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DEPARTMENT OF MARKET REGULATION

SECURITIES AND EXCHANGE COMMISSION



09059986

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

OMB APPROVAL 3235-0123  
OMB Number:  
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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: Langdon Shaw Securities, Inc.  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

OFFICIAL USE ONLY  
FIRM I.D. NO.

320 North Meridian Street, Ste. 908

(No. and Street)

Indianapolis,

IN

46204

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
Bill Shaw (317) 634-7272

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

Price & Gartrell, P.C.

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

8465 Keystone Crossing, Ste 195 Indianapolis, IN 46240

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

Certified Public Accountant

Public

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)

OATH OR AFFIRMATION

I, Bill Shaw, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Langdon Shaw 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:

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

William Shaw  
Signature  
President  
Title

Mary Imel  
Notary Public

MARY IMEL, NOTARY PUBLIC  
MY COMMISSION EXPIRES: 11-16-2011  
COUNTY OF RES DENCE: SHELBY

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 I 5c3-3.
- (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.
  - (in) 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).

LANGDON SHAW SECURITIES, INC.  
FINANCIAL STATEMENTS

DECEMBER 31, 2008

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# PRICE & GARTRELL, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors  
Langdon Shaw Securities, Inc.  
Indianapolis, Indiana

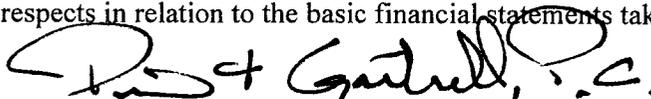
## Independent Auditor's Report

We have audited the accompanying statement of financial condition of Langdon Shaw Securities, Inc., as of December 31, 2008, and the related statement of income, changes in stockholder's equity, changes in liabilities subordinated to claims of general creditors, and cash flows for the year then ended that you are filing pursuant to rule 17a-5 under the Securities Exchange Act of 1934. 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 have conducted our audit in accordance with generally accepted 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 condition of Langdon Shaw Securities, Inc. as of December 31, 2008 and the results of its operations and its cash flows for the year 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 on page 7 through 9 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 Act of 1934. Such information has been subjected to the auditing procedures applied in the examination 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.

  
PRICE & GARTRELL, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

February 14, 2009

Stephen D. Price, C.P.A.  
H. Lynn Gartrell, C.P.A.

Frank T. Crislip, Jr., C.P.A.  
Jason C. Lowe, C.P.A.

8465 KEYSTONE CROSSING, SUITE 195 • INDIANAPOLIS, INDIANA 46240  
(317) 257-4100 • FAX (317) 205-7005 • EMAIL [pgpc@pricegartrell.com](mailto:pgpc@pricegartrell.com)

LANGDON SHAW SECURITIES, INC.  
STATEMENT OF FINANCIAL CONDITION  
DECEMBER 31, 2008

ASSETS

Cash	\$	17,691
Cash on deposit with clearing broker		25,000
Accounts receivable		2,882
Other assets		
Money market accounts		21,820
Refundable income taxes		-
Total assets	\$	<u>67,393</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Liabilities

Accounts payable	\$	<u>1,739</u>
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Stockholders' equity

Common stock, no par value		
Authorized - 1,000 shares		
Issued and outstanding - 225 shares		56,500
Retained earnings		<u>51,404</u>
		107,904
Less 152 shares of treasury stock, at cost		<u>(42,250)</u>
		<u>65,654</u>
	\$	<u>67,393</u>

See accompanying notes to financial statements.

LANGDON SHAW SECURITIES, INC.  
STATEMENT OF INCOME  
FOR THE YEAR ENDED DECEMBER 31, 2008

REVENUE	
Commissions and fees	\$ 574,347
Interest	1,023
	<u>575,370</u>
EXPENSES	
Commissions	568,374
Fees and dues	2,169
Other operating expense	5,229
	<u>575,772</u>
Net income (loss) before taxes	(402)
Federal and Indiana tax refunded	<u>(1,401)</u>
Net income (loss)	<u>\$ 999</u>

See accompanying notes to financial statements.

LANGDON SHAW SECURITIES, INC.  
STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2008

Balance at January 1, 2008	\$ 50,405
Net income (loss)	<u>999</u>
Balance at December 31, 2008	<u>\$ 51,404</u>

See accompanying notes to financial statements.

LANGDON SHAW SECURITIES, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2008

Cash flows from operating activities	
Net income (loss)	\$ 999
Adjustments to reconcile net income to net cash provided by operating activities:	
Increase in accounts receivable	(437)
Increase in other assets	(12,540)
Decrease in accounts payable	<u>(549)</u>
Net cash used for operating activities	<u>(12,527)</u>
Net decrease in cash	(12,527)
Cash and cash equivalents at beginning of year	<u>30,218</u>
Cash and cash equivalents at end of year	<u>\$ 17,691</u>

See accompanying notes to financial statements.

LANGDON SHAW SECURITIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The company is a registered broker-dealer. All trades are cleared on a fully disclosed basis.

2. CAPITAL REQUIREMENTS

Pursuant to the Securities and Exchange Commission Uniform Net Capital Rule, the Company is required to maintain minimum net capital (\$ 50,000), as defined under Rule 15c3-1. At December 31, 2008, the Company had net capital of \$ 65,654.

3. EXEMPTION FROM RULE 15c3-3

The Company does not collect any customer funds. The Company does not hold any securities for its customers and it clears all transactions with a clearing broker or dealer. Accordingly, the Company meets the exemptive provisions of Rule 15c3-3.

4. RELATED PARTY TRANSACTIONS

The Company utilizes office space, equipment and personnel of a related organization (common stockholders) and, accordingly, incurred expenses paid to such firm amounting to approximately \$ 568,374 for 2008.

LANGDON SHAW SECURITIES, INC.  
COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1  
OF THE SECURITIES AND EXCHANGE COMMISSION  
DECEMBER 31, 2008

Net capital

Ownership equity per financial statements	\$ 65,654
Nonallowable assets	-
Haircuts	
Assets held by clearing broker	<u>436</u>
Net capital	<u>\$ 65,218</u>

LANGDON SHAW SECURITIES, INC  
COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1  
OF THE SECURITIES AND EXCHANGE COMMISSION  
DECEMBER 31, 2008

Aggregate indebtedness

Included in statement of financial condition

Accounts payable \$ 1,739

Computation of basis net capital requirement \$ 116

Minimum dollar net capital requirement of  
reporting broker or dealer \$ 50,000

Net capital requirement \$ 50,000

Excess net capital \$ 15,219

Excess net capital at 1,000% \$ 65,045

Ratio: aggregate indebtedness to net capital .02667 to 1

LANGDON SHAW SECURITIES, INC.  
COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1  
OF THE SECURITIES AND EXCHANGE COMMISSION  
DECEMBER 31, 2008

Reconciliation with Company's Computation (included in Part IIA of  
Form X-17A-5 as of December 31, 2008 )

Net capital, as reported in Company's Part II FOCUS report	\$ 65,654
Net capital per page 6	<u>65,654</u>
Difference - audit adjustment	<u>\$ -</u>

# PRICE & GARTRELL, P.C.

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CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors of  
Langdon Shaw Securities, Inc.  
Indianapolis, Indiana

In planning and performing our audit of the financial statements of Periculum Advisors, LLC, 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 as a basis for designing our audit 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 the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Companies 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 followed by the Company including consideration of control activities for safeguarding securities. This study included tests of compliance with such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g), in the following:

1. Making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under rule 17a-3(a)(11) and the reserve required by rule 15c3-3(e)
2. Making the quarterly securities examinations, counts, verifications, and comparisons, and recordation of differences required by rule 17a-13
3. 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
4. obtaining and maintaining physical possession or control of all fully paid and excess margin securities of customers as required by rule 15c3-3

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 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.

Stephen D. Price, C.P.A.  
H. Lynn Gartrell, C.P.A.

Frank T. Crislip, Jr., C.P.A.  
Jason C. Lowe, C.P.A.

8465 KEYSTONE CROSSING, SUITE 195 • INDIANAPOLIS, INDIANA 46240  
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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 the 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 and 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 Commission 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 and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Price & Gartrell P.C.". The signature is written in a cursive, flowing style with a large initial "P" and "G".

PRICE & GARTRELL, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

February 14, 2009