RULE 15c3-1.....	11
SCHEDULE II – RECONCILIATION BETWEEN THE COMPUTATION OF NET CAPITAL PER THE BROKER'S UNAUDITED FOCUS REPORT, PART IIA, AND THE AUDITED COMPUTATION OF NET CAPITAL .....	12
SCHEDULE III – STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED TO CLAIMS OF GENERAL CREDITORS.....	13
<b>INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL REQUIRED BY SEC RULE 17a-5 FOR A BROKER-DEALER CLAIMING AN EXEMPTION FROM SEC RULE 15c3-3</b> .....	<b>14 - 16</b>

CERTIFIED PUBLIC ACCOUNTANTS

601 UNION STREET, SUITE 2300  
SEATTLE, WASHINGTON 98101

INDEPENDENT AUDITORS' REPORT

To the Member  
Seidman Private Securities, LLC  
Kirkland, Washington

We have audited the accompanying statement of financial condition of Seidman Private Securities, LLC ("the Company") as of December 31, 2008, and the related statements of operations, member'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. 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 Seidman Private Securities, LLC 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.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information included in Schedules I, II, and III is presented for purposes 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 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.

*Peterson Sullivan LLP*  
January 23, 2009

SEIDMAN PRIVATE SECURITIES, LLC

STATEMENT OF FINANCIAL CONDITION

December 31, 2008

ASSETS

Cash	\$	72,904
Deposits		<u>28,135</u>
	\$	<u><u>101,039</u></u>

LIABILITIES AND MEMBER'S EQUITY

Liabilities		
Due to member		10,754
Due to affiliated companies		21,197
Interest payable to Member		1,750
Subordinated loans		<u>300,000</u>
Total liabilities		333,701
Member's Equity (Deficit)		<u>(232,662)</u>
	\$	<u><u>101,039</u></u>

See Notes to Financial Statements

SEIDMAN PRIVATE SECURITIES, LLC

STATEMENT OF OPERATIONS

For the Year Ended December 31, 2008

Revenue		
Commission and fee income	\$	15,028
Expenses		
Salaries and related costs		44,748
Regulatory fees		25,636
Interest expense		21,000
Insurance		13,298
Professional fees		9,950
Rent expense		4,800
Travel and entertainment		3,666
Communication		2,100
Dues and subscriptions		1,876
Meetings and conferences		935
Outside services		612
Office expense and other		603
		<hr/>
Total expenses		129,224
		<hr/>
Net loss	\$	<u>(114,196)</u>

See Notes to Financial Statements

SEIDMAN PRIVATE SECURITIES, LLC

STATEMENT OF MEMBER'S EQUITY

For the Year Ended December 31, 2008

Balance, December 31, 2007	\$ (189,903)
Capital contributions	71,437
Net loss	<u>(114,196)</u>
Balance, December 31, 2008	<u>\$ (232,662)</u>

See Notes to Financial Statements

SEIDMAN PRIVATE SECURITIES, LLC

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2008

Cash Flows from Operating Activities	
Net loss	\$ (114,196)
Adjustments to reconcile net loss to cash flows from operating activities	
Change in operating assets and liabilities	
Deposits	(25,962)
Due to affiliated companies	21,197
Interest payable to Member	1,750
	<hr/>
Net cash flows from operating activities	(117,211)
Cash Flows from Financing Activities	
Contributions received from Member through advances forgiven	71,437
Change in due to/from Member	(9,233)
	<hr/>
Net cash flows from financing activities	62,204
	<hr/>
<b>Decrease in cash</b>	<b>(55,007)</b>
Cash, beginning of year	<hr/> 127,911
Cash, end of year	<hr/> <b>\$ 72,904</b> <hr/>

See Notes to Financial Statements

## NOTES TO FINANCIAL STATEMENTS

### Note 1. Organization and Significant Accounting Policies

#### Organization

Seidman Private Securities, LLC ("the Company") is a securities broker and dealer as approved by the Securities and Exchange Commission ("SEC") and the Financial Industry Regulatory Authority. In the normal course of business, the Company's customer, trading, and correspondent clearance activities involve the execution, settlement, and financing of various securities transactions. These activities may expose the Company to risk in the event the other party to the transaction is unable to fulfill its contractual obligations.

As a limited liability company (or LLC), the Member's liability is generally limited to contributions made to the LLC.

#### Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

#### Cash

Cash consists of cash in banks. The Company occasionally has deposits in excess of Federally-insured limits.

#### Revenue Recognition

Commission revenue associated with securities transactions is recognized on a trade date basis. The Company also earns commissions and fees when its customers hold investments in certain mutual funds or when certain types of transactions are closed. These commissions and fees are recognized when earned.

#### Income Taxes

The Company is owned by a single Member. Accordingly, it is disregarded for income tax purposes. Instead, its items of income, loss, deduction, and credit are passed through to its Member-owner in computing its tax liabilities.

## **Note 2. Related Party Transactions**

The Company is 100% owned by one Member and shares office space and various office expenses with this Member, as well as other companies affiliated through common control. During 2008, expenses charged to the Company by the Member and the affiliates were \$51,648.

During 2008, an amount due to the Member of \$71,437 was forgiven by the Member and was reclassified as a capital contribution.

## **Note 3. Subordinate Loans**

The subordinated loans are due to the Member. The loans are unsecured and bear interest at 7%. They are due on December 31, 2010, and are subordinated to all other claims of creditors. Interest expense incurred on these loans in 2008 was \$21,000. The Member forgave \$19,250 of accrued interest in 2008, which was part of the capital contribution discussed in Note 2. The remaining \$1,750 is accrued as a liability (so no interest expense was paid in cash).

## **Note 4. Net Capital Requirements**

The Company is subject to the SEC Uniform Net Capital Rule (Rule 15c3-1). Accordingly, the Company is required to maintain a minimum level of net capital (as defined) of \$50,000. At December 31, 2008, the Company had computed net capital of \$64,203 which was in excess of the required net capital level by \$14,203. In addition, the Company is not allowed to have a ratio of aggregate indebtedness to net capital (as defined) in excess of 15 to 1. At December 31, 2008, the Company's ratio of aggregate indebtedness to net capital was 0.52 to 1.

S U P P L E M E N T A R Y   I N F O R M A T I O N

**SEIDMAN PRIVATE SECURITIES, LLC**

**SCHEDULE I**  
**COMPUTATION OF NET CAPITAL PURSUANT TO RULE 15c3-1**  
**December 31, 2008**

**COMPUTATION OF NET CAPITAL**

Member's equity (deficit)	\$ (232,662)
Liabilities subordinated to claims of general creditors	300,000
Deductions	
Non allowable Deposits	<u>(3,135)</u>
Net capital	64,203
Minimum net capital	<u>50,000</u>
Excess in net capital	<u>\$ 14,203</u>

**COMPUTATION OF AGGREGATE INDEBTEDNESS**

Due to member	\$ 10,754
Due to affiliated companies	21,197
Interest payable to Member	<u>1,750</u>
Total aggregate indebtedness	<u>\$ 33,701</u>

**RATIO OF AGGREGATE INDEBTEDNESS TO NET CAPITAL**

Minimum net capital required (6 2/3% of total aggregate indebtedness or \$50,000, whichever is greater)	<u>\$ 50,000</u>
Percentage of aggregate indebtedness to net capital	52%
Ratio of aggregate indebtedness to net capital	0.52 to 1

Seidman Private Securities, LLC is exempt from the computation of reserve requirements pursuant to Rule 15c3-3 under paragraph K(1).

**SEIDMAN PRIVATE SECURITIES, LLC**

**SCHEDULE II  
RECONCILIATION BETWEEN THE COMPUTATION OF NET CAPITAL PER  
THE BROKER'S UNAUDITED FOCUS REPORT, PART IIA, AND THE  
AUDITED COMPUTATION OF NET CAPITAL**

December 31, 2008

Net capital per the broker's unaudited Focus Report, Part IIA, and net capital as audited (there were no reconciling items)	<u>\$ 64,203</u>
--	------------------

**SEIDMAN PRIVATE SECURITIES, LLC**

**SCHEDULE III  
STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED TO  
CLAIMS OF GENERAL CREDITORS  
For the Year Ended December 31, 2008**

There were no changes in liabilities subordinated to claims of general creditors for the year ended December 31, 2008.

Balance, December 31, 2007 and 2008	<u>\$ 300,000</u>
-------------------------------------	-------------------

CERTIFIED PUBLIC ACCOUNTANTS

601 UNION STREET, SUITE 2300  
SEATTLE, WASHINGTON 98101

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL**  
**REQUIRED BY SEC RULE 17a-5 FOR A BROKER-DEALER**  
**CLAIMING AN EXEMPTION FROM SEC RULE 15c3-3**

To the Member  
Seidman Private Securities, LLC  
Kirkland, Washington

In planning and performing our audit of the financial statements of Seidman Private Securities, LLC ("the Company") as of and for the year ended December 31, 2008, in accordance with auditing standards generally accepted in the United States, we considered its internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company including consideration of control activities for safeguarding securities. This study included tests of such practices and procedures that we considered relevant to the objectives 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, we 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 and recordation of differences required by Rule 17a-13.
2. 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 in the preceding paragraph. 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 paragraph 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 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) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control or the practices and procedures referred to above, error or fraud 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.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities for safeguarding securities 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 SEC to be adequate for its purposes in accordance with the Securities 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, as described in the second paragraph of this report, were adequate at December 31, 2008, to meet the SEC's objectives.

This report is intended solely for the use of the Board of Directors, management, the SEC, Seidman Private Securities, LLC, the Financial Industry Regulatory Authority, and other regulatory agencies which rely on Rule 17a-5(g) under the Securities 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 specific parties.

*Peterson Sullivan LLP*

January 23, 2009

**END**