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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**

SEC FILE NUMBER
8- 67483

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 1/1/2008 AND ENDING 12/31/2008
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Intermerchant Securities LLC

OFFICIAL USE ONLY
FIRM I.D. NO.

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

126 E 56 Street 2nd floor

New York

(No and Street)

New York

10022

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Gregg Lerman 212 710 8801

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

DePietto CPAS PC

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

1981 Marcus Ave Suite C114

Lake Success, NY 11042

(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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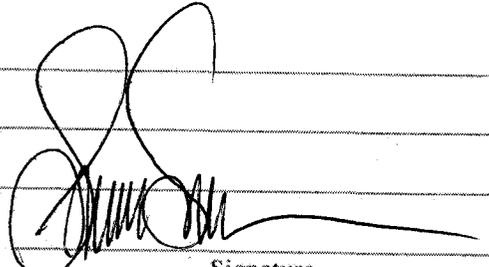
AB
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OATH OR AFFIRMATION

I, Gregg Lerman, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Intermerchant Securities LLC of Feb. 23, 20 09, 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:

LISA MOLLICA
NOTARY PUBLIC-STATE OF NEW YORK
No. 01MO6167967
Qualified in New York County
My Commission Expires June 04, 2011


Notary Public


Signature
President
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).

INTERMERCHANT SECURITIES, LLC

Table of Contents

December 31, 2008

	<u>Pages</u>
INDEPENDENT AUDITOR'S REPORT	1
Statement of Financial Condition – December 31, 2008	2
Statement of Income (Loss) - For the Period Ended December 31, 2008	3
Statement of Changes in Member Equity – For the Period Ended December 31, 2008	4
Statement of Cash Flows – For the Period Ended December 31, 2008	5
Computation of Net Capital under SEC Rule 15c3-1	6
Notes to Financial Statements	7-9
Independent Auditors' Report on Internal Accounting Control Required by Sec Rule 17a-5	10-11

INDEPENDENT AUDITORS' REPORT

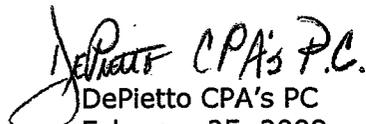
To the Member of
InterMerchant Securities, LLC

We have audited the accompanying statement of financial condition of InterMerchant Securities, LLC as of December 31, 2008 and the related statements of income, changes in equity, and cash flows for the period 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 audits.

We conducted our audit in accordance with generally accepted auditing standards. 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 InterMerchant Securities, LLC as of December 31, 2008, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental information is 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 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.


DePietto CPA's PC
February 25, 2009

INTERMERCHANT SECURITIES, LLC
STATEMENT OF FINANCIAL CONDITION

December 31, 2008

ASSETS

Current Assets

Cash	\$ 179,278	
Commissions receivable	72,578	
Prepaid expenses	<u>15,300</u>	

Total Current Assets		267,156
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Property, Plant & Equipment (net of accumulated depreciation of \$13,399)		6,602
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Other Assets

Security deposits	\$ 2,765	
Other receivables	<u>4,900</u>	

Total Other Assets		<u>7,665</u>
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TOTAL ASSETS

\$ 281,423

LIABILITIES AND EQUITY

Current Liabilities

Accounts payable	\$ 55,474	
Total Current Liabilities	<u>55,474</u>	

Member Equity

Member equity	(2,862)	
Member contribution	1,165,613	
Accumulated deficit	<u>(936,802)</u>	

Total Member Equity		<u>225,949</u>
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TOTAL LIABILITIES AND EQUITY

\$ 281,423



INTERMERCHANT SECURITIES, LLC
STATEMENT OF INCOME(LOSS)
For the Period Ended December 31, 2008

Revenues:

Commissions	\$ 1,212,964
Interest income	4,265
	<hr/>
Total Revenues	1,217,229

Expenses:

Bank service charges	175
Clearing fees	94,945
Commissions	12,377
Computer expense	36,569
Continuing education	1,089
Depreciation expense	4,400
Dues & Subscriptions	8,500
Filing fees	325
Guaranteed payments to partners	60,000
Insurance	103,834
Legal & Accounting fees	17,975
Office expense	19,936
Outside service	109,843
Payroll tax expense	59,905
Payroll processing fees	3,741
Postage & Delivery	8,335
Professional fees	28,770
Regulatory expense	7,061
Rent	152,062
Salaries	795,722
Telephone & Utilities	50,649
Travel & Entertainment	24,380
Total expenses	<hr/> 1,600,593

Net Loss

\$ (383,364)

INTERMERCHANT SECURITIES, LLC

STATEMENT OF CHANGES IN MEMBER EQUITY

For the period ended December 31, 2008

	Member Equity	Member Contribution	(Accumulated Deficit)	Total
Balances - Beginning of year	\$ (2,862)	\$ 695,613	\$ (553,438)	\$ 139,313
Member contribution	-	470,000		470,000
Net Loss			(383,364)	(383,364)
Balances - at December 31, 2008	\$ (2,862)	\$ 1,165,613	\$ (936,802)	\$ 225,949

INTERMERCHANT SECURITIES, LLC
STATEMENT OF CASH FLOWS
For the Period Ended December 31, 2008

Cash Flows from Operating Activities:	
Net Loss	\$ (383,364)
Adjustments to reconcile net income to net cash flows from operating activities:	
Depreciation expense	4,400
Increase in commissions receivable	(27,190)
Increase in prepaid expenses	(15,300)
Increase in other receivables	(4,900)
Increase in accounts payable	<u>19,822</u>
Net Cash Provided by Operating Activities	<u>(406,532)</u>
Cash Used by Investing Activities:	
	<u>-</u>
Net Cash Used by Investing Activities	-
Cash Flows from Financing Activities:	
Member contribution	<u>470,000</u>
Net Cash Provided by Financing Activities	<u>470,000</u>
Net Increase in Cash	63,468
Cash - Beginning of year	<u>115,810</u>
Cash - End of Period	<u><u>\$ 179,278</u></u>

INTERMERCHANT SECURITIES, LLC
Notes to Financial Statements
December 31, 2008

NOTE 1: Nature of Business

Organization

InterMerchant Securities, LLC (The "Company") was organized in the State of New York. The company is a member firm in the Financial Industry Regulatory Authority (FINRA). The company operates as a full service broker/dealer since June 1, 2007 and is licensed in twenty two states.

NOTE 2: Summary of Significant Accounting Policies

a) Revenue Recognition

Revenue is recognized as transactions are cleared through the third party escrow account and shares are delivered to investors.

b) Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Company considers demand deposited money market funds and U.S. treasury obligations to be cash and cash equivalents.

Concentration of Credit Risk

Financial instruments that potentially subject the organization to concentrations of credit risk consist of cash accounts in financial institutions, which at certain times exceed federally insured limits. At December 31, 2008, the consolidated accounts did not exceed insured limits.

c) Income Taxes

The company operates as a partnership limited liability company for tax purposes. All income and losses are reported by its members on their related income tax returns. Therefore, all income taxes are the responsibility of the sole member. At December 31, 2008 the company operated at a loss and no accrual for New York City unincorporated business tax was needed.

d) Property and Equipment

Furniture, fixtures and equipment are carried at cost. Depreciation is provided by using the modified accelerated cost recovery system (MACRS) over an estimated useful life of three to ten years. The method is used for book and tax purposes and does not differ materially from Generally Accepted Accounting Principle (GAAP) depreciation methods.

INTERMERCHANT SECURITIES, LLC
Notes to Financial Statements
December 31, 2008

NOTE 2: Summary of Significant Accounting Policies

d) Property and Equipment(continued)

Maintenance, repairs and renewals that neither materially add to the value of the property nor appreciably prolong its life are charged to expense as incurred. Gains and losses on disposition of property and equipment are included in income.

e) Use of Estimates in the Preparation of Financial Statements

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that management uses.

NOTE 3: Minimum Net Capital Requirements

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c3-1) which requires broker dealers to maintain minimum net capital. The ratio of aggregate indebtedness to net capital, shall not exceed 15 to 1 for ongoing concerns. As per page 6, the company's current requirement is \$50,000. At December 31, 2008, the Company had a net capital of \$202,984 which was \$152,984 in excess of its required net capital of \$50,000. The Company's net capital ratio was .27 to 1.

NOTE 4: Concentration of Funds

The company does not maintain inventory of stocks, bonds or other security positions at risk.

NOTE 5: Disclosure of Statement of Financial Condition

A statement indicating that the Statement of Financial Condition of the most recent annual audit report of the broker or dealer pursuant to sec. 240.17a-5 is available for examination at the principal office of the broker or dealer and the regional or district office of the Securities & Exchange Commission for the region or district in which the broker or dealer has its principal place of business.

INTERMERCHANT SECURITIES, LLC
Notes to Financial Statements
December 31, 2008

NOTE 6: Exemption Provisions

The Company has elected an exemption from Rule 15c3-3 based on section(2)(ii), which states "All customer transactions cleared through another broker-dealer on a fully disclosed basis.

NOTE 7: Commitment and Contingencies

Future lease payments on the rental of office space are as follows:

<u>Year</u>	<u>Rent expense</u>
2009	\$ 176,275

The rent expense at December 31, 2008 was \$ 152,062.

INTERMERCHANT SECURITIES, LLC
COMPUTATION OF NET CAPITAL
Under SEC Rule 15c3-1
For the Period Ended December 31, 2008

NET CAPITAL

Equity	\$ 225,949
Deductions and/or charges Non-allowable assets:	
Total non-allowable assets	<u>22,965</u> <u>22,965</u>
Tentative Net Capital	202,984
Haircuts	<u>0</u>
Net Capital (15c3-1)	<u>\$ 202,984</u>

AGGREGATE INDEBTEDNESS

Items included in statement of financial condition:	
Accounts payable	<u>\$ 55,474</u>
Total indebtedness	<u>\$ 55,474</u>

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Minimum net capital requirement	<u>\$ 50,000</u>
Excess net capital	<u>\$ 152,984</u>
Ratio: Aggregate indebtedness to net capital	<u>.27 to 1</u>

DIFFERENCES TO NET CAPITAL COMPUTATION OF ORIGINAL FOCUS FILING IN ACCORDANCE TO RULE 17a-5(a):

	Original Filing X-17A-5	Per. Cert. Financial Report	Differences in Filing vs Financial
Total Net Assets	\$ 281,604	\$ 281,423	\$ (181)
Total Liabilities	\$ 59,825	\$ 55,474	\$ (4,351)
Ownership Equity	221,779	225,949	4,170
Total Liabilities & Equity	<u>\$ 281,604</u>	<u>\$ 281,423</u>	<u>\$ (181)</u>

The differences are due to accrual and posting adjustments made at year end 12/31/2008.



DePietto CPA's PC
1981 Marcus Avenue, Suite C114
Lake Success, NY 11042
516-326-9200 (office)
516-326-1100 (fax)

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL

To the Member of
InterMerchant Securities, LLC

In planning and performing our audit of the financial statements of InterMerchant Securities, LLC for the year ended December 31, 2008; we considered its internal control, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the 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 (including tests of compliance with such practice and procedures) followed by Intermerchant Securities, LLC that we considered relevant to the objectives stated in Rule 17a-5(g)(1) 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 15c-3-3.

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 can be expected to achieve the SEC's above mentioned objectives.

Two of the objectives of an internal control and 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, or the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projections 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.

Our consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions, except for:

The size of the business and resultant limited number of employees imposes practical limitations on the effectiveness of those internal control structure procedures that depend on the segregation of duties. Since this condition is inherent in the size of the Company, the specific weaknesses are not described herein and no corrective action has been taken or proposed by the Company.

The foregoing condition was considered in determining the nature, timing and extent of the procedures to be performed in our audit of the financial statements of InterMerchant Securities, LLC for the year ended December 31, 2008 and this report does not affect our report thereon dated February 25, 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. Based on this understanding and on our study, we believe that except for the effect, if any, of the condition indicated in the preceding paragraph, 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 use of management and the Securities and Exchange Commission, the Financial Industry Regulatory Authority and other regulatory agencies which rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers/dealers and should not be used by anyone other than these specified parties.

 CPA's P.C.
DePietto CPA's PC

Lake Success, New York
February 25, 2009

See accompanying Independent Auditors' Report.

INTERMERCHANT SECURITIES, LLC

Financial Statements

December 31, 2008