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ANNUAL AUDITED REPORT
FORM X-17A-5 MAR 15 2010
PART III

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120

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

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

UU Equities, Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

4424 16th Avenue

(No. and Street)

Brooklyn

New York

11210

(City)

(State)

(Zip Code)

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

Sheldon S. Traube

(212) 991-9100

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Kempisty & Company, Certified Public Accountants, P.C.

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

15 Maiden Lane, Suite 1003

New York

New York

10038

(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).

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.

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OATH OR AFFIRMATION

I, Sheldon S. Traube, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of UU Equities, Inc., 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:

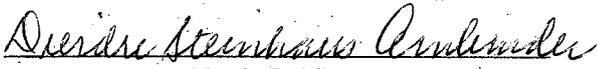
DIERDRE STEINHAUS AINBINDER
Notary Public, State of New York
No. 01A14899711
Qualified in Nassau County
Commission Expires July 6, 20 11



Signature

President

Title


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 Proprietor's 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).

U U EQUITIES, INC.

Statement of Financial Condition

December 31, 2009

(With Independent Auditor's Report Thereon)

U U EQUITIES, INC.

DECEMBER 31, 2009

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MALONEBAILEY LLP

CERTIFIED PUBLIC ACCOUNTING FIRM

15 MAIDEN LANE - SUITE 1003 - NEW YORK, NY 10038 - TEL (212) 406-7272 - FAX (212) 513-1930

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
U U Equities

We have audited the accompanying statement of financial condition of U U Equities, Inc. 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 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 U U Equities, Inc. as of December 31, 2009, in conformity with accounting principles generally accepted in the United States of America.



MaloneBailey LLP
Certified Public Accounting Firm
New York, New York
www.malonebailey.com
March 12, 2010

U U EQUITIES, INC.

STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2009

ASSETS

Cash	\$	427
Prepaid expenses		1,143
Fixed assets, net (Note 5)		<u>3,078</u>
TOTAL ASSETS	\$	<u><u>4,648</u></u>

LIABILITIES AND STOCKHOLDER'S DEFICIT

LIABILITIES

Accounts payable and accrued expenses	\$	<u>67,613</u>
TOTAL LIABILITIES		67,613

Commitments and contingent liabilities (Note 7) -

Stockholder's deficit

Common stock, par value \$0.001, 200 shares authorized, 200 shares issued and outstanding		-
Additional paid-in capital		164,634
Accumulated deficit		<u>(227,599)</u>

Total Stockholder's Deficit (62,965)

TOTAL LIABILITIES AND STOCKHOLDER'S DEFICIT \$ 4,648

The accompanying notes are an integral part of these financial statements.

U U EQUITIES, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2009

NOTE 1- ORGANIZATION AND NATURE OF BUSINESS

U U Equities, Inc. (the "Company") was incorporated in the State of New York on June 26, 2006. The Company is registered as a broker-dealer with the Securities and Exchange Commission and became a member of the Financial Industry Regulatory Authority ("FINRA") in June, 2007.

The Company earns income by the private placement of securities.

Going Concern Consideration

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. The Company has limited operations and a net loss of \$90,951 for the year ended December 31, 2009. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Management is currently funding the operations and determining its plans going forward.

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Depreciation

The cost of furniture and equipment is depreciated over the estimated useful lives of the related assets of 5 to 7 years on a straight line basis for book and on an accelerated basis for tax purposes.

Concentration of Credit Risk

The Company is engaged in various investment and brokerage activities in which counterparties primarily include broker-dealers, banks, and other financial institutions. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counterparty.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

U U EQUITIES, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2009

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

The Company has elected "S Corporation" status with the Internal Revenue Service and state taxing authorities. The stockholder includes the "S Corporation" income or loss in his individual tax return, and accordingly, no federal or state income taxes or benefits are provided for in the financial statements during the period of "S Corporation" status.

Revenue recognition

Investment banking fees are recorded and billed upon the closing of the transaction.

Recent Accounting Pronouncements

The Company does not expect the adoption of recent accounting pronouncements to have any material impact on its financial condition or results of operations

NOTE 3- PRIOR PERIOD ADJUSTMENT

In 2008 the Company improperly included a valuation of tax assets from an NOL carryforward of \$16,524. This amount should have had a full valuation allowance which has been added as a prior period adjustment in the 2009 financial statements.

NOTE 4- RELATED PARTY TRANSACTIONS

During 2009, the President of the Company did not cash his paychecks as there were insufficient funds to cover them. The amounts are accrued on the financials.

The President also loaned the Company \$3,900 so the regulatory fees could be paid.

U U EQUITIES, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2009

NOTE 5- PROVISION FOR STATE AND LOCAL TAXES

The Company elected "S Corporation" status with the Internal Revenue Service and New York State commencing for the year 2007. The stockholder includes the "S Corporation" income or loss in her personal tax returns, and accordingly, neither federal nor state income taxes or benefits are provided for in the financial statements during the period of "S Corporation" status.

The election for "S Corporation" status was made with the filing of the 2007 tax returns. The Internal Revenue Service approved the "S Corporation" election on May 14, 2008.

The Company uses the liability method, where deferred tax assets and liabilities are determined based on the expected future tax consequences of temporary differences between the carrying amounts of assets and liabilities for financial and income tax reporting purposes. During fiscal 2009, the Company incurred net losses and, therefore, has no tax liability. The net deferred tax asset generated by the loss carry-forward has been fully reserved. The cumulative net operating loss carry-forward is approximately \$153,000 at December 31, 2009 and will expire in the years 2028 and 2029.

Deferred local tax assets consist of the following at December 31, 2009:

Net operating loss	\$	20,600
Valuation allowance		<u>(20,600)</u>
	\$	<u><u>-</u></u>

NOTE 6- FIXED ASSETS

Fixed assets are comprised of the following at December 31, 2009:

	\$	5,130
Less: Accumulated depreciation		<u>(2,052)</u>
	\$	<u><u>3,078</u></u>

U U EQUITIES, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2009

NOTE 7- COMMITMENTS AND CONTINGENCIES

The Company leases office space on a month to month basis. During 2009, the Company incurred rent expense of \$9,460.

NOTE 8- NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC 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 15 to 1 (the ratio is 8 to 1 for the first year of FINRA membership) and 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 Company had net capital of \$(67,186), which was \$(72,186) lower than its required net capital of \$5,000. The Company's net capital ratio was (1.01) to 1.

During most of 2009 the Company has been in violation of the SEC net capital rule, and have filed reports to that effect each month. In order to conduct broker dealer business, capital will need to be infused.

NOTE 9- SUBSEQUENT EVENTS

During February 2010, the Managing Member contributed \$10,000 to the capital of the Company.