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

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

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:

Shelyn Securities Corporation

OFFICIAL USE ONLY  
FIRM ID. NO.

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

12250 Rockville Pike, Suite 200

(No. and Street)

Rockville

(City)

MD

(State)

20852

(Zip Code)

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

Rick Zitelman

(240)-292-0531

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

Reznick Group, P.C.

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

7700 Old Georgetown Road, Suite 400

Bethesda

Maryland

20814-6224

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

SEC  
Mail Processing  
Section

MAR 2 2009

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)

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3/24/09

OATH OR AFFIRMATION

I, Rick Zitelman, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Shelyn Securities Corp, 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:

No Exceptions

[Handwritten Signature]

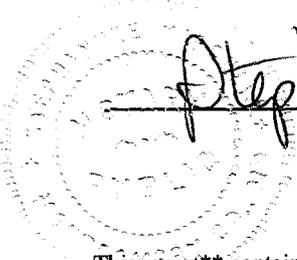
Signature

President

Title

[Handwritten Signature]

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 Proprietor's 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) Independent Auditors' Report on internal accounting control required by SEC Rule 17a-5.

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



FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT

**SHELYN SECURITIES CORPORATION**

DECEMBER 31, 2008

(WITH SUPPLEMENTAL INFORMATION)

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MAR 2 2009

Washington, DC  
100

Shelyn Securities Corporation

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## INDEPENDENT AUDITORS' REPORT

The Stockholder and Board of Directors  
Shelyn Securities Corporation

We have audited the accompanying statements of financial condition of Shelyn Securities Corporation (the Company) as of December 31, 2008, and the related statements of income, changes in stockholder's equity and changes in financial condition 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 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 condition of Shelyn Securities Corporation as of December 31, 2008, and the results of its operations and its changes in financial condition for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

*Reznick Group, P.C.*

Bethesda, Maryland  
February 27, 2009

Shelyn Securities Corporation

STATEMENT OF FINANCIAL CONDITION

December 31, 2008

ASSETS

CURRENT ASSETS

|                       |    |             |
|-----------------------|----|-------------|
| Cash                  | \$ | 41,690      |
| Prepaid expenses      |    | 2,075       |
| Tax refund receivable |    | 540         |
| Deferred tax asset    |    | 446         |
|                       |    | <hr/>       |
|                       | \$ | 44,751      |
|                       |    | <hr/> <hr/> |

LIABILITIES AND STOCKHOLDER'S EQUITY

CURRENT LIABILITIES

|                           |    |       |
|---------------------------|----|-------|
| Accrued liabilities       | \$ | 2,028 |
| Deferred tax liability    |    | 457   |
|                           |    | <hr/> |
| Total current liabilities |    | 2,485 |
|                           |    | <hr/> |

STOCKHOLDER'S EQUITY

|   |    |             |
|---|----|-------------|
| Common stock, no par value; 1,000 shares authorized,<br>500 shares issued and outstanding |    | 22,000      |
| Retained earnings   |    | 20,266      |
|   |    | <hr/>       |
| Total stockholder's equity  |    | 42,266      |
|   |    | <hr/>       |
| Total liabilities and stockholder's equity  | \$ | 44,751      |
|   |    | <hr/> <hr/> |

See notes to financial statements

Shelyn Securities Corporation

STATEMENT OF INCOME

Year ended December 31, 2008

|   |                        |
|---|------------------------|
| Revenue                                   |                        |
| Placement fees                            | \$ 138,400             |
| Expenses                                  |                        |
| Consulting fee                            | 118,000                |
| Bond premium                              | 660                    |
| Licenses and fees                         | 3,000                  |
| Professional fees                         | 12,976                 |
| Miscellaneous fees                        | <u>1,000</u>           |
| Total general and administrative expenses | <u>135,636</u>         |
| Income from operations                    | <u>2,764</u>           |
| Other income                              |                        |
| Dividend income                           | <u>729</u>             |
| Total other income                        | <u>729</u>             |
| Income before provision for income taxes  | 3,493                  |
| Provision for income taxes                |                        |
| Income tax expense                        | <u>1,085</u>           |
| NET INCOME                                | <u><u>\$ 2,408</u></u> |

See notes to financial statements

Shelyn Securities Corporation

STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY

Year ended December 31, 2008

|                               | <u>Common stock</u>     |                  | <u>Retained earnings</u> | <u>Total</u>     |
|-------------------------------|-------------------------|------------------|--------------------------|------------------|
|                               | <u>Number of shares</u> | <u>Amount</u>    |                          |                  |
| Balance,<br>December 31, 2007 | 500                     | \$ 22,000        | \$ 17,858                | \$ 39,858        |
| Net income                    | -                       | -                | 2,408                    | 2,408            |
| Balance,<br>December 31, 2008 | <u>500</u>              | <u>\$ 22,000</u> | <u>\$ 20,266</u>         | <u>\$ 42,266</u> |

See notes to financial statements

Shelyn Securities Corporation

STATEMENT OF CHANGES IN FINANCIAL CONDITION

Year ended December 31, 2008

|   |                  |
|---|------------------|
| Cash flows from operating activities  |                  |
| Net income (loss)   | \$ 2,408         |
| Adjustments to reconcile net income to net cash provided<br>by operating activities |                  |
| Deferred income tax   | 30               |
| Increase in income tax refund receivable  | (540)            |
| Increase in accrued liabilities   | 816              |
| Decrease in income taxes payable  | <u>(2,367)</u>   |
| Net cash provided by operating activities   | <u>347</u>       |
| NET INCREASE IN CASH  | 347              |
| Cash, beginning   | <u>41,343</u>    |
| Cash, end   | <u>\$ 41,690</u> |
| Supplemental disclosure for cash flow information                                   |                  |
| Cash paid for taxes   | <u>\$ 4,121</u>  |

See notes to financial statements

Shelyn Securities Corporation

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES

Shelyn Securities Corporation (the Corporation) was incorporated pursuant to the laws of the State of Maryland on August 7, 1985 and is a registered broker-dealer of securities. The Corporation assists in underwriting private placement investments by affiliates. The Corporation is subject to certain minimum capital requirements and regulations of the Securities and Exchange Commission.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

The Corporation recognizes revenue from placement fees as the private placement investment is closed.

Cash and Cash Equivalents

The Corporation considers all highly-liquid investments (including money market funds) with an original maturity at acquisition of three months or less to be cash equivalents.

Income Taxes

The Corporation files its income tax returns on the cash basis, whereby revenue is recognized when received and expenses are recognized when paid. Deferred income taxes are provided on an asset and liability method whereby deferred tax assets are recognized for operating loss carry-forwards and deductible temporary differences, and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Temporary differences result from the Corporation using the cash method of accounting for income tax purposes and accrual basis accounting for financial statement purposes. Deferred tax assets

Shelyn Securities Corporation

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2008

are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

In June 2006, the FASB issued FIN 48, "Accounting for Uncertainty in Income Taxes" an interpretation of FASB Statement No. 109. The effective date of FIN 48 was for fiscal years beginning after December 15, 2006. The effective date was delayed in 2007 and was delayed again in 2008 for nonpublic companies. The new effective date for FIN 48 for nonpublic companies is for fiscal years beginning after December 15, 2008. The Corporation has elected to defer application of FIN 48, as permitted by FSP FIN 48-3, "Effective Date of FASB Interpretation No. 48 for Certain Nonpublic Enterprises," until 2009. The Corporation does not anticipate that the provisions of FIN 48 will have any significant impact on its financial statements. However, additional disclosures may be required of situations, if any, where the Corporation's tax positions are considered uncertain.

Shelyn Securities Corporation

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2008

CALCULATION OF PROVISION FOR INCOME TAXES

|                                  |    |              |
|----------------------------------|----|--------------|
| Current                          |    |              |
| Federal                          | \$ | 683          |
| State                            |    | 413          |
|                                  |    | <hr/>        |
| Total                            |    | 1,096        |
|                                  |    | <hr/>        |
| Deferred tax asset               |    |              |
| Federal                          |    | 287          |
| State                            |    | 159          |
|                                  |    | <hr/>        |
| Total                            |    | 446          |
|                                  |    | <hr/>        |
| Deferred tax liability           |    |              |
| Federal                          |    | 294          |
| State                            |    | 163          |
|                                  |    | <hr/>        |
| Total                            |    | 457          |
|                                  |    | <hr/>        |
| Net deferred tax                 |    | (11)         |
|                                  |    | <hr/>        |
| Total provision for income taxes | \$ | <u>1,085</u> |

NOTE 2 - RELATED PARTY TRANSACTIONS

During the year ended December 31, 2008, the Corporation received underwriting fees for private placements of \$138,400. The Corporation was assisted in the private placement transactions by a related entity, which is controlled by the sole stockholder of the Corporation, which in turn was paid \$118,000 in consulting fees. A majority of the Corporation's administrative functions are provided by a related entity at no cost to the Corporation.

NOTE 3 - CONCENTRATION OF CREDIT RISK

The Corporation maintains its cash balance at one financial institution. The cash balance is insured by the Securities Investor Protection Corporation (SIPC) up to \$100,000. At times, this balance may exceed the federal insurance limits; however, the Corporation has not

Shelyn Securities Corporation

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2008

experienced any losses with respect to its cash balance in excess of SIPC provided insurance. Management believes that no significant concentration of credit risk exists with respect to the cash balance at December 31, 2008.

NOTE 4 - NET CAPITAL REQUIREMENTS

The Corporation is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 1500%. At December 31, 2008, the Corporation had net capital of \$39,651, which was \$34,651 in excess of its required net capital of \$5,000. The Corporation's net capital ratio was 6%.

**SUPPLEMENTAL INFORMATION**



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## INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION

The Stockholder and Board of Directors  
Shelyn Securities Corporation

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information contained herein is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplemental 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.

Bethesda, Maryland  
February 27, 2009

Shelyn Securities Corporation

COMPUTATION OF NET CAPITAL UNDER SEC RULE 15c3-1

December 31, 2008

|  |    |               |                |    |
|--|----|---------------|----------------|----|
| Stockholder's equity and tentative net capital |    | \$            | 42,266         |    |
| Less: Non-allowable assets pursuant to 15c3-1  |    |               | (2,615)        |    |
| Net capital                                    |    |               | 39,651         |    |
| Less: Minimum net capital requirement          |    |               | <u>(5,000)</u> |    |
| Net capital in excess of all requirements      |    | \$            | <u>34,651</u>  |    |
| Capital ratio (maximum allowance 1500%)        |    |               |                |    |
| Aggregate indebtedness                         | \$ | 2,485         |                |    |
| Divided by: Net capital                        | \$ | <u>39,651</u> | =              | 6% |

Shelyn Securities Corporation

RECONCILIATION OF NET CAPITAL TO THE  
DECEMBER 31, 2008 UNAUDITED FOCUS REPORT

December 31, 2008

|   |    |               |
|---|----|---------------|
| Total net capital at December 31, 2008, as reported on the unaudited Focus Report | \$ | 30,064        |
| Net audit adjustments   |    | <u>9,587</u>  |
| Total net capital at December 31, 2008, as presented                              | \$ | <u>39,651</u> |

Shelyn Securities Corporation

EXEMPTION FROM REQUIREMENTS UNDER RULE 15c3-3

December 31, 2008

The Corporation claims exemption under provisions of Rule 15c3-3(k)(2)(i) and was in compliance with the condition of such exemption.

The Corporation is not required to furnish information relating to possession or control requirements because it is exempt from Rule 15c3-3.

Shelyn Securities Corporation

EXEMPTION FROM REQUIREMENTS UNDER RULE 17a-5(E)(4)

December 31, 2008

The Corporation, as a member of the Securities Investor Protection Corporation (“SIPC”) with gross revenues of less than \$500,000, is exempt from the supplemental SIPC report filing requirements pursuant to Rule 17a-5(E)(4). The Corporation has been assessed \$150 by the SIPC for the year ended December 31, 2008. This assessment has been paid in full as of December 31, 2008.

## INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL

Board of Directors  
Shelyn Securities Corp.

In planning and performing our audit of the financial statements and supplemental schedules of Shelyn Securities Corporation for the year ended December 31, 2008, we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our 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), we have made a study of the practices and procedures followed by Shelyn Securities Corporation, including 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 provision of rule 15c3-3. Because the Corporation 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 Corporation 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
3. Obtaining and maintaining physical possession or control of all fully paid and excess margin securities of customer as required by Rule 15c3-3

The management of the Corporation 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 Corporation 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 accounting principles generally accepted in the United States of America. 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 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. However, we identified certain deficiencies in internal control that we consider to be significant deficiencies, and communicated them in writing to management and those charged with governance on February 27, 2009.

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.

This report is intended solely for the information and use of the Board of Directors, management, the Securities and Exchange Commission, the National Association of Securities Dealers, Inc., 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.

*Reznick Group, P.C.*

Bethesda, Maryland  
February 27, 2009