REPORT FOR THE PERIOD BEGINNING JANUARY 1, 2008 AND ENDING DECEMBER 31, 2008

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: DERMOTT W. CLANCY CORP.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P. O. Box No.)
c/o GETTENBERG CONSULTING – 40 WALL STREET – 34TH FLOOR

NEW YORK NEW YORK 10005

City State Zip Code

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

ALAN KRIM (212) 668-8700

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

LERNER & SIPKIN, CPAs, LLP

132 Nassau Street, Suite 1023 New York NY 10038

X Certified Public Accountant

*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).

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.

SEC 1410 (06-02)
OATH OR AFFIRMATION

1. **DERMOTT W. CLANCY**, swear (or affirm) that, to the best of my knowledge and belief, the accompanying financial statement and supporting schedules pertaining to the firm of **DERMOTT W. CLANCY CORP.**, as of **DECEMBER 31, 2008**, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, member, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

**NONE**

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This report** contains (check all applicable box):

- [x] (a) Facing page.
- [x] (b) Statement of Financial Condition.
- [x] (c) Statement of Operations.
- [x] (d) Statement of Cash Flows.
- [x] (e) Statement of Changes in Stockholders’ Equity or Partners’ or Sole Proprietor’s Capital.
- [x] (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- [x] (g) Computation of Net Capital.
- [x] (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- [x] (i) Information Relating to the Possession or Control requirements under rule 15c3-3.
- [x] (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.
- [x] (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- [x] (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.
- (o) Independent Auditors’ Report.
NAME OF ORGANIZATION: ___________DERMOTT W. CLANCY CORP.______________

ADDRESS: __c/o GETTENBERG CONSULTING, 40 Wall Street-34TH Floor, New York, NY 10005____

DATE: _____________________________________________________________________________

DECEMBER 31, 2008

NEW YORK STOCK EXCHANGE, INC.
20 BROAD STREET - 23rd Floor
NEW YORK, N.Y. 10005

Attn: Member Firms Department

Gentlemen:

WE, THE UNDERSIGNED members or allied members of Dermott W. Clancy Corp.,
have caused an audit to be made in accordance with the prescribed regulations and have arranged
for the prescribed financial report based upon such audit.

We hereby certify that, to the best of our knowledge and belief, the accompanying financial
report prepared as of DECEMBER 31, 2008 represents a true and correct financial statement of
our organization and that the report will promptly be made available to those members and allied
members whose signatures do not appear below.

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________
I, DERMOIT W. CLANCY, swear that to the best of my knowledge and belief, the accompanying financial statements and supporting schedule(s) pertaining to the Firm of DERMOIT W. CLANCY CORP., as of DECEMBER 31, 2008, are true and correct. I further swear that neither the Company nor any partner, proprietor, principal officer, director or member has any proprietary interest in any account classified solely as that of customer, except as follows:

No Exceptions

__________________________
(Signature)

__________________________
(Title)

(Notary Public)
DERMOTT W. CLANCY CORP.
STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2008
DERMOTT W. CLANCY CORP.
STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2008

ASSETS

Cash and cash equivalents $ 71,503
Due from clearing broker 18,194
Commissions receivable 18,131
Securities owned - at market value (Note 4) 188,000
Fixed assets - net of accumulated depreciation of $21,628 (Note 2(d)) 7,000
Other assets 18,151

Total assets $ 320,979

LIABILITIES AND STOCKHOLDER'S EQUITY

Liabilities
Accounts payable and accrued expenses $ 135,691

Total liabilities 135,691

Commitments and Contingencies (Notes 6 and 7)

Stockholders' equity (Note 8)
Common stock, no par value, 200 shares authorized, 10 shares issued and outstanding. 100
Additional paid-in capital 196,171
Retained earnings (10,983)

Total stockholders' equity 185,288

Total liabilities and stockholders' equity $ 320,979

The accompanying notes are an integral part of this statement.
DERMOTT W. CLANCY CORP.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED
TO DECEMBER 31, 2008

Note 1 - Nature of Business
Dermott W. Clancy Corp., (The "Company") is a New York State corporation formed in September 2003, for the purpose of conducting business as a broker on the floor of the New York Stock Exchange. The Company is registered as a broker-dealer with the Securities and Exchange Commission ("SEC").

The Company operates under the provisions of Paragraph (k) (2) (ii) of Rule 15c3-3 of the Securities and Exchange Commission and, accordingly, is exempt from the remaining provisions of that rule. Essentially, the requirements of Paragraph (k) (2) (ii) provide that the Company clears all transactions on behalf of customers on a fully disclosed basis with a clearing broker/dealer, and promptly transmits all customer funds and securities to the clearing broker/dealer. The clearing broker/dealer carries all of the accounts of the customers and maintains and preserves all related books and records as are customarily kept by a clearing broker/dealer.

Note 2 - Summary of Significant Accounting Policies

a) Revenue Recognition
Securities transactions (and the recognition of related income and expenses) are recorded on a trade date basis. Commission income and related expense are recorded on a settlement date basis. There is no material difference between settlement date and trade date.

b) Income Taxes
The Company has elected to be treated as an "S" Corporation under the provisions of the Internal Revenue Code and New York State tax regulations. Under the provisions, the Company does not pay federal or state corporate income taxes on its taxable income. Instead, the stockholder is liable for individual income taxes on his respective share of the Company's taxable income. The Company continues to pay New York City general corporation taxes.

c) Cash and Cash Equivalents
The Company considers demand deposited money market funds to be cash equivalents. The Company maintains cash in bank accounts which, at times, may exceed federally insured limits or where no insurance is provided. The Company has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on cash and cash equivalents.

d) Use of Estimates
Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, and the reported amounts of revenues and expenses.

Note 3 - Profit Sharing Plan
The Company maintains a defined contribution plan covering substantially all employees. The Company contributes at the discretion of management, up to 15% of the eligible compensation. The Company's liability to the plan for the year ended December 31, 2008 was $-0-. 
DESMOTT W. CLANCY CORP.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

Note 4 - Securities Owned – At Market Value

Securities owned at quoted market values, are summarized as follows:

<table>
<thead>
<tr>
<th>Equities</th>
<th>$188,000</th>
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<td>$188,000</td>
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Note 5 - Related Party Transactions

The Company receives commissions from an entity whose 100% stockholder is the spouse of the Company’s 100% stockholder. In 2008, commissions of $280,685 were received from this entity. At December 31, 2008, $9,513 was due from this entity.

Note 6 - Commitments

Office Lease

The Company sub-leased its premises under a lease, which term was to end on February 28, 2009, from a related entity (Note 4). The lease was extended until August 31, 2009 under the same terms and conditions. Presently, the Company is occupying its premises on a month to month basis. For 2008, rent was being paid in the amount of $1,000 per month.

Note 7 - Financial Instruments with Off-Balance Sheet Credit Risk

As a securities broker, the Company is engaged in buying and selling securities for a diverse group of institutional investors. The Company introduces these transactions for clearance to another broker-dealer on a fully disclosed basis.

The Company's exposure to credit risk associated with non-performance of customers in fulfilling their contractual obligations pursuant to securities transactions can be directly impacted by volatile trading markets which may impair the customer's ability to satisfy their obligations to the Company and the Company's ability to liquidate the collateral at an amount equal to the original contracted amount. The agreement between the Company and its clearing broker provides that the Company is obligated to assume any exposure related to such non-performance by its customers. The Company seeks to control the aforementioned risks by requiring customers to maintain margin collateral in compliance with various regulatory requirements and the clearing broker's internal guidelines. The Company monitors its customer activity by reviewing information it receives from its clearing broker on a daily basis, and requiring customers to deposit additional collateral, or reduce positions, when necessary.
Note 8 - Net Capital Requirement

The Company is subject to the Securities and Exchange Commission 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, shall not exceed 1500%. At December 31, 2008, the Company had net capital of $105,673, which was $96,627 in excess of its required net capital of $9,046. The Company's net capital ratio was 128.41%.

A copy of the Firm's statement of Financial Condition as of December 31, 2008, pursuant to SEC Rule 17a-5, is available for examination at the Firm's office and at the regional office of the SEC.
INDEPENDENT AUDITORS’ REPORT

To the Officers and Directors of
Dermott W. Clancy Corp.
40 Wall Street – 38th floor
New York, NY 10005

We have audited the accompanying statement of financial condition of Dermott W. Clancy Corp. as of December 31, 2008. This financial statement is the responsibility of the Company’s management. Our responsibility is to express an opinion on the statement of financial condition based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards required that we plan and perform the audit to obtain reasonable assurance about whether the statement of financial condition is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial condition. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement of financial condition 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 Dermott W. Clancy Corp. as of December 31, 2008, in conformity with accounting principles generally accepted in the United States of America.

Lerner & Sipkin, CPAs, LLP
Certified Public Accountants (NY)

New York, NY
February 12, 2009