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

SEC FILE NUMBER  
8- 066870

Washington, DC  
101

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 01-01-2008 AND ENDING 12-31-2008  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: ICD SECURITIES, INC.

OFFICIAL USE ONLY

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
7301 SW 57 Court, Suite 420

FIRM I.D. NO.

(No. and Street)

South Miami

Florida

33143

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
C. Ed Rivera

(305) 669-5168

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Berenfeld, Spritzer, Shecter & Sheer, LLP

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

2525 Ponce de Leon Blvd, 5th Floor

Coral Gables, Florida

33134

(Address)

(City)

(State)

(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)

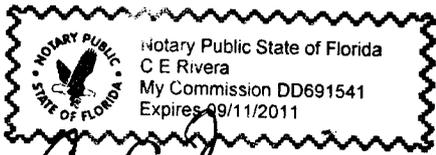
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OATH OR AFFIRMATION

I, Juan C. Suarez, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of ICD 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:

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



C. E. Rivera  
Notary Public

Juan C. Suarez  
Signature  
PRINCIPAL  
Title

This report \*\* contains (check all applicable boxes):

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Changes in Financial Condition.
- (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.

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

**ICD Securities, Inc.**  
**Financial Statements**  
**December 31, 2008**

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## Independent Auditor's Report

To the Stockholders and Board of Directors  
ICD Securities, Inc.  
Miami, Florida

We have audited the accompanying statement of financial condition of ICD Securities, Inc. (the "Company" – an S Corporation) as of December 31, 2008 and the related statements of income and changes in retained earnings, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States 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 ICD Securities, Inc. as of December 31, 2008 and the results of its operations and its cash flows for the years 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 Schedule 1a - computation of net capital under rule 15c3-1 of the Securities and Exchange Commission, Schedule 1b – reconciliation of the computation of net capital under rule 15c3-1 of the Securities and Exchange Commission, and Schedule 2 – computation for determination of reserve requirements under rule 15c3-3 of the Securities and Exchange Commission are presented for purposes of additional analysis and are not a required part of the basic financial statements, but is supplementary information required by rules 15c3-1, 15c3-3, and 17a-5 under 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.

***Berenfeld, Spritzer, Schechter & Sheer, LLP***

**Berenfeld Spritzer Shechter & Sheer LLP**  
Coral Gables, Florida  
February 27, 2009

**ICD Securities, Inc.**  
**Statement of Financial Condition**  
**December 31, 2008**

Assets	
Cash	\$ 413,361
Prepaid expenses	<u>8,150</u>
Total Assets	<u>\$ 421,511</u>

**Liabilities and Stockholders' Equity**

Liabilities	
Accounts payable and accrued expenses	<u>\$ 141,083</u>
Common stock, \$0.10 par value, 1,000 shares authorized, issued and outstanding	100
Additional paid-in capital	71,900
Retained earnings	<u>208,428</u>
Total Stockholders' Equity	<u>280,428</u>
Total Liabilities and Stockholders' Equity	<u>\$ 421,511</u>

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

**ICD Securities, Inc.**  
**Statement of Income and Changes in Retained Earnings**  
**For the Year Ended December 31, 2008**

Commissions and fees	<u>\$ 2,102,651</u>
Expenses	
Clearing and underwriting fees	232,999
Commissions	570,362
Dues and subscriptions	72,301
Insurance	2,616
Licenses and permits	1,194
NACI fees and charges	4,007
Office expenses	68,843
Professional fees	15,740
Referral fees	285,841
Rent	13,000
Salaries	606,044
Telephone	3,700
Travel and entertainment	1,438
Other general and administrative expenses	<u>20,784</u>
Total operating expenses	<u>1,898,869</u>
Income from operations	<u>203,782</u>
Other income	
Interest income	3,447
Other income	<u>680</u>
Total other income	<u>4,127</u>
Net income	207,909
Retained earnings, beginning of year	16,769
Distributions	<u>(16,250)</u>
Retained earnings, end of year	<u><u>\$ 208,428</u></u>

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

**ICD Securities, Inc.**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2008**

Cash Flows from Operating Activities	
Net income	\$ 207,909
Adjustments to reconcile net income to net cash provided by operating activities:	
Change in operating assets and liabilities:	
Prepaid expenses	(1,150)
Accounts payable	<u>126,730</u>
Net cash provided by operating activities	<u>333,489</u>
Cash Flows from Financing Activities	
Repayment of advances to related party	(8,500)
Distributions	<u>(16,250)</u>
Net cash used in financing activities	<u>(24,750)</u>
Net increase in cash	308,739
Cash, beginning of year	<u>104,622</u>
Cash, end of year	<u><u>\$ 413,361</u></u>
Supplemental Disclosure of Cash Flow Information:	
Cash paid during the year for interest	<u><u>\$ -</u></u>

**ICD Securities, Inc.**

**Notes to Financial Statements**

**December 31, 2008**

**Note 1 – Nature of Organization and Summary of Significant Accounting Policies**

**Nature of Organization**

ICD Securities, Inc. (the “Company”) was incorporated in November 2004 pursuant to the laws of the State of Florida. The Company is a broker-dealer registered with the Securities and Exchange Commission (“SEC”) and is a member of the National Association of Securities Dealers (“NASD”).

The Company is engaged in the sale of fixed income securities, such as FDIC insured certificates of deposit, government securities, FNMA, and FHLMC. The Company operated pursuant to the exemptive provisions of Subparagraph (K)(2)(ii) of SEC Rule 15c3-3. Transactions with the public and others in these securities are cleared on a fully disclosed basis with Sterne Agee, a clearing broker-dealer. All funds received and disbursed in connection with these transactions flow directly between the Company’s customer and the clearing broker-dealer acting as agent for the Company. The Company does not hold or have access to the securities or funds of its customers.

**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 disclosures of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**The following is a summary of the Company’s significant accounting policies:**

**Revenue Recognition**

Commissions and fees are recognized as revenue as the related securities transactions occur.

**Income Taxes**

The Company, with the consent of its shareholders, has elected under the Internal Revenue code to be an “S” corporation. In lieu of corporation income taxes, the shareholder of an “S” corporation is taxed on his proportionate share of the Company’s taxable income. Therefore, the accompanying financial statements do not contain provisions or liabilities for federal income taxes.

**ICD Securities, Inc.**

**Notes to Financial Statements**

**December 31, 2008**

**Note 2 – Cash**

Cash includes a minimum deposit requirement of \$15,000 maintained with the clearing broker/dealer.

**Note 3 – Related Party Transactions**

For the year ended December 31, 2008, commission expense included \$144,058 to entities related by common ownership. The Company paid commissions of \$78,558 to the related entities during the year ended December 31, 2008. As of December 31, 2008, commission payable to these related entities was \$74,000.

**Note 4 – 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 counterparties.

**Note 5 – Regulatory Requirements**

**Net Capital Requirement**

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC Rule 15c3-1), which requires the maintenance of minimum net capital based upon the activity of the Company in accordance with SEC Rule 15c3-1. The Company understands that the minimum net capital must be maintained on a daily basis and adequate excess net capital should be available as a safety margin. The Company formally computes net capital on a monthly basis unless proximity to the minimum net capital requirement constitutes otherwise. Under the computation provided by the Uniform Net Capital Rule, the Company is required to maintain "net capital" equal to the greater of \$5,000 or 6 2/3% of "aggregate indebtedness," as those terms are defined in the Uniform Net Capital Rule. At December 31, 2008, the Company had excess net capital of \$271,022.

**Reserve Requirement**

The Company is exempt from the provisions of Rule 15c3-3 of the Securities Exchange Act of 1934 (reserve requirement for brokers and dealers) in that the Company does not hold funds or securities for customers and all transactions are cleared on a fully disclosed basis through a clearing broker-dealer.

**ICD Securities, Inc.**  
**Schedule 1a - Computation of Net Capital**  
**Under Rule 15c3-1 of the Securities and Exchange Commission**  
**December 31, 2008**

Net Capital	
Total stockholders' equity	\$ 280,428
Deduct stockholders' equity not allowable for net capital	<u>-</u>
Total stockholders' equity qualified for net capital	280,428
Deductions and/or charges:	
Non-allowable assets:	
Securities not readily marketable	<u>-</u>
Tentative net capital	280,428
Haircuts on securities	<u>-</u>
Net capital	<u><u>\$ 280,428</u></u>
Aggregate Indebtedness	
Items included in the statement of financial condition:	
Accounts payable	<u>\$ 141,083</u>
Total aggregate indebtedness	<u><u>\$ 141,083</u></u>
Computation of Basic Net Capital Requirement	
A - Minimum net capital required 6 2/3% of aggregate indebtedness	<u><u>\$ 9,406</u></u>
B - Minimum dollar net capital requirement	<u><u>\$ 5,000</u></u>
Net capital required (higher of A or B above)	<u><u>\$ 9,406</u></u>
Excess Net Capital	<u><u>\$ 271,022</u></u>
Excess Net Capital at 1,000 percent	<u><u>\$ 266,320</u></u>
Ratio: Aggregate Indebtedness to Net Capital	<u><u>0.50 :1</u></u>

**ICD Securities, Inc.**

**Schedule 1b - Reconciliation of the Computation of Net Capital**  
**Under Rule 15c3-1 of the Securities and Exchange Commission**

**December 31, 2008**

Unaudited Net Capital Reported on Focus Report	<u>\$ 277,038</u>
Adjustments:	
Correction of prepaid expenses	8,150
Correction of accounts payable	<u>(4,760)</u>
Total adjustments	<u>3,390</u>
Audited Net Capital Reported on Statement of Financial Condition	<u><u>\$ 280,428</u></u>

**ICD Securities, Inc.**

**Schedule 2 - Computation for Determination of Reserve Requirements**

**Under Rule 15c3-3 of the Securities and Exchange Commission**

**December 31, 2008**

Credit balances:

Free credit balances and other credit balances in customers' security accounts	\$	-
Monies borrowed collateralized by securities carried for the accounts of customers		-
Monies payable against customers' securities loaned		-
Customers' securities failed to receive		-
Credit balances in firm accounts which are attributable to principal sales to customers		-
Market value of stock dividends, stock splits, and similar distributions receivable outstanding over 30 calendar days		-
Market value of short security count differences over 30 calendar days old		-
Market value of short securities and credits (not to be offset by "longs" or by debits) in all suspense accounts over 30 calendar days		-
Market value of securities which are in transfer in excess of 40 calendar days and have not been confirmed to be in transfer by the transfer agent or the issuer during the 40 days		-
		<hr/>
Total credit items		<hr/>

Debit balances:

Debit balances in customers' cash and margin accounts excluding unsecured accounts and accounts doubtful of collection net of deductions pursuant to rule 15c3-3		-
Securities borrowed to effectuate short sales by customers and securities borrowed to make delivery on customers' securities failed to deliver		-
Failed to deliver of customers' securities not older than 30 calendar days (including debit balances in continuous net settlement accounts) pursuant to rule 15c3-3		-
Other		-
		<hr/>
Total debit items		<hr/>

Reserve computation:

Excess of total debits over total credits	\$	-
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Required deposit

None

There were no differences between this computation for determination of reserve requirements and the corresponding computation prepared by ICD Securities, Inc. and included in its unaudited Part II Focus Report filing as of the same date, which differences are considered to be material.

**Report on Internal Control Required by Securities and Exchange Commission ("SEC")  
Rule 17a-5 for a Broker-Dealer Claiming an Exemption from SEC Rule 15c3-3**

To the Board of Directors  
ICD Securities, Inc.  
Miami, Florida

In planning and performing our audit of the financial statements and supplemental schedules of ICD Securities, Inc. (the "Company"), 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 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 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

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 purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures, as described in the second paragraph of this report, were adequate at December 31, 2008, to meet the SEC's objectives.

This report is intended solely for the 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.

***Berenfeld, Spritzer, Schechter & Sheer, LLP***

**Berenfeld, Spritzer, Shechter & Sheer, LLP**  
Coral Gables, Florida  
February 27, 2009

**2525 Ponce de Leon Boulevard  
Fifth Floor  
Coral Gables, FL 33134**

**401 East Las Olas Boulevard  
Suite 1090  
Fort Lauderdale, FL 33301**

**[www.berenfildllp.com](http://www.berenfildllp.com)**

**ICD Securities, Inc.**

**Financial Statements**

**December 31, 2008**