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MISSION

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

Mail Section

FEB 24 2010

SEC FILE NUMBER
8-66550

FACING PAGE

Washington, DC

**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 01/01/2009 AND ENDING 12/31/2009
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: PPHB Securities, LP
 ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
1900 Saint James Place, Suite 125
 (No. and Street)
Houston, TX 77056
 (City) (State) (Zip Code)

OFFICIAL USE ONLY
FIRM I.D. NO.

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
W. Allen Parks, Designated Principal & FINOP (713) 621-8100
 (Area Code -- Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Phillip V. George, PLLC
 (Name - if individual, state last, first, middle name)
4421 Wanda Lane Flower Mound, TX 75022-5446
 (Address) (City) (State) (Zip Code)

CHECK ONE:

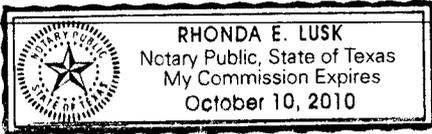
- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions.

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)

OATH OR AFFIRMATION

I, W. Allen Parks, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of PPHB Securities, LP, as of December 31, 2009, 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:



W. Allen Parks

Signature
W. Allen Parks,
Designated Principal & FINOP
Title

Rhonda E. Lusk
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).

PPHB SECURITIES, L.P.

FINANCIAL REPORT

DECEMBER 31, 2009

CONTENTS

INDEPENDENT AUDITOR'S REPORT	1
-------------------------------------	----------

FINANCIAL STATEMENTS	
Statement of financial condition	2
Statement of income	3
Statement of changes in partners' capital	4
Statement of cash flows	5
Notes to financial statements	6 - 8

SUPPLEMENTARY SCHEDULE	
I. Computation of net capital and aggregate indebtedness pursuant to Rule 15c3-1	9

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL	10 - 11
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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES RELATED TO AN ENTITY'S SIPC ASSESSMENT RECONCILIATION	12 - 13
SIPC-7T	14 - 15

PHILLIP V. GEORGE, PLLC
CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT

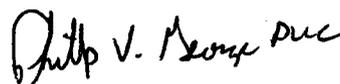
To the Partners
PPHB Securities, L.P.

We have audited the accompanying statement of financial condition of PPHB Securities, L.P. as of December 31, 2009, and the related statements of income, partners' capital, 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 Partnership'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 Partnership'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 PPHB Securities, L.P. as of December 31, 2009, 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 in Schedule I 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 under the Securities Exchange Act of 1934. 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.



PHILLIP V. GEORGE, PLLC

Flower Mound, Texas
February 17, 2010

PPHB SECURITIES, L.P.
Statement of Financial Condition
December 31, 2009

ASSETS

Cash and cash equivalents	\$ 1,228,875
Receivable - other	<u>6,574</u>
TOTAL ASSETS	<u><u>\$ 1,235,449</u></u>

LIABILITIES AND PARTNERS' CAPITAL

Liabilities

Accounts payable	\$ 2,475
Due to related party	22,280
Income tax payable - state	<u>14,031</u>
TOTAL LIABILITIES	38,786
Partners' Capital	<u>1,196,663</u>
TOTAL LIABILITIES AND PARTNERS' CAPITAL	<u><u>\$ 1,235,449</u></u>

PPHB SECURITIES, L.P.
Statement of Income
Year Ended December 31, 2009

Revenues	
Success fees	\$ 2,602,567
Interest income	<u>501</u>
 TOTAL REVENUES	 <u>2,603,068</u>
 Expenses	
Professional fees	44,581
Office services	15,960
Regulatory fees	7,187
Other expenses	<u>3,935</u>
 TOTAL EXPENSES	 <u>71,663</u>
 Net income before provision for income taxes	 <u>2,531,405</u>
 Provision for income taxes	
Current tax expense - state	<u>1,250</u>
 Provision for income taxes	 <u>1,250</u>
 NET INCOME	 <u><u>\$ 2,530,155</u></u>

See notes to financial statements.

PPHB SECURITIES, L.P.
Statement of Partners' Capital
Year Ended December 31, 2009

	<u>General Partner</u>	<u>Limited Partners</u>	<u>Total</u>
Balances at December 31, 2008	\$ 100,264	\$ 66,244	\$ 166,508
Partners' distributions	-	(1,500,000)	(1,500,000)
Net income	<u>25,302</u>	<u>2,504,853</u>	<u>2,530,155</u>
Balances at December 31, 2009	<u>\$ 125,566</u>	<u>\$1,071,097</u>	<u>\$ 1,196,663</u>

See notes to financial statements.

PPHB SECURITIES, L.P.
Statement of Cash Flows
Year Ended December 31, 2009

Cash flows from operating activities:	
Net income	\$ 2,530,155
Adjustments to reconcile net income to net cash provided by operating activities:	
Change in assets and liabilities	
Increase in receivable - others	(6,574)
Decrease in accounts receivable - related party	35,000
Decrease in accounts payable	(9,915)
Increase in due to related party	<u>4,864</u>
Net cash provided by operating activities	<u>2,553,530</u>
Cash flows from financing activities:	
Partners' distributions	<u>(1,500,000)</u>
Net increase in cash	1,053,530
Cash at beginning of year	<u>175,345</u>
CASH AT END OF YEAR	<u><u>\$ 1,228,875</u></u>

Supplemental Disclosures of Cash Flow Information:

Cash paid during the year for	
Income taxes - state	<u>\$ -</u>
Interest	<u>\$ -</u>

PPHB SECURITIES, L.P.
Notes to Financial Statements

Note 1 - Nature of Business and Summary of Significant Accounting Policies

Nature of Business:

PPHB Securities, L.P., (the Partnership) was organized in April 2004 as a Texas limited partnership. The Partnership's customers are primarily oilfield service companies.

The Partnership is registered as a broker/dealer with the Securities and Exchange Commission (SEC) and is a member of the Financial Industry Regulatory Authority (FINRA).

The Partnership operates pursuant to section (k)(2)(i) exemptive provisions of Rule 15c3-3 of the Securities Exchange Act of 1934, and accordingly, is exempt from the remaining provisions of that Rule. The Partnership does not hold customer funds or securities, but will limit its business to the selling of direct participation programs and merger and acquisition services, and will maintain a special account for the exclusive benefit of its customers. Under these exemptive provisions, the Computation for Determination of Reserve Requirements and Information Relating to the Possession and Control Requirements are not required.

The general partner of the Partnership is Parks Paton Hoepfl & Brown, LLC, a Texas limited liability company (General Partner). The General Partner has the authority to manage and control the business affairs of the Partnership.

Significant Accounting Policies:

Cash and Cash Equivalents

For purposes of the statement of cash flows, management considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

At various times during the year the Partnership maintains cash balances at a certain bank in excess of federally insured amounts.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of the assets and liabilities and disclosure 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.

PPHB SECURITIES, L.P.
Notes to Financial Statements

Note 1 - Nature of Business and Summary of Significant Accounting Policies (continued)

Fair Value of Financial Instruments

Cash, accounts payable and accrued expenses are short-term in nature and accordingly are recorded at fair value or amounts that approximate fair value.

Success Fees

The Partnership recognizes success fees when earned under the respective agreements.

Income Taxes

Taxable income or loss of the Partnership is included in the income tax returns of the partners; therefore, no provision for federal income taxes has been made in the accompanying financial statements. The Partnership is subject to state income taxes.

The Partnership adopted the requirement of ASC 740-10 (formerly FIN 48) during the year. ASC 740-10 clarifies that management is expected to evaluate an income tax position taken, or expected to be taken, for likelihood of realization, before recording any amounts for such position in the financial statements. ASC 740-10 also requires expanded disclosure with respect to income tax positions taken that are not certain to be realized. As of December 31, 2009, management is not aware of any significant tax positions for which a material change is reasonably possible in the next twelve months. As of December 31, 2009, calendar years 2009, 2008, 2007 and 2006, remain subject to examination by federal taxing authorities, while calendar years 2009, 2008, 2007, 2006 and 2005, remain subject to examination by State taxing authorities. The adoption of the provisions under ASC 740-1-0 has not required a cumulative effect change in the Partnership's beginning capital balance.

Note 2 - Net Capital Requirements

The Partnership is subject to the SEC uniform net capital rule (Rule 15c3-1), which requires the maintenance of a minimum amount of net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. Rule 15c3-1 also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1. At December 31, 2009, the Partnership had net capital and net capital requirements of \$1,190,089 and \$5,000, respectively. The Partnership's net capital ratio was .03 to 1.

PPHB SECURITIES, L.P.
Notes to Financial Statements

Note 3 - Related Party Transactions/Concentration of Revenue

The Partnership and PPHB LP are owned by the same partners with the same ownership structure. The Partnership provides security financial advisory services to PPHB LP's customers. During 2009, the Partnership earned \$2,602,567, or 99% of total revenue, in success fees from PPHB LP's customer in three financing transactions. PPHB LP has assigned this portion of their total fees from third party clients to the Partnership for financial advisory services. As of December 31, 2009, no amounts were due from PPHB, LP.

The Partnership uses personnel and facilities of PPHB LP and it accrues payments from time to time to PPHB LP for these services. In addition, certain taxes due to the State of Texas were paid by PPHB LP on behalf of PPHB Securities. As of December 31, 2009, the Partnership had a payable to PPHB LP of \$22,280.

Note 4 - Contingencies

There are currently no asserted claims or legal proceedings against the Partnership, however, the nature of the Partnership's business subjects it to various claims, regulatory examinations, and other proceedings in the ordinary course of business. The ultimate outcome of any such action against the Partnership could have an adverse impact on the financial condition, results of operations, or cash flows of the Partnership.

Note 5 - Subsequent Events

The Partnership made distributions to partners totaling \$500,000 in January 2010.

The Partnership has evaluated subsequent events through February 17, 2010, the date which the financial statements were available to be issued.

Schedule I

PPHB SECURITIES, L.P.
Computation of Net Capital and Aggregate Indebtedness
Pursuant to Rule 15c3-1
December 31, 2009

Total partners' capital qualified for net capital	<u>\$ 1,196,663</u>
Deductions and/or charges	
Non-allowable assets:	
Receivable - other	<u>6,574</u>
Total deductions and/or charges	<u>6,574</u>
Net Capital	<u><u>\$ 1,190,089</u></u>
Aggregate indebtedness	
Accounts payable	\$ 2,475
Due to related party	22,280
Income tax payable - state	<u>14,031</u>
Total aggregate indebtedness	<u><u>\$ 38,786</u></u>
Computation of basic net capital requirement	
Minimum net capital required (greater of \$5,000 or 6 2/3% of aggregate indebtedness)	<u><u>\$ 5,000</u></u>
Net capital in excess of minimum requirement	<u><u>\$ 1,185,089</u></u>
Ratio of aggregate indebtedness to net capital	<u><u>.03 to 1</u></u>

Note: The above computation does not differ from the computation of net capital under Rule 15c3-1 as of December 31, 2009 as filed by PPHB Securities, L.P. on Form X-17A-5. Accordingly, no reconciliation is deemed necessary.

PHILLIP V. GEORGE, PLLC
CERTIFIED PUBLIC ACCOUNTANT

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL REQUIRED BY
SEC RULE 17A-5(G)(1)**

To the Partners
PPHB Securities, L.P.

In planning and performing our audit of the financial statements of PPHB Securities, L.P. (the Partnership), as of and for the year ended December 31, 2009 in accordance with auditing standards generally accepted in the United States of America, we considered the Partnership's internal control over financial reporting (internal control) as a basis for designing our auditing 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 Partnership's internal control. Accordingly, we do not express an opinion on the effectiveness of the Partnership's 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 Partnership including consideration of control activities for safeguarding securities. This study included tests of such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g) 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 15c3-3. Because the Partnership does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Partnership in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons and recordation of differences required by rule 17a-13
2. 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

The management of the Partnership 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. 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 Partnership 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.

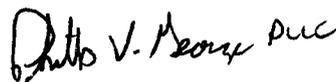
A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control 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 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 any 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 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 the Partnership's practices and procedures, as described in the second paragraph of this report, were adequate at December 31, 2009, to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, Financial Industry Regulatory Authority, and other regulatory agencies that rely on rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.



PHILLIP V. GEORGE, PLLC

Flower Mound, Texas
February 17, 2010

PHILLIP V. GEORGE, PLLC
CERTIFIED PUBLIC ACCOUNTANT

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON
PROCEDURES RELATED TO AN ENTITY'S SIPC ASSESSMENT
RECONCILIATION**

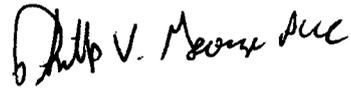
To the Partners
PPHB Securities, L.P.

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying Schedule of Assessment and Payments [Transitional Assessment Reconciliation (Form SIPC-7T)] to the Securities Investor Protection Corporation (SIPC) for the period April 1, 2009 to December 31, 2009, which were agreed to by PPHB Securities, L.P. and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., and SIPC, solely to assist you and the other specified parties in evaluating PPHB Securities, L.P.'s compliance with the applicable instructions of the Transitional Assessment Reconciliation (Form SIPC-7T). PPHB Securities, L.P.'s management is responsible for the PPHB Securities, L.P.'s compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our findings are as follows:

1. Compared the listed assessment payments in Form SIPC-7T with respective cash disbursement record entries noting no differences;
2. Compared the amounts for the period April 1, 2009 to December 31, 2009 contained within the report on the audited Form X-17A-5 for the year ended December 31, 2009, with the amounts reported in Form SIPC-7T for the period April 1, 2009 to December 31, 2009 noting no differences;
3. Compared any adjustments reported in Form SIPC-7T with supporting schedules and working papers noting no differences;
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7T and in the related schedules and working papers supporting the adjustments noting no differences; and
5. Compared the amount of any overpayment applied to the current assessment with the Form SIPC-7T on which it was originally computed noting no differences.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.



PHILLIP V. GEORGE, PLLC

Flower Mound, Texas
February 17, 2010

SIPC-7T

(29-REV 12/09)

SECURITIES INVESTOR PROTECTION CORPORATION
805 15th St. N.W. Suite 800, Washington, D.C. 20005-2215
202-371-8300

Transitional Assessment Reconciliation

(Read carefully the instructions in your Working Copy before completing this Form)

TO BE FILED BY ALL SIPC MEMBERS WITH FISCAL YEAR ENDINGS

WORKING COPY
SIPC-7T
(29-REV 12/09)

1. Name of Member, address, Designated Examining Authority, 1934 Act registration no. and month in which fiscal year ends for purposes of the audit requirement of SEC Rule 17a-5:

000000 FINRA DEC
PPHB SECURITIES LP 1515
ATTN: ALLEN PARKS
1900 SAINT JAMES PL STE 125
HOUSTON TX 77056-4147

Note: If any of the information shown on the mailing label requires correction, please e-mail any corrections to form@sipc.org and so indicate on the form filed:

Name and telephone number of person to contact respecting this form.

Allen Parks (713) 621-8100

2. A. General Assessment (Item 2e from page 2 (not less than \$150 minimum))	\$ 6,506.42
B. Less payment made with SIPC-8 filed including \$150 paid with 2009 SIPC-4 (exclude interest)	(2,475.00)
12/31/08 & 7/31/09	
Date Paid	
C. Less prior overpayment applied	()
D. Assessment balance due or (overpayment)	4,031.42
E. Interest computed on late payment (see instruction E) for _____ days at 20% per annum	\$ 4,031.42
F. Total assessment balance and interest due (or overpayment carried forward)	\$ 4,031.42
G. PAID WITH THIS FORM:	
Check enclosed, payable to SIPC	\$ 4,031.42
Total (must be same as F above)	
H. Overpayment carried forward	\$()

3. Subsidiaries (S) and predecessors (P) included in this form (give name and 1934 Act registration number):

The SIPC member submitting this form and the person by whom it is executed represent thereby that all information contained herein is true, correct and complete.

PPHB Securities LLC

(Name of Corporation, Partnership or other organization)

Allen Parks

(Authorized Signature)

Designated Principal

(Title)

Dated the 4th day of February, 2010.

This form and the assessment payment is due 60 days after the end of the fiscal year. Retain the Working Copy of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.

SIPC REVIEWER

Dates:	Postmarked _____	Received _____	Reviewed _____
Calculations:	_____	Documentation _____	
Exceptions:			
Disposition of exceptions:			

Forward Copy _____

**DETERMINATION OF "SIPC NET OPERATING REVENUES"
AND GENERAL ASSESSMENT**

COPY

Amounts for the fiscal period
beginning April 1, 2009
and ending 12/31, 2009
Eliminate cents

\$ 2,602,567

Item No.
2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)

- 2b. Additions:
- (1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above.
 - (2) Net loss from principal transactions in securities in trading accounts.
 - (3) Net loss from principal transactions in commodities in trading accounts.
 - (4) Interest and dividend expense deducted in determining item 2a.
 - (5) Net loss from management of or participation in the underwriting or distribution of securities.
 - (6) Expenses other than advertising, printing, registration fees and legal fees deducted in determining net profit from management of or participation in underwriting or distribution of securities.
 - (7) Net loss from securities in investment accounts.

Total additions

2,602,567

2c. Deductions:

- (1) Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, from the business of insurance, from investment advisory services rendered to registered investment companies or insurance company separate accounts, and from transactions in security futures products.
- (2) Revenues from commodity transactions.
- (3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.
- (4) Reimbursements for postage in connection with proxy solicitation.
- (5) Net gain from securities in investment accounts.
- (6) 100% of commissions and markups earned from transactions in (i) certificates of deposit and (ii) Treasury bills, bankers acceptances or commercial paper that mature nine months or less from issuance date.
- (7) Direct expenses of printing advertising and legal fees incurred in connection with other revenue related to the securities business (revenue defined by Section 18(9)(L) of the Act).
- (8) Other revenue not related either directly or indirectly to the securities business. (See Instruction C):

(9) (i) Total interest and dividend expense (FOCUS Line 22/PART IIA Line 13, Code 4075 plus line 2b(4) above) but not in excess of total interest and dividend income.

\$ _____

(ii) 40% of interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960).

\$ _____

Enter the greater of line (i) or (ii)

Total deductions

0

\$ 2,602,567

2d. SIPC Net Operating Revenues

2e. General Assessment @ .0025

\$ 6,506.42
(to page 1 but not less than \$150 minimum)