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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: Haverford Trust Securities, Inc.

OFFICIAL USE ONLY

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

FIRM I.D. NO.

Three Radnor Corporate Center, Suite 450

(No. and Street)

Radnor

(City)

Pennsylvania

(State)

19087

(Zip Code)

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

Paul S. Rovner

610-995-8721

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

KPMG LLP

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

1601 Market Street

(Address)

Philadelphia

(City)

Pennsylvania

(State)

19103

(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 the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

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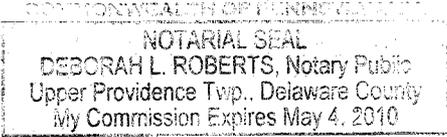
OATH OR AFFIRMATION

I, Binney H.C. Wietlisbach, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Haverford Trust Securities, Inc., 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:

Binney H.C. Wietlisbach
Signature

President
Title

Deborah L. Roberts
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 Cash Flows.
(e) Statement of Changes in Stockholders' Equity
(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
(k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
(l) An Oath or Affirmation.
(m) A copy of the SIPC Supplemental Report.
(n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

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

**HVERFORD TRUST SECURITIES, INC.**  
(A Wholly Owned Subsidiary of The Haverford Trust Company)

December 31, 2008

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KPMG LLP  
1601 Market Street  
Philadelphia, PA 19103-2499

## Independent Auditors' Report

To the Stockholder of  
Haverford Trust Securities, Inc.:

We have audited the accompanying statement of financial condition of Haverford Trust Securities, Inc. (the Company), as of December 31, 2008. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 statement of financial condition referred to above presents fairly, in all material respects, the financial position of Haverford Trust Securities, Inc., as of December 31, 2008, in conformity with U.S. generally accepted accounting principles.

KPMG LLP

Philadelphia, Pennsylvania  
February 25, 2009

**Haverford Trust Securities, Inc.**  
(A Wholly Owned Subsidiary of The Haverford Trust Company)

Statement of Financial Condition

December 31, 2008

<b>Assets</b>	
Cash and cash equivalents	\$ 1,454,646
Investments	628
Brokerage commissions receivable	215,011
Other assets	<u>26,204</u>
Total assets	<u>\$ 1,696,489</u>
<b>Liabilities and Stockholder's Equity</b>	
<b>Liabilities:</b>	
Accrued expenses and other liabilities	\$ <u>20,331</u>
Total liabilities	<u>20,331</u>
<b>Commitments</b>	
<b>Stockholder's equity:</b>	
Common stock, \$1 par value – 10,000 shares authorized, 100 shares issued and outstanding	100
Additional paid-in capital	49,900
Retained earnings	<u>1,626,158</u>
Total stockholder's equity	<u>1,676,158</u>
Total liabilities and stockholder's equity	<u>\$ 1,696,489</u>

See accompanying notes to the Statement of Financial Condition.

**Haverford Trust Securities, Inc.**  
(A Wholly Owned Subsidiary of The Haverford Trust Company)

Notes to Statement of Financial Condition

December 31, 2008

**(1) Business and Organization**

Haverford Trust Securities, Inc. (the Company) is registered as a broker-dealer with the Securities and Exchange Commission and is a member of the Financial Industry Regulatory Authority (FINRA), which was created in 2007 through the consolidation of the National Association of Securities Dealers, Inc. (NASD) and the New York Stock Exchange (NYSE) member regulation. The Company was incorporated in 1987 and generally provides brokerage services as the introducing broker to clients of The Haverford Trust Company (HTC), the parent company.

All of the outstanding stock of the Company is owned by HTC, a state-chartered trust company and commercial bank under the laws of the Commonwealth of Pennsylvania.

**(2) Summary of Significant Accounting Policies**

The following significant accounting policies are in conformity with accounting principles generally accepted in the United States of America for brokers and dealers in securities. These policies are consistently followed by the Company in the preparation of its financial statements.

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

**(a) Related-Party Transactions**

The Company reimburses HTC pursuant to a written agreement for its proportionate share of office space, compensation and related benefits, office supplies, and other shared corporate expenses. The sole stockholder of HTC receives payments for business development and other services provided to the Company.

**(b) Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Company has defined cash and cash equivalents as highly liquid investments with maturities of less than ninety days that are not held for sale in the ordinary course of business. The carrying amount of cash equivalents in the statement of financial condition approximates its fair value. Included within cash and cash equivalents is a \$25,000 deposit with the clearing broker. This represents good and free funds to assure compliance with representations, agreements, and indemnifications in the agreement between the Company and the clearing broker.

**(c) Investments**

At December 31, 2008, the Company had a short-term investment in a marketable equity security which was classified as a trading security. The trading security is recorded at fair value with unrealized holding losses included in net earnings. The fair value of the Company's investment is based upon the quoted market price on the last business day of the fiscal year.

**HVERFORD TRUST SECURITIES, INC.**  
(A Wholly Owned Subsidiary of The Haverford Trust Company)

Notes to Statement of Financial Condition

December 31, 2008

**(d) Income Taxes**

Historically, the Company was taxed as an S-corporation for federal income tax purposes and taxed as a C-corporation for state income tax purposes while subject to state income taxes on a stand-alone basis. During 2007, the Company elected to be taxed as an S-Corporation for Pennsylvania state income taxes and therefore is now an S-corporation for both federal and state income tax purposes. Accordingly, the income of the Company is passed through to the owner and no provision is made in the financial statements for federal or state income taxes.

**(3) Recent Accounting Pronouncement**

In September 2006, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards (SFAS) No. 157, *Fair Value Measurements*. SFAS No. 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. This statement applies under other accounting pronouncements that require or permit fair value measurements. SFAS No. 157 became effective for the Company on January 1, 2008.

SFAS No. 157 describes three levels of inputs that may be used to measure fair value:

Level 1—Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that are accessible at the measurement date.

Level 2—Inputs are other-than-quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3—Valuations are observed from unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The Company's investments measured at fair value on a recurring basis as of December 31, 2008 are Level 1 inputs. Accordingly, the Company has no investments that are primarily based on Level 2 or Level 3 inputs. The Company did not have any assets or liabilities reported at fair value on a nonrecurring basis required to be disclosed under SFAS No. 157.

**(4) Concentrations**

Substantially all of the Company's cash and cash equivalents are deposited at one financial institution.

Brokerage commissions receivable of \$215,011 are due from the Company's clearing broker.

**HVERFORD TRUST SECURITIES, INC.**  
(A Wholly Owned Subsidiary of The Haverford Trust Company)

Notes to Statement of Financial Condition

December 31, 2008

**(5) Agreement with Clearing Broker**

The Company has entered into an agreement with a broker (the clearing broker) to execute securities transactions on behalf of its customers. The Company clears all of its securities transactions through this clearing broker, in an arrangement that is fully disclosed to its customers. The clearing broker remits commission revenue to the Company net of fees for clearing and other services. Substantially all revenue reported by the Company for 2008 resulted from this relationship. Full payment of the \$215,011 receivable at December 31, 2008 was received from the clearing broker in January 2009.

Pursuant to the terms of the agreement between the Company and the clearing broker, the clearing broker has the right to charge the Company for losses sustained or incurred by either the Company or the clearing broker that result from an introduced account's failure to fulfill its contractual obligations. The potential loss exposure related to these obligations is not limited. During 2008, the Company did not incur any such expenses, and there was no such liability as of December 31, 2008.

**(6) Net Capital Requirements**

The Company is subject to the Securities and Exchange Commission's Uniform Net Capital Rule (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 in Rule 15c3-1, shall not exceed 15 to 1. The Company had net capital of \$1,649,860 at December 31, 2008, which was in excess of its required net capital of \$50,000. The Company's ratio of aggregate indebtedness to net capital was 0.01 to 1 at December 31, 2008.

The Company does not carry securities accounts for customers or perform custodial functions related to customer securities. Therefore, the Company claims exemption from the reserve and possession or control provisions under Rule 15c3-3 of the Securities Exchange Act of 1934 under the exemption allowed by Paragraph (k)(2)(ii) of that rule.



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**HAVERFORD TRUST SECURITIES, INC.**  
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Statement of Financial Condition

December 31, 2008

(With Independent Auditors' Report Thereon)