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

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

SEC FILE NUMBER
8-66845

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 01/01/08 AND ENDING 12/31/08
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: SCARSDALE EQUITIES LLC
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

OFFICIAL USE ONLY
FIRM I.D. NO.

30 ROCKEFELLER PLAZA - SUITE 4250
(No. and Street)

NEW YORK NY 10112
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
FRANCIS A. MLYNARCZYK, JR. (212) 433-1375
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

SANFORD BECKER & CO., PC
(Name - if individual, state last, first, middle name)

1430 BROADWAY - 6TH FLOOR NEW YORK NY 10018
(Address) (City) (State) (Zip Code)

CHECK ONE:

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

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Section
FEB 26 2009
Washington, DC
101

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, FRANCIS A. MLYNARCZYK, JR., swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of SCARSDALE EQUITIES 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:

Francis A. Mlynarczyk, Jr.
Signature
Chief Executive Officer
Title

Heather M. Seal
Notary Public

HEATHER M. SEAL
Notary Public, State of New York
Registration #01SE6055767
Qualified in New York County
Commission Expires March 5, 2011

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.
- (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.
- (o) Reconciliation of audited to unaudited 12/31/08 Focus Report

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

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

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Form
X-17A-5

FOCUS REPORT
(Financial and Operational Combined Uniform Single Report)
PART IIA ¹²

(Please read instructions before preparing Form.)

This report is being filed pursuant to (Check Applicable Block(s)):

1) Rule 17a-5(a) 16

2) Rule 17a-5(b) 17

3) Rule 17a-11 18

4) Special request by designated examining authority 19

5) Other 26

NAME OF BROKER-DEALER

SCARSDALE EQUITIES LLC

SEC FILE NO.

8-66845 14

FIRM I.D. NO.

15

ADDRESS OF PRINCIPAL PLACE OF BUSINESS (Do Not Use P.O. Box No.)

30 ROCKEFELLER PLAZA - SUITE 4250

FOR PERIOD BEGINNING (MM/DD/YY)

01/01/08 24

(No. and Street)

AND ENDING (MM/DD/YY)

12/31/08 25

NEW YORK 21

NY 22

10112 23

(City)

(State)

(Zip Code)

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

(Area Code) — Telephone No.

FRANCIS A. MLYNARCZYK, JR. 30

(212) 433-1375 31

NAME(S) OF SUBSIDIARIES OR AFFILIATES CONSOLIDATED IN THIS REPORT:

OFFICIAL USE

32 33

34 35

36 37

38 39

DOES RESPONDENT CARRY ITS OWN CUSTOMER ACCOUNTS? YES 40 NO 41

CHECK HERE IF RESPONDENT IS FILING AN AUDITED REPORT 42

EXECUTION:

The registrant/broker or dealer submitting this Form and its attachments and the person(s) by whom it is executed represent hereby that all information contained therein is true, correct and complete. It is understood that all required items, statements, and schedules are considered integral parts of this Form and that the submission of any amendment represents that all unamended items, statements and schedules remain true, correct and complete as previously submitted.

Dated the 25th day of February 20 08

Manual signatures of:

1) Francis A. Mlynarczyk, Jr.
Principal Executive Officer or Managing Partner

2) Francis A. Mlynarczyk, Jr.
Principal Financial Officer or Partner

3) Francis A. Mlynarczyk, Jr.
Principal Operations Officer or Partner

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Washington, DC
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ATTENTION — Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C. 78:f(a))

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SCARSDALE EQUITIES LLC

December 31, 2008

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SANFORD BECKER & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS ADVISORS

RICHARD S. BECKER, C.P.A.
SANFORD E. BECKER, C.P.A.
GEORGE S. GETZ, C.P.A.

SANFORD BECKER, C.P.A. 1922-1994

1430 BROADWAY
NEW YORK, N.Y. 10018
TELEPHONE - (212) 921 - 9000
FACSIMILE - (212) 354 - 1822

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Scarsdale Equities LLC

We have audited the accompanying statement of financial condition of Scarsdale Equities LLC as of December 31, 2008 and the related statements of income, cash flows and changes in stockholders' equity for the year then ended, that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. 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 Scarsdale Equities LLC as of December 31, 2008 and the results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in the schedules listed on the accompanying index 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 Exchange Act of 1934. 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.

New York, New York
February 6, 2009

Sanford Becker & Co., P.C.

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART IIA

BROKER OR DEALER

SCARSDALE EQUITIES LLC

N 3

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STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING AND CERTAIN OTHER BROKERS OR DEALERS

as of (MM/DD/YY) 12/31/08 99
 SEC FILE NO. 8-66845 98
 Consolidated 198
 Unconsolidated 199

	<u>Allowable</u>	<u>Non-Allowable</u>	<u>Total</u>
1. Cash	\$ 600,546 200		\$ 600,546 750
2. Receivables from brokers or dealers:			
A. Clearance account	1,544 295		1,544 810
B. Other	4,393 300	550	4,393 830
3. Receivable from non-customers		600	
4. Securities and spot commodities owned at market value:			
A. Exempted securities	1,095,700 418		
B. Debt securities			
C. Options			
D. Other securities	10,636 424		
E. Spot commodities			1,096,336 850
5. Securities and/or other investments not readily marketable:			
A. At cost \$ 130			
B. At estimated fair value	440	68,990 610	68,990 860
6. Securities borrowed under subordination agreements and partners' individual and capital securities accounts, at market value:			
A. Exempted securities \$ 150			
B. Other securities \$ 160			
7. Secured demand notes:	470	640	890
Market value of collateral:			
A. Exempted securities \$ 170			
B. Other securities \$ 180			
8. Memberships in exchanges:			
A. Owned, at market \$ 190			
B. Owned, at cost		650	
C. Contributed for use of the company, at market value		660	900
9. Investment in and receivables from affiliates, subsidiaries and associated partnerships	480	670	910
10. Property, furniture, equipment, leasehold improvements and rights under lease agreements, at cost-net of accumulated depreciation and amortization	490	36,109 680	36,109 920
11. Other assets	535	133,268 735	133,268 930
12. TOTAL ASSETS	\$ 1,702,819 540	\$ 238,367 740	\$ 1,941,186 940

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SEE NOTES TO FINANCIAL STATEMENTS
PAGE 2

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART IIA

BROKER OR DEALER

SCARSDALE EQUITIES LLC

as of 12/31/08

STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING AND CERTAIN OTHER BROKERS OR DEALERS

LIABILITIES AND OWNERSHIP EQUITY

Liabilities	A.I. Liabilities	Non-A.I. Liabilities	Total
13. Bank loans payable	\$ 1045	\$ 1255	\$ 1470
14. Payable to brokers or dealers:			
A. Clearance account	1114	1315	1560
B. Other	1115	1305	1540
15. Payable to non-customers	1155	1355	1610
16. Securities sold not yet purchased, at market value		1360	1620
17. Accounts payable, accrued liabilities, expenses and other	279,219	1205	279,219
18. Notes and mortgages payable:			
A. Unsecured	1210		1690
B. Secured	1211	1390	1700
19. E. Liabilities subordinated to claims of general creditors:			
A. Cash borrowings:			
1. from outsiders ⁹ \$	970		
2. includes equity subordination (15c3-1(d)) of ... \$	980		
B. Securities borrowings, at market value from outsiders \$	990		
C. Pursuant to secured demand note collateral agreements		1400	1710
1. from outsiders \$	1000		
2. includes equity subordination (15c3-1(d)) of ... \$	1010		
D. Exchange memberships contributed for use of company, at market value		1430	1740
E. Accounts and other borrowings not qualified for net capital purposes	1220	1440	1750
20. TOTAL LIABILITIES	\$ 279,219	\$ 1230	\$ 279,219
Ownership Equity			
21. Sole Proprietorship			1770
22. Partnership (limited partners)	1020		1780
23. Corporation:			
A. Preferred stock			1791
B. Common stock			1792
C. Additional paid-in capital			1793
D. Retained earnings			1794
E. Total			1795
F. Less capital stock in treasury			1796
24. TOTAL OWNERSHIP EQUITY			\$ 1,661,967
25. TOTAL LIABILITIES AND OWNERSHIP EQUITY			\$ 1,941,186

OMIT PENNIES

SCARSDALE EQUITIES LLC
STATEMENT OF INCOME
YEAR ENDED DECEMBER 31, 2008

REVENUE

Commissions	8,494,427
Underwriting and Placement Fees	3,901,190
Dividends & Interest	17,943
Other	468,152
	<u>12,881,712</u>

EXPENSES

Employee Compensation & Related Costs	9,683,415
Clearing Fees	986,549
Communication Expense	429,983
Occupancy and Equipment Expenses	219,945
Professional and Consultant Fees	64,886
Other Operating Expenses	696,480
	<u>12,081,258</u>

NET INCOME (Note 2)	800,454
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SEE NOTES TO FINANCIAL STATEMENTS

SCARSDALE EQUITIES LLC
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
YEAR ENDED DECEMBER 31, 2008

	MEMBERS <u>CAPITAL</u>	<u>EARNINGS</u>	<u>TOTALS</u>
<u>BALANCE</u> at January 1, 2008	1,671,766	-	1,671,766
Net Earnings (Loss)		800,454	800,454
Member Distributions		(810,253)	(810,253)
<u>BALANCE</u> at December 31, 2008	1,671,766	(9,799)	1,661,967

SCARSDALE EQUITIES LLC
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2008
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

Cash Flows from Operating activities:		
Net Income		\$ 800,454
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation	11,865	
Increase in Accounts Receivable	(5,937)	
Decrease in Accounts Payable and Accrued Expenses Payable:	(205,157)	
Decrease in Other Assets	6,684	(192,545)
Net Cash Provided By Operating Activities		607,909
Cash Flows from Investing Activities:		
Purchase of Equipment	(11,462)	
Decrease in Securities Owned	331,564	320,102
	320,102	
Cash Flows from Financing Activities:		
Member Capital Distributions		(810,253)
Net Increase in Cash and Cash Equivalents		117,758
Cash and Cash Equivalents at Beginning of Year		482,788
Cash and Cash Equivalents at End of Year		<u>\$ 600,546</u>
Supplemental Cash Flow Disclosure		
Income Tax Payments		161,042

SCARSDALE EQUITIES LLC
NOTES TO FINANACIAL STATEMENTS
FOR THEYEAR ENDED DECEMBER 31, 2008

1) Summary of significant accounting policies:

Scarsdale Equities LLC (Company) became a registered general securities broker-dealer on June 27, 2005 and is subject to regulation by the Securities and Exchange Commission (SEC) and the National Association of Securities Dealers, Inc. (NASD).

The Company operates principally under a clearance agreement with another broker, whereby such broker assumes and maintains the Company's customer accounts. The Company is responsible for payment of certain customer accounts (unsecured debits) as defined in the agreement.

Accounting for commission income is on a settlement date basis. Revenues and expenses would not be materially different if reported on a trade date basis.

Securities owned are valued at market.

Use of Estimates:

The process of preparing financial statements in conformity with generally accepted accounting principals requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, 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.

For the purpose of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

The Company maintains cash in commercial bank accounts which, at times, may exceed federally insured limits.

2) The Limited Liability Company and members have elected to be treated for tax purposes as a partnership under applicable Federal and State law. Accordingly, no provision has been made for Federal and State Tax.

SCARSDALE EQUITIES LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(CONTINUED)

3) Net Capital Requirements:

The Company is subject to the uniform net capital rule (Rule 15C3-1) of the Securities and Exchange act of 1934, which requires that corporation to maintain a ratio of aggregate indebtedness to net capital as defined, not exceed 15 to 1. At December 31, 2008 Scarsdale Equities LLC, net capital was \$1,418,742 whereas the required net capital was \$100,000. The ratio of aggregate indebtedness to net capital was 20% compared to a maximum amount allowance of 1500%.

The Company solicits and services customer accounts, which are introduced on a fully disclosed basis to Pershing LLC. The Company's principal sources of revenue are commissions earned on customer accounts. The Company does not hold customers' cash and/or securities and is exempt from the provision of SEC Rule 15C3-3 under sub-paragraph K (2)(b).

4) The Company is exempt under Rule 15C3-3 since all customer transactions are cleared through another broker dealer on a fully disclosed basis. We have ascertained that the conditions of this exemption were being complied with as of December 31, 2008 and that no facts came to our attention to indicate that the exemption had not been complied with during this period.

5) The Company is obligated under an operating lease for leased premises beginning June 1, 2005 for \$194,208 per annum through October 30, 2009.

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART IIA

BROKER OR DEALER **SCARSDALE EQUITIES LLC**

as of 12/31/08

COMPUTATION OF NET CAPITAL

1. Total ownership equity from Statement of Financial Condition	\$ 1,661,967	3480	
2. Deduct ownership equity not allowable for Net Capital	Y ¹⁹ ()	3490	
3. Total ownership equity qualified for Net Capital	1,661,967	3500	
4. Add:			3520
A. Liabilities subordinated to claims of general creditors allowable in computation of net capital	1,661,967	3525	
B. Other (deductions) or allowable credits (List)			3530
5. Total capital and allowable subordinated liabilities	\$		
6. Deductions and/or charges:			
A. Total non-allowable assets from			
Statement of Financial Condition (Notes B and C)	Y ¹⁷ \$ 240,633	3540	
B. Secured demand note delinquency		3590	
C. Commodity futures contracts and spot commodities - proprietary capital charges		3600	
D. Other deductions and/or charges		3610	
			(240,633) 3620
7. Other additions and/or allowable credits (List)			3630
8. Net capital before haircuts on securities positions	Y ²⁰ \$	1,421,334	3640
9. Haircuts on securities (computed, where applicable, pursuant to 15c3-1(f)):			
A. Contractual securities commitments	\$	3660	
B. Subordinated securities borrowings		3670	
C. Trading and investment securities:			
1. Exempted securities	Y ¹⁸ 997	3735	
2. Debt securities		3733	
3. Options		3730	
4. Other securities	1,595	3734	
D. Undue Concentration		3650	
E. Other (List)		3736	
			(2,592) 3740
10. Net Capital	\$	1,418,742	3750

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SEE NOTES TO FINANCIAL STATEMENTS

PAGE 9

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART IIA

BROKER OR DEALER

SCARSDALE EQUITIES LLC

as of 12/31/08

COMPUTATION OF NET CAPITAL REQUIREMENT

Part A

11. Minimum net capital required (6 $\frac{2}{3}$ % of line 19)	\$	18,615	3756
12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	\$	100,000	3758
13. Net capital requirement (greater of line 11 or 12)	\$	100,000	3760
14. Excess net capital (line 10 less 13)	\$	1,318,742	3770
15. Excess net capital at 1000% (line 10 less 10% of line 19)	\$	1,415,950	3780

COMPUTATION OF AGGREGATE INDEBTEDNESS

16. Total A.I. liabilities from Statement of Financial Condition	\$	279,219	3790
17. Add:			
A. Drafts for immediate credit	\$		3800
B. Market value of securities borrowed for which no equivalent value is paid or credited	\$		3810
C. Other unrecorded amounts (List)	\$		3820
18. Total aggregate indebtedness	\$	279,219	3830
19. Percentage of aggregate indebtedness to net capital (line 18 ÷ by line 10)	%	20%	3850
20. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1(d)	%		3860

COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT

Part B

21. 2% of combined aggregate debit items as shown in Formula for Reserve Requirements pursuant to Rule 15c3-3 prepared as of the date of the net capital computation including both brokers or dealers and consolidated subsidiaries' debits	\$	NOT APPLICABLE	3970
22. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	\$		3880
23. Net capital requirement (greater of line 21 or 22)	\$		3760
24. Excess capital (line 10 less 23)	\$		3910
25. Net capital in excess of the greater of:			
A. 5% of combined aggregate debit items or \$120,000	\$		3920

NOTES:

- (A) The minimum net capital requirement should be computed by adding the minimum dollar net capital requirement of the reporting broker dealer and, for each subsidiary to be consolidated, the greater of:
 1. Minimum dollar net capital requirement, or
 2. 6 $\frac{2}{3}$ % of aggregate indebtedness or 4% of aggregate debits if alternative method is used.
- (B) Do not deduct the value of securities borrowed under subordination agreements or secured demand note covered by subordination agreements not in satisfactory form and the market values of memberships in exchanges contributed for use of company (contra to item 1740) and partners' securities which were included in non-allowable assets.
- (C) For reports filed pursuant to paragraph (d) of Rule 17a-5, respondent should provide a list of material non-allowable assets.

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT PART IIA

BROKER OR DEALER **SCARSDALE EQUITIES LLC** as of **12/31/08**

EXEMPTIVE PROVISION UNDER RULE 15c3-3

24. If an exemption from Rule 15c3-1 is claimed, identify below the section upon which such exemption is based (check one only)

A. (k)(1) — \$2,500 capital category as per Rule 15c3-1			4550
B. (k)(2)(A) — "Special Account for the Exclusive Benefit of customers" maintained			4560
C. (k)(2)(B) — All customer transactions cleared through another broker-dealer on a fully disclosed basis. Name of clearing firm ³⁰ PERSHING LLC 4335	<input checked="" type="checkbox"/>	X	4570
D. (k)(3) — Exempted by order of the Commission (include copy of letter)			4580

Ownership Equity and Subordinated Liabilities maturing or proposed to be withdrawn within the next six months and accruals, (as defined below), which have not been deducted in the computation of Net Capital.

Type of Proposed Withdrawal or Accrual (See below for code)	Name of Lender or Contributor	Insider or Outsider? (In or Out)	Amount to be Withdrawn (cash amount and/or Net Capital Value of Securities)	(MMDDYY) Withdrawal or Maturity Date	Expect to Renew (Yes or No)	
31	4600	4601	4602	4603	4604	4605
32	4610	4611	4612	4613	4614	4615
33	4620	4621	4622	4623	4624	4625
34	4630	4631	4632	4633	4634	4635
35	4640	4641	4642	4643	4644	4645
Total \$³⁶				4699		

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Instructions: Detail Listing must include the total of items maturing during the six month period following the report date, regardless of whether or not the capital contribution is expected to be renewed. The schedule must also include proposed capital withdrawals scheduled within the six month period following the report date including the proposed redemption of stock and anticipated accruals which would cause a reduction of Net Capital. These anticipated accruals would include amounts of bonuses, partners' drawing accounts, taxes, and interest on capital, voluntary contributions to pension or profit sharing plans, etc., which have not been deducted in the computation of Net Capital, but which you anticipate will be paid within the next six months.

WITHDRAWAL CODE:	DESCRIPTIONS
1.	Equity Capital
2.	Subordinated Liabilities
3.	Accruals

SCARSDALE EQUITIES LLC
RECONCILIATION OF COMPUTATION OF NET CAPITAL PURSUANT TO UNIFORM NET
CAPITAL RULE 15c3-1 TO CORPORATION'S CORRESPONDING UNAUDITED FORM X-17A-5
PART IIA
FILING DECEMBER 31, 2008

Net Capital per computation pursuant to Audited Form X-17A-5 Part IIA Filing	\$ 1,661,967
Adjustments:	
Audit adjustments - Accrued Income, salaries and expenses etc., including year end adjustments	-
Net Capital per Corporation's unaudited Form X-17a-5 Part IIA filing	<u>\$ 1,661,967</u>

SANFORD BECKER & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS ADVISORS

RICHARD S. BECKER, C.P.A.
SANFORD E. BECKER, C.P.A.
GEORGE S. GETZ, C.P.A.

SANFORD BECKER, C.P.A. 1922-1994

1430 BROADWAY - 6TH FLOOR
NEW YORK, N.Y. 10018
TELEPHONE - (212) 921-9000
FACSIMILE - (212) 354-1822

REPORT ON INTERNAL CONTROL

The Members **Scarsdale Equities LLC**

In planning and performing our audit of the financial statements of Scarsdale Equities LLC as of and for the year ended December 31, 2008 in accordance with auditing standards generally accepted in the United States of America, we considered the Company's 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 (or aggregate debits) 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 the 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 and 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 purpose 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 information and use of the Board of Directors, management, the SEC, and other regulatory agencies that 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 specified parties.

Samford Becker & Co., P.C.

New York, New York
February 6, 2009

SCARSDALE EQUITIES LLC
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SINGLE REPORT
ON PART IIA OF FORM X-17A-5
YEAR ENDED DECEMBER 31, 2008

SANFORD BECKER & Co., P.C.
CERTIFIED PUBLIC ACCOUNTANTS
NEW YORK

SCARSDALE EQUITIES LLC

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YEAR ENDED DECEMBER 31, 2008