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

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

CM

SEC FILE NUMBER  
**8 - 66025**

**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:

HAMILTON EXECUTIONS, LLC

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

71 BROADWAY, SUITE 12J

(No. And Street)

NEW YORK,  
(City)

NY  
(State)

10006  
(Zip Code)

SEC  
Mail Processing  
Section  
MAR 02 2009  
Washington, DC  
103

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FIRM ID. NO.

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

ROBERT A. PELLICONE

(212) 425-4440

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

FULVIO & ASSOCIATES, LLP

ATTN: JOHN FULVIO, CPA

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

5 West 37<sup>th</sup> Street, 4<sup>th</sup> Floor

(Address)

NEW YORK  
(City)

NY  
(State)

10018  
(Zip Code)

CHECK ONE:

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

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 basis for the exemption. See section 240.17a-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.

OATH OR AFFIRMATION

I, ROBERT A. PELLICONE, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of HAMILTON EXECUTIONS, 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:

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

*Robert A. Pellicone*  
\_\_\_\_\_  
Signature

MANAGING MEMBER  
\_\_\_\_\_  
Title

*Donna Flood*  
\_\_\_\_\_  
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 Cash Flows.
- (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 or 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 previous audit.
- (o) Supplemental independent Auditors Report on Internal Accounting Control.

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

**INDEPENDENT AUDITORS' REPORT**

To the Members of  
Hamilton Executions, LLC:

We have audited the accompanying statement of financial condition of Hamilton Executions, LLC (the "Company") as of December 31, 2008, and the related statements of income, changes in members' equity, and cash flows 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 Hamilton Executions, 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 of America.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained on pages 11 and 12 are 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 our 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.

*Fulvio & Associates, L.L.P.*

New York, New York  
February 26, 2009

HAMILTON EXECUTIONS, LLC  
STATEMENT OF FINANCIAL CONDITION  
DECEMBER 31, 2008

ASSETS

Cash and cash equivalents	\$ 1,263,318
Commissions receivable	1,548,378
Due from clearing broker	115,758
Fixed assets (net of accumulated depreciation of \$199,819)	210,125
Other assets	<u>9,142</u>
 TOTAL ASSETS	 <u>\$ 3,146,721</u>

LIABILITIES AND MEMBERS' EQUITY

Liabilities:

Commissions payable	\$ 95,704
Accounts payable and accrued expenses	<u>137,885</u>
 TOTAL LIABILITIES	 233,589
 Members' equity	 <u>2,913,132</u>
 TOTAL LIABILITIES AND MEMBERS' EQUITY	 <u>\$ 3,146,721</u>

The accompanying notes are an integral part of these financial statements.

HAMILTON EXECUTIONS, LLC  
STATEMENT OF INCOME  
FOR THE YEAR ENDED DECEMBER 31, 2008

REVENUES:

Commissions income	\$ 14,317,140
Interest income	1,524
Other income	<u>13,259</u>
TOTAL REVENUES	<u>\$ 14,331,923</u>

EXPENSES:

Employee compensation and related benefits	\$ 3,067,770
Exchange and regulatory fees	444,115
Travel and entertainment	535,888
Charitable contributions	155,337
Professional fees	294,801
Clearing charges	1,057,022
Data and communications expense	306,102
Commission expense	422,499
Error expense	330,997
Office expenses and supplies	190,539
Occupancy	77,536
Seat lease	36,100
Promotion and advertising	5,171
Other expenses	<u>17,965</u>
TOTAL EXPENSES	<u>6,941,842</u>
Income before provision for income taxes	7,390,081
Provision for income taxes	<u>(221,656)</u>
NET INCOME	<u>\$ 7,168,425</u>

The accompanying notes are an integral part of these financial statements.

HAMILTON EXECUTIONS, LLC  
STATEMENT OF CHANGES IN MEMBERS' EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2008

Members' Equity – December 31, 2007	\$ 1,776,656
Prior year adjustment	600,000
Net Income	7,168,425
Capital withdrawals	<u>(6,631,949)</u>
Members' Equity – December 31, 2008	<u>\$ 2,913,132</u>

The accompanying notes are an integral part of these financial statements.

HAMILTON EXECUTIONS, LLC  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2008

Cash Flows From Operating Activities:		
Net Income		\$ 7,168,425
Adjustments to reconcile net income to net cash provided by operating activities:		
(Increase) decrease in operating assets:		
Commissions receivable	\$ 254,374	
Due from broker	5,881	
Other assets	30,343	
Increase (decrease) in liabilities:		
Commissions payable	68,049	
Accounts payable and accrued expenses	<u>(209,512)</u>	
Net adjustments		<u>149,135</u>
Net cash provided by operating activities		<u>7,317,560</u>
Cash Flows from Investing Activities:		
Purchases of fixed assets		<u>(101,782)</u>
Cash Flows from Financing Activities:		
Capital withdrawals		<u>(6,631,949)</u>
NET INCREASE IN CASH		583,829
Cash at December 31, 2007		<u>679,489</u>
Cash at December 31, 2008		<u>\$ 1,263,318</u>
Supplemental Cash Flow Information:		
Income taxes paid		<u>\$ 134,192</u>
Reversal of prior year accrual of pension liability not funded		<u>\$ 600,000</u>

The accompanying notes are an integral part of these financial statements.

HAMILTON EXECUTIONS, LLC  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 1- ORGANIZATION AND NATURE OF BUSINESS

Organization

Hamilton Executions L.L.C. (the "Company") was organized as a limited liability company in the State of New Jersey in June 2003. The Company is registered as a securities broker-dealer with the Securities and Exchange Commission ("SEC") and is a member of the American Stock Exchange (the "ASE").

Nature of Business

The Company's business is that of an ASE floor broker. Commission income is earned by the Company on security transactions which it executes on the ASE.

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition

Securities transactions (and the related commission revenue and expense) are recorded on a trade date basis.

Depreciation Policy

The Company's property and equipment is depreciated on a straight line basis over their estimated useful lives of three to seven years for book purposes. Accelerated methods may be for tax purposes.

Cash and Cash Equivalents

All short-term investments with an original maturity of three months or less are considered to be cash equivalents.

Concentration of Credit Risk

The Company is engaged in various trading and brokerage activities in which counterparties primarily include broker-dealers, banks, and other financial institutions. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counterparty.

The Company has several cash accounts at major financial institutions to mitigate its risk for balances that exceed the FDIC limit of \$250,000.

HAMILTON EXECUTIONS, LLC  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(Continued)

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Company's 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.

Statement of Financial Accounting Standards No. 157 ("SFAS No. 157)

As of January 1, 2008, the Company adopted SFAS No. 157, *Fair Value Measurements*, and has determined that it bears no material effect on the financial statements as presented.

NOTE 3- NET CAPITAL

As a registered broker-dealer, the Company is subject to the Uniform Net Capital Rule (the "Rule") under the Securities Exchange Act of 1934, which specifies minimum net capital requirements for its registrants. The Company must maintain net capital, as defined, equal to the greater of \$100,000 or 6.667% of aggregate indebtedness, as defined. The Rule also contains provisions that may limit equity capital withdrawals. At December 31, 2008, the Company had net capital of \$1,792,693 which exceeded their minimum net capital requirement by \$1,692,693.

NOTE 4- INCOME TAXES

No provision has been made for federal or state income taxes in the accompanying financial statements as the members are individually responsible for the taxes on their share of the Company's income. The Company has provided for entity-level local income taxes.

NOTE 5- COMMITMENTS

Occupancy

The Company has yearly lease agreement for office space and storage which is due to expire in November 2008. During 2008, the Company paid \$59,530 in rent expense for the space and storage. The minimum future payments under the lease agreement for the year ending December 31, 2008 are approximately \$62,000.

HAMILTON EXECUTIONS, LLC  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(Continued)

NOTE 5-      COMMITMENTS (continued)

Seat Leases

During 2008, the Company paid \$36,100 in seat lease expense for use in the operation of its business.

NOTE 6-      OFF BALANCE SHEET RISK

Pursuant to a clearance agreement, the Company introduces all of its securities transactions to its clearing broker on a fully disclosed basis. Therefore, all of the Company's introduced customers' money balances and long and short security positions are carried on the books of the clearing broker. Under certain conditions as defined in the clearance agreement, the Company has agreed to indemnify the clearing broker for losses, if any, which the clearing broker may sustain from carrying securities transactions introduced by the Company. In accordance with industry practice and regulatory requirements, the Company and the clearing broker monitor collateral on the securities transactions introduced by the Company.

As of December 31, 2008, there were no material customer accounts having unsecured debit balances that presented any risk.

NOTE 7-      EMPLOYEE BENEFIT PLANS

Effective January 1, 2004, the Company adopted the Hamilton Executions L.L.C. 401(k) Profit Sharing Plan (the "Plan") under Section 401(k) of the Internal Revenue Code of 1986, as amended. The Plan was amended in July 2006. Under the Plan, all employees eligible to participate may elect to contribute a percentage of their salary up to the maximum allowed under the. All employees who are at least age 21 and have completed six months of service are eligible to participate. The Company may elect to make contributions to the Plan at the discretion of the Managing Members. None was made by the Company for the year ended December 31, 2008.

HAMILTON EXECUTIONS, LLC  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(Continued)

NOTE 8- PENSION PLAN

Effective December 31, 2007, the Company adopted the Hamilton Executions L.L.C. 412(i) Defined Benefit Plan ("DBP") under Section 412(i) of the Internal Revenue Code of 1986, as amended and is commonly referred to as an insurance contract plan. Under the Plan, the Company, at its sole discretion, makes annual contributions to it that are invested, exclusively, in annuity and life insurance products issued by an insurance company. The Plan does not allow loans to any participants. The Plan has various eligibility, retirement and benefit specifications. Included in the member withdrawals and employee compensation and related benefits is \$544,803 and \$18,000, respectively.

## Supplemental Information

HAMILTON EXECUTIONS LLC  
 COMPUTATION OF NET CAPITAL  
 PURSUANT TO UNIFORM NET CAPITAL RULE 15c3-1  
 DECEMBER 31, 2008

Credits:	
Total member's equity	\$ 2,913,132
Debits:	
Non-allowable assets	<u>1,120,439</u>
Net capital before haircuts	\$ 1,792,693
Haircuts on securities	<u>          -</u>
Net capital	\$ 1,792,693
Minimum net capital requirement	<u>100,000</u>
Excess Net Capital	<u>\$ 1,692,693</u>
Aggregate indebtedness	\$ 233,589
Ratio of aggregate indebtedness to net capital	<u>0.13 to 1</u>

No material differences exist between the above computation and the computation included in the Company's corresponding unaudited Form X-17A-5 Part IIA filing.

HAMILTON EXECUTIONS, LLC  
COMPUTATION FOR THE DETERMINATION OF THE RESERVE REQUIREMENTS AND  
INFORMATION RELATING TO POSSESSION OR CONTROL REQUIREMENTS FOR  
BROKERS AND DEALERS PURSUANT TO RULE 15c3-3  
FOR THE YEAR ENDED DECEMBER 31, 2008

The Company does not effect transactions for anyone defined as a customer under Rule 15c3-3. Accordingly, there are no items to report under the requirements of this Rule.

**SUPPLEMENTARY REPORT  
OF INDEPENDENT AUDITORS**

INDEPENDENT AUDITORS' SUPPLEMENTARY REPORT  
ON INTERNAL CONTROL

To the Members of  
Hamilton Executions LLC:

In planning and performing our audit of the financial statements and supplemental schedules of Hamilton Executions, LLC (the "Company") 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:

- Making quarterly securities examinations, counts, verifications, and comparisons and recordation of differences required by rule 17a-13.
- 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.
- Obtaining and maintaining physical possession or control of all fully paid and excess margin securities of customers as required by rule 15c3-3.

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 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 or any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

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 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 our study, we believe that the Company's practices and procedures were adequate at December 31, 2008, to meet the SEC's objectives.

This report is intended solely for the information and use of management, the Securities and Exchange Commission, the Financial Industry Regulatory Authority, 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 those specified parties.

*Fulvio & Associates, L.L.P.*

New York, New York

February 26, 2009

HAMILTON EXECUTIONS, LLC  
AUDITED FINANCIAL STATEMENTS  
DECEMBER 31, 2008

HAMILTON EXECUTIONS, LLC  
REPORT PURSUANT TO RULE 17a-5(d)  
DECEMBER 31, 2008

HAMILTON EXECUTIONS, LLC  
FINANCIAL STATEMENTS  
DECEMBER 31, 2008

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