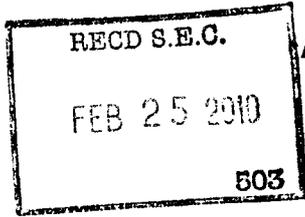




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STATES
CHANGE COMMISSION
Washington, D.C. 20549

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|---|-------------------|
| 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**

| |
|-----------------|
| SEC FILE NUMBER |
| 8. 34910 |

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 01/01/09 AND ENDING 12/31/09
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: The Sturges Company
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
5784 Royal Lytham

| |
|-------------------|
| OFFICIAL USE ONLY |
| FIRM I.D. NO. |

(No. and Street)
Dublin Ohio 43017
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Michael R. Sturges 614-761-0221
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*
Cohen Fund Audit Services, Ltd.

(Name - if individual, state last, first, middle name)
800 Westpoint Parkway Westlake Ohio 44145
(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)

19
3/3

KD
2/11

OATH OR AFFIRMATION

I, Michael R. Sturges, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of The Sturges Company, as of December 31, 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:

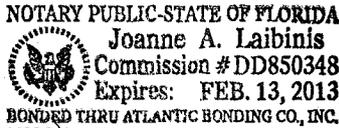
Handwritten signature of Michael R. Sturges over a line labeled 'Signature'.

President

Title

Handwritten signature of Joanne A. Laibinis.

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).

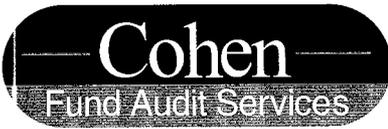
PUBLIC TREATMENT REQUESTED

THE STURGES COMPANY

DECEMBER 31, 2009

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Cohen Fund Audit Services, Ltd.
800 Westpoint Pkwy., Suite 1100
Westlake, OH 44145-1524

440.835.8500
440.835.1093 fax

www.cohenfund.com

SHAREHOLDER
THE STURGES COMPANY

Independent Auditors' Report

We have audited the accompanying statement of financial condition of The Sturges Company (the Company), as of December 31, 2009. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement 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 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 financial statement. 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 statement of financial condition referred to above presents fairly, in all material respects, the financial position of The Sturges Company, as of December 31, 2009, in conformity with accounting principles generally accepted in the United States of America.

Cohen Fund Audit Services

February 10, 2010
Westlake, Ohio

STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2009

ASSETS

| | | |
|---|----|----------------|
| CASH AND CASH EQUIVALENTS | \$ | 57,315 |
| PREPAID EXPENSES AND OTHER RECEIVABLES | | 2,010 |
| MARKETABLE SECURITIES OWNED AT FAIR VALUE | | <u>149,841</u> |
| | \$ | <u>209,166</u> |

LIABILITIES AND SHAREHOLDER'S EQUITY

LIABILITIES

| | | |
|--|----|----------------|
| ACCOUNTS PAYABLE AND ACCRUED EXPENSES | \$ | 8,666 |
| SUBORDINATED DEBT PAYABLE TO SHAREHOLDER | | <u>200,000</u> |
| | | <u>208,666</u> |

COMMITMENT

SHAREHOLDER'S EQUITY

COMMON STOCK

Stated value of \$5 per share

Authorized – 750 shares

Issued and outstanding – 100 shares

500

RETAINED EARNINGS

-
500\$ 209,166

The accompanying notes are an integral part of these statements.

NOTES TO THE FINANCIAL STATEMENTS

1. ORGANIZATION

The Sturges Company (the Company) is a broker-dealer registered with the Securities and Exchange Commission (SEC) and the State of Ohio and is a member of the Financial Industry Regulatory Authority (FINRA). The Company's principal business activity is the underwriting of securities which are generally secured by insured mortgage loans.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

The Company considers financial instruments with a maturity of less than 90 days to be cash equivalents.

Marketable Securities Owned

Marketable securities are valued at quoted market values.

Income Taxes

The Company has elected to be a qualified Subchapter S corporation within the provisions of Section 1362(a) of the Internal Revenue Code, which provide that the income of the Company will be taxed directly to its shareholder. Accordingly, no provisions for federal or state income taxes have been included in the accompanying financial statements.

Effective January 1, 2009, the Company adopted the provisions of FASB Accounting Standards Codification (ASC) 740-10, *Accounting for Uncertainty in Income Taxes*, which require recognition of and disclosures related to uncertain tax positions. Under the guidance, the Company assessed the likelihood, based on their technical merit, that tax positions will be sustained upon examination based on the facts, circumstances, and information available at the end of each period. The adoption had no effect on the Company's shareholder's equity. The Company is no longer subject to examination by U.S. federal tax authorities for tax years before 2006.

Accounting Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates that were used.

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

Management has evaluated subsequent events through February 10, 2010, the date the financial statements were available to be issued.

3. ASSETS MEASURED AT FAIR VALUE ON A RECURRING BASIS

The various inputs that may be used to determine the fair value of the Company's assets are summarized in three broad levels:

| | |
|---------|---|
| Level 1 | Quoted prices in active markets for identical securities |
| Level 2 | Other significant observable inputs (including quoted prices for similar securities, interest rates, credit risk, etc.) |
| Level 3 | Significant unobservable inputs (including the Company's own assumptions used to determine value) |

Generally, the Company utilizes quoted market prices, and other relevant information generated by market transactions, to measure fair value when available. If quoted prices are not available, fair values are measured using independent pricing models or other model-based valuation techniques. In certain cases, the Company may be required to make judgments about assumptions that market participants would use in estimating the fair value of financial instruments (Level 3 valuations).

Assets measured at fair value are comprised of the following at December 31, 2009:

| <u>Description</u> | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> |
|--------------------|----------------|----------------|----------------|
| Municipal bonds | \$ - | \$ 149,841 | \$ - |

4. SUBORDINATED BORROWINGS

At December 31, 2009, subordinated borrowings consisted of a subordinated note payable to a shareholder of the Company with a principal balance of \$200,000. Interest expense on outstanding borrowings amounted to approximately \$9,200 during the year ended December 31, 2009. The subordinated note bears interest at 4.75% per annum. The subordinated note matures in December 2013.

The subordinated borrowings are available in computing net capital under the SEC's uniform net capital rule. To the extent that such borrowings are required for the Company's continued compliance with minimum net capital requirements, they may not be repaid.

NOTES TO THE FINANCIAL STATEMENTS

5. NET CAPITAL PROVISION OF RULE 15c3-1

Pursuant to the net capital provisions of Rule 15c3-1 of the Securities Exchange Act of 1934, the Company is required to maintain a minimum net capital balance, as defined, under such provisions.

The Company's minimum capital requirement is the greater of \$100,000 or 6 $\frac{2}{3}$ % of aggregate indebtedness, as defined, under Securities and Exchange Commission Rule 15c3-1(a)(1)(i) and 15c3(a)(2)(vi), as it does not maintain customer accounts. Net capital may fluctuate on a daily basis. At December 31, 2009, the Company had net capital of \$195,493, which was \$95,493 in excess of its required net capital of \$100,000.

In addition to the minimum net capital provisions, Rule 15c3-1 requires that the Company maintain a ratio of aggregate indebtedness, as defined, to net capital, of not more than 15 to 1. At December 31, 2009, the ratio was .04 to 1.

SEC
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THE STURGES COMPANY
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2009

experienced.
responsive.