

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

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



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

Mail Processing
Section
FEB 17 2009

SEC FILE NUMBER
8-36754

FACING PAGE
Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

Washington, DC

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: MARSCO INVESTMENT CORPORATION

OFFICIAL USE ONLY
FIRM I.D. NO.

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

101 EISENHOWER PARKWAY
ROSELAND NJ 07068
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
MARK E. KADISON, CEO (973) 228-2886
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*
ACQUAVELLA, CHIARELLI, SHUSTER, BERKOWER & CO., LLP

517 ROUTE 1 SOUTH ISELIN NJ 08830
(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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*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, MARK E. KADISON, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of MARSCO INVESTMENT CORPORATION, as of DECEMBER 31, 20 08, 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:

ELIZABETH LEE BROWN
NOTARY PUBLIC OF NEW JERSEY
Commission Expires 4/15/2013


Signature

CEO
Title

Elizabeth Lee Brown
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 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).

MARSCO INVESTMENT CORPORATION
STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2008

MARSCO INVESTMENT CORPORATION

CONTENTS

Independent Auditors' Report	1
Statement of Financial Condition	2
Notes to Financial Statements	3-5

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New York, NY 10004
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholders of
Marsco Investment Corporation:

We have audited the statement of financial condition of **Marsco Investment Corporation** as of December 31, 2008. This financial statement is 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 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 financial statements referred to above present fairly, in all material respects, the financial position of **Marsco Investment Corporation** as of December 31, 2008 in conformity with accounting principles generally accepted in the United States of America.

Acquavella, Chiarelli, Shuster, Berkower & Co., LLP

Iselin, New Jersey
February 4, 2009

MARSCO INVESTMENT CORPORATION

STATEMENT OF FINANCIAL CONDITION

December 31, 2008

ASSETS

Cash and cash equivalents	\$ 1,303,253
Cash segregated under federal regulations	14,146,987
Deposits with clearing organization	260,000
Receivables from customers	3,011,042
Property and equipment at cost, less accumulated depreciation of \$24,978	3,552
Other assets	3,856
	<hr/>
Total assets	\$ 18,728,690

LIABILITIES AND STOCKHOLDERS' EQUITY

Liabilities

Payables to:	
Customers	\$ 16,925,729
Broker-dealers	5,602
Accrued expenses and other liabilities	132,771
	<hr/>
Total liabilities	17,064,102

Stockholders' equity

Common stock, no par value; 2,500 shares authorized, issued and outstanding	24,815
Additional paid-in-capital	695,000
Retained earnings	944,773
	<hr/>
Total stockholders' equity	1,664,588
	<hr/>
Total liabilities and stockholders' equity	\$ 18,728,690

See accompanying notes to financial statements.

1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Marsco Investment Corporation (the "Company") is a broker-dealer registered with the Securities and Exchange Commission ("SEC") and is a member of the Financial Industry Regulatory Authority ("FINRA") and the Municipal Securities Rulemaking Board ("MSRB"). The Company is a self-clearing broker-dealer and member of the Depository Trust and Clearing Corporation ("DTCC"). The company's principal business is that of a discount securities broker, whereby it executes orders on behalf of its customers and provides financing for such transactions.

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Securities Transactions

Customers' securities transactions and related income and expenses are recorded on a settlement date basis adjusted for trade date if material.

The Company continues to report assets it has pledged as collateral in secured borrowings and other arrangements when the secured party cannot sell or repledge the assets.

Depreciation and Amortization

Property and equipment are stated at cost. Depreciation is computed primarily using the straight-line method over the estimated useful lives of the related assets.

Income Taxes

The Company has elected S corporation status under Section 1362 of the Internal Revenue Code. Corporate income is therefore recognized by the stockholders and taxed on their individual federal income tax returns. Consequently no provision has been made in these financial statements. The Company also elected S corporation status in the State of New Jersey. Provision has been made for the Company's share of the State Corporation Business Tax.

Advertising

Advertising costs are expensed as incurred. Advertising expense totaled \$216,766 for the year ended December 31, 2008.

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, at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Cash Segregated Under Federal Regulations

Cash of \$14,146,987 was segregated for the exclusive benefit of customers at December 31, 2008, under the provisions of SEC Rule 15c3-3.

3. Property and Equipment, Net

Property and equipment consist of the following:

Furniture and equipment	\$28,530
Less: Accumulated depreciation	<u>(24,978)</u>
	<u>\$ 3,552</u>

Depreciation expense for the year ended December 31, 2008 was \$4,695.

4. Financial Instruments with Credit Risks and Other Off-Balance-Sheet Risk

In the normal course of business, the Company executes, as agent, securities transactions on behalf of its customers. If either the customer or a counterparty fails to perform, the Company may be required to discharge the obligations of the nonperforming party. In such circumstances, the Company may sustain a loss if the market value of the security is different from the contract value of the transaction.

In the normal course of business, the Company may pledge or deliver customer securities as collateral in support of various secured financing sources such as bank loans and securities loaned. In the event that the counterparty is unable to meet its contracted obligation and return customer securities pledged as collateral, the Company may be obligated to purchase the security in order to return it to the owner. In such circumstances, the Company may incur a loss up to the amount by which the market value of the security exceeds the value of the loan or other collateral received or in the possession and control of the Company.

The Company has a nationwide retail customer base. The Company conducts business with brokers and dealers, clearing organizations and depositories that are primarily located in the New York area. The majority of the Company's transactions and, consequently, the concentration of its credit exposures, are with customers, broker-dealers and other financial institutions in the United States. These transactions result in credit exposure in the event that the counterparty fails to fulfill its contractual obligations. The Company seeks to control its credit risk through a variety of reporting and control procedures, including establishing credit limits based upon a review of the counterparty's financial condition and credit ratings.

The Company monitors required margin and collateral levels daily and controls its risk exposure on a daily basis through financial, credit and legal reporting systems and, accordingly, believes that it has effective procedures for evaluating and limiting the credit and market risks to which it is subject.

5. Commitments

The Company has a credit line of \$10,000,000 under a brokerage credit agreement all of which was available at December 31, 2008. Borrowing under the credit line incurs interest, payable monthly. Borrowings are due on demand and secured by customer securities pledged by the Company. During 2008, the company had advances under the line that were fully repaid by December 31, 2008.

The Company leases its office facilities under an agreement that expires on May 31, 2009. The lease contains provisions for escalations based on increases in certain costs incurred by the lessor. The Company renewed its lease under a new agreement expiring on July 31, 2014.

5. Commitments (Continued)

Future minimum lease payments are as follows:

Year Ended	
December 2009	\$ 50,592
December 2010	49,340
December 2011	53,825
December 2012	55,081
December 2013	55,978
Thereafter	<u>32,654</u>
	<u>\$297,470</u>

Rent expense and occupancy costs were \$58,662 for the year ended December 31, 2008.

6. Net Capital Requirements

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC Rule 15c3-1). Under the alternate method permitted by this rule, net capital, as defined, shall not be less than 2% of aggregate debit items arising from customer transactions. At December 31, 2008, the Company has net capital of \$1,657,180, which was \$1,407,180 in excess of its required net capital of \$250,000. The Company's ratio of aggregate debit balances to net capital was 1.67 to 1.

7. Litigation

Several lawsuits have arisen in the normal course of business. It is management's belief after consultation with counsel, that the ultimate resolution of these actions will not have a material adverse effect on the financial position of the Company.

8. Recently Issued Accounting Pronouncements

In June 2006, the Financial Accounting Standards Board ("FASB") issued Interpretation No. 48, *Accounting for Uncertainty in Income Taxes – an interpretation of the FASB Statement No. 109* ("FIN 48"). FIN 48 permits an entity to recognize the benefits of an uncertain tax position only where the position is "more likely than not" to be sustained in the event of examination by tax authorities. The maximum tax benefit recognized is limited to the amount that is more than 50% likely to be realized upon ultimate settlement. In December 2008, the FASB issued FASB Staff Position ("FSP") No. FIN 48-3, *Effective Date of FASB Interpretation No. 48 for Certain Nonpublic Enterprises*. The proposed FSP amends FIN 48 by deferring implementation of FIN 48 to fiscal years beginning after December 15, 2008 for nonpublic enterprises. The FASB also believes this deferral will give it time to amend the disclosure requirements of FIN 48 for nonpublic enterprises. Therefore, the Company has deferred implementation of FIN 48 until the fiscal year beginning January 1, 2009.

The Company evaluates positions taken or expected to be taken in a tax return and recognizes in the financial statements when it is more likely than not that the position would be sustained upon examination by tax authorities. A recognized tax position is then measured at the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement. Upon adoption, the cumulative effect of applying the recognition and measurement provisions of FIN 48, if any, would be reflected as an adjustment to the opening balance of the Company's net income.

END