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

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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 01-01-2009 (MM/DD/YY) AND ENDING 12-31-2009 (MM/DD/YY)

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Securities Service Network, Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

9729 Cogdill Road, Suite 301
(No. and Street)

Knoxville	TN	37932
(City)	(State)	(Zip Code)

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

Wade Wilkinson — (865) 777-4677
(Area Code – Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Pugh & Company, P.C.
(Name – *if individual, state last, first, middle name*)

P.O. Box 31409	Knoxville	TN	37930
(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, Wade Wilkinson, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Securities Service Network, 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:

KATRINA L. CALLOWAY
STATE OF TENNESSEE
NOTARY PUBLIC
KNOX COUNTY

Wade Wilkinson
Signature

President
Title

Katrina L. Calloway
Notary Public

My commission expires April 1, 2013

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

- [x] (a) Facing Page.
- [x] (b) Statement of Financial Condition.
- [x] (c) Statement of Income (Loss).
- [x] (d) Statement of Cash Flows.
- [x] (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' 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.
- [ ] (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- [x] (l) An Oath or Affirmation.
- [x] (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).*

SECURITIES SERVICE NETWORK, INC. AND SUBSIDIARIES

Knoxville, Tennessee

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

December 31, 2009 and 2008

SECURITIES SERVICE NETWORK, INC. AND SUBSIDIARIES

TABLE OF CONTENTS

PUGH & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

WILL J. PUGH, CPA
RONNIE G. CATE, CPA
C. LARRY ELMORE, CPA
W. JAMES PUGH, JR., CPA
DANIEL C. FRANKLIN, CPA
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MEMBERS

AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

TENNESSEE SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Senior Management
Securities Service Network, Inc.
Knoxville, Tennessee

We have audited the accompanying consolidated statements of financial condition of Securities Service Network, Inc. and Subsidiaries (the "Company") as of December 31, 2009 and 2008, that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated 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 audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Securities Service Network, Inc. and Subsidiaries as of December 31, 2009 and 2008, in conformity with accounting principles generally accepted in the United States of America.

Pugh & Company, P.C.
Certified Public Accountants
February 25, 2010

SECURITIES SERVICE NETWORK, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

As of December 31,	2009	2008
ASSETS		
CURRENT ASSETS		
Cash	$ 3,979,163	$ 3,264,423
Investments in Money Market Accounts	4,608,496	6,525,159
Cash Deposited with Clearing Agent	130,020	130,020
Cash and Cash Equivalents	8,717,679	9,919,602
Accounts Receivable, Net of Allowance for Doubtful Accounts of $40,000 in 2009 and 2008	2,233,757	1,809,105
Advances to Related Parties	5,596	42,492
Securities Owned:		
Marketable, at Market Value	1,499,479	1,724,763
Prepaid Expenses	112,629	95,603
Total Current Assets	12,569,140	13,591,565
DEFERRED STATE INCOME TAX BENEFIT	104,800	99,000
TOTAL ASSETS	$ 12,673,940	$ 13,690,565
LIABILITIES AND STOCKHOLDER'S EQUITY		
CURRENT LIABILITIES		
Accounts Payable	$ 396,616	$ 462,355
Accounts Payable - Clearing Firms	176,757	96,566
Commissions Payable	3,203,016	3,229,670
Accrued Expenses	3,373,629	3,800,942
Accrued State Income Taxes	19,436	59,399
Deferred Income	20,525	9,320
Total Current Liabilities	7,189,979	7,658,252
STOCKHOLDER'S EQUITY		
Common Stock (No Par Value), Authorized 2,000 Shares; Issued and Outstanding 1,000 Shares	6,000	6,000
Retained Earnings	5,477,961	6,026,313
Total Stockholder's Equity	5,483,961	6,032,313
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	$ 12,673,940	$ 13,690,565

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

SECURITIES SERVICE NETWORK, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2009 and 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF OPERATIONS

The consolidated financial statements include the accounts of Securities Service Network, Inc. and its wholly owned subsidiaries SSN Agency, Inc., a New York state company, SSN Agency of Texas, Inc., a Texas state company, Network Agency of Alabama, Inc., an Alabama state company, Network Agency of Ohio, Inc., an Ohio state company, Network Agency and SSN Advisory, Inc., Tennessee state companies and Fort Loudon Insurance Company, LTD, which is domiciled in the British Virgin Islands (the "Company"). All material intercompany balances and transactions are eliminated in the consolidation.

The Company is a broker-dealer registered with the Securities and Exchange Commission (SEC) and is a member of Financial Industry Regulatory Authority, Inc. (FINRA) (formerly National Association of Securities Dealers, Inc. (NASD)). The Company clears general securities transactions through National Financial Services Corporation (NFSC) and Pershing, members of New York Stock Exchange (NYSE). The subsidiaries clear transactions in their respective states with the exception of Fort Loudon Insurance Company, LTD, which processes the Company's self insurance for pending and threatened litigation (see Note 8).

The Company grants credit to its customers, substantially all of whom are independent sales representatives that are geographically dispersed across the country. The Company's revenues from the services it provides may be affected by securities market conditions.

The Company provides administrative and educational services for affiliated independent registered representatives. The representatives pay the Company a flat monthly fee for these services and also pay for the cost of clearing transactions through NFSC and Pershing and for certain other direct expenses.

The Company is engaged in various trading 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 security. The Company evaluates each counterparty's financial condition and creditworthiness before making a decision to conduct business with that counterparty and on an on-going periodic basis.

Customers' "Application Way" mutual fund and annuity transactions and related commission income and expense are recorded on a settlement date basis which is not materially different from trade date basis. Customers' securities transactions and secondary market transactions and related commission income and expense are recorded on a settlement date basis which is not materially different from trade date basis.

Deferred Income - Amounts recorded as deferred income reflect prepaid fees received from representatives and advance payments made by the Company for marketing support and conference fees.

Cash Equivalents - For purposes of the statements of cash flows, the Company considers all highly liquid investments purchased with maturities of three months or less to be cash equivalents.

Accounts Receivable - Accounts receivable consist of trade accounts receivable and are stated at cost less an allowance for doubtful accounts. Credit is extended to registered representatives after an evaluation of the customer's financial condition, and generally collateral is not required. Management's determination of the allowance for doubtful accounts is based on an evaluation of the accounts receivable, past experience, current economic conditions, and other risks inherent in the accounts receivable portfolio.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF OPERATIONS (Continued)

Income Taxes - The shareholder of the Company elected S corporation status. Pursuant to the provisions of the Internal Revenue Code, the income or loss of the Company is taxed directly to the shareholder for federal income tax purposes; therefore, no provision for federal income tax has been made in these consolidated financial statements.

State income taxes are provided for the tax effects of the transactions reported in the consolidated financial statements and consist of taxes currently due plus deferred taxes related primarily to differences between the accrued expenses, allowance for doubtful accounts and accumulated depreciation for financial and income tax reporting. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled.

In July 2006, the FASB issued Interpretation Number 48, *Accounting for Uncertainty in Income Taxes – an Interpretation of FASB Statement No. 109* (FIN 48), which describes a two-step approach to recognizing and measuring certain tax positions. The first step is to determine whether it is more likely than not that a tax position will be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The second step is to measure and recognize in the consolidated financial statements the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement. The Company adopted FIN 48 in 2009 and its implementation did not have a significant impact on the Company's consolidated financial statements

Use of Estimates in the Preparation of Consolidated Financial Statements - The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Evaluation of Subsequent Events - The Company's management has evaluated subsequent events through, February 25, 2010, which is the date the financial statements were available to be issued.

NOTE 2 - CONCENTRATION OF CREDIT RISKS

The Company maintains cash balances in four financial institutions. The Company also maintains a sweep account backed by U. S. government securities at one of the financial institutions. The Company maintains several money market accounts. A summary of balances as of December 31 is as follows:

	2009	2008
Balances in Accounts	$ 7,182,367	$ 7,670,893
Insured by FDIC	(250,000)	(250,000)
Insured by SIPC	(1,293,299)	(1,500,000)
Insured by Private Insurance Policy	(5,356,119)	(5,639,891)
	$ 282,949	$ 281,002

Specific coverage for SIPC and Private Insurance Policy amounts are based on individual policy and/or regulatory requirements.

NOTE 3 - SECURITIES OWNED

Marketable securities owned consist of the following:

	2009	2008
U.S. Government and Federal Agency Securities	$ 11,421	$ 15,824
Mutual Fund Equities	1,488,058	1,708,939
	$ 1,499,479	$ 1,724,763

NOTE 3 - SECURITIES OWNED (Continued)

Marketable securities owned are stated at estimated market value with the resulting adjustment charged to earnings. Realized gains or losses on the sales of securities are recognized on a specific identification, trade date basis.

The net realized gains (losses) on sales of securities were ($263,552) in 2009 and ($1,114,870) in 2008.

NOTE 4 - RELATED PARTY TRANSACTIONS

The Company engages in various transactions with its sole stockholder and other business entities controlled by the sole stockholder. Amounts due from or to those related businesses are shown as "advances to related parties" on the statement of financial condition and payment or collection is anticipated in the normal course of business.

Advances to related parties were $5,596 at December 31, 2009 and $42,492 at December 31, 2008. In addition, see Note 10 for the related party lease agreement.

NOTE 5 - NET CAPITAL REQUIREMENTS

The Company is subject to the SEC Uniform Net Capital Rule, (Rule 15c3-1), which requires the maintenance of minimum net capital. The minimum net capital requirement is the greater of $100,000 or 6-2/3% of aggregate indebtedness, both terms as defined by the Rule. The Company's net capital was $4,050,729 at December 31, 2009 and $4,376,090 at December 31, 2008 and exceeded the capital requirement by $3,646,272 at December 31, 2009 and $3,979,416 at December 31, 2008. The net capital position stated above is for the Parent entity since only the Parent entity's net capital position is reported to the SEC. The Company's net capital ratio (ratio of aggregate indebtedness to net capital) may not exceed 15 to 1. The net capital ratio was 1.50 to 1 at December 31, 2009 and 1.36 to 1 at December 31, 2008. The minimum net capital requirements may restrict the payment of dividends.

NOTE 6 - LIABILITIES SUBORDINATED TO CLAIMS OF GENERAL CREDITORS

There were no liabilities subordinated to general creditors at December 31, 2009 and 2008, and there were no changes in liabilities subordinated to general creditors for the years then ended.

NOTE 7 - STATE INCOME TAXES

The Company files income tax returns in the U. S. federal jurisdiction and various state jurisdictions. With few exceptions, the Company is no longer subject to examinations by tax authorities for years before 2006. The Company has not accrued or expensed any amounts for interest or penalties associated with income taxes for the years ended December 31, 2009 and 2008.

If the Company had been taxable as a C-Corporation, federal income tax expense would have been $1,193,339 in 2009 and $1,330,185 in 2008.

State income taxes as shown in the consolidated statements of income differ from the amount computed using the statutory the state excise tax rate due to permanent differences for nondeductible expenses and temporary difference as listed below.

NOTE 7 - STATE INCOME TAXES (CONTINUED)

Deferred tax assets have been provided for deductible temporary differences primarily related to the accumulated depreciation, investment securities and accrued expenses related to contingent liabilities. Deferred tax liabilities have been provided for taxable temporary differences primarily related to the allowance for doubtful accounts. The net deferred tax assets in the accompanying consolidated balance sheets include the following components:

	2009	2008
Deferred Tax Assets	$ 107,400	$ 101,600
Deferred Tax Liabilities	(2,600)	(2,600)
Net Deferred Tax Assets	$ 104,800	$ 99,000

NOTE 8 - CONTINGENCIES

The Company is involved in certain claims arising in the normal course of business. As of December 31, 2009, the Company had two pending claims and potential arbitrations alleging violations of FINRA rules. The Company is seeking, and fully expects, to settle for less than the amount sought or to have some or all of the claims dismissed.

Management does not believe the outcome of any of the pending or threatened litigation, either singularly or in total, would have a material adverse effect upon the Company's consolidated financial statements. The Company became self-insured for any potential losses sustained for any activities after August 31, 2000 through December 31, 2006. Effective December 31, 2006, the Company formed a captive insurance company (Fort Loudon Insurance Company, LTD) to administer settlements and fees. The Company has accrued certain amounts to cover estimated future legal settlements and fees. The Company has also accrued amounts for deductibles related to errors and omissions coverage and estimated uninsurable losses. Management believes that the accrued amounts and the errors and omissions coverage are adequate to cover all losses.

NOTE 9 - EMPLOYEE RETIREMENT PLAN AND STOCK APPRECIATION RIGHTS

The Company established a 401(k) retirement plan for all employees who have completed one year of employment and are at least twenty-one years old. Employees who participate in the plan can make pre-tax contributions to the plan not to exceed the dollar limit which is set by law. The plan's earnings from these contributions are tax-deferred.

In 2009, the employer's matching contributions included a safe harbor match of 4%, a discretionary match up to 2% if the employee contributed 6% or more of their salary. In 2008, the employer's matching contributions included a safe harbor match of 4%, a discretionary match up to 4% if the employee contributed 6% or more of their salary.

Effective January 1, 1999, the Company established a non-qualified incentive plan for key employees in order to compensate those employees for the future long-term growth of the Company. Participants are awarded shares of units, each of which represent a hypothetical value of one percent of the outstanding stock of the Company. The value of each unit is determined annually as prescribed in the plan. The units are redeemable under certain circumstances upon retirement or separation from employment. In the initial year, twelve units were awarded to participants in the plan. In 2006, two additional units were awarded and four of the fourteen units were then retired leaving 10 units outstanding. The liability for the increase in value of the units from the initial valuation date, January 1, 1999, is included in accrued expenses. Participants also may receive compensation based on dividend payments. The Company did not accrue additional dividends for the years ended December 31, 2009 and 2008. On July 1, 2006, an additional plan was established to replace expired provisions in the original plan. The plan provides for an accelerated and increased benefit in the event of a premature change in control of the Company. At the present time, there are no planned events that would result in change of control.

NOTE 10 - OPERATING LEASE COMMITMENT

On July 23, 1999, the Company entered into operating lease agreements for its office space which expired November 30, 2009 but was extended on a month-to-month basis through March 31, 2010. The Company has verbally committed to enter into a new operating lease with a related entity which will commence sometime in April 2010. As of December 31, 2009, future minimum rental payments under the operating lease amounted to the following:

2010	$	261,875
2011		262,500
2012		262,500
2013		262,500
2014		262,500
	$	1,311,875

NOTE 11 - FAIR VALUE DISCLOSURES

Generally accepted accounting principles (GAAP) generally permits the measurement of selected eligible financial instruments at fair value at specified election dates. The Company did not elect to adopt the fair value option for any financial instruments. However, other accounting pronouncements require the Company to measure certain financial instruments at fair value as described below.

GAAP defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. It also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. GAAP describes three levels of inputs that may be used to measure fair value:

> Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. An active market for the asset and liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.
>
> Level 2: Inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or the liability, either directly or indirectly. If the asset or liability has a specified (contractual) term, a Level 2 input must be observable for substantially the full term of the asset or liability. Level 2 inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and inputs that are derived principally from or corroborated by observable market data by correlation or other means.
>
> Level 3: Inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability.

A description of valuation methodologies used for assets and liabilities recorded at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy, is shown below. The categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Marketable Securities - Marketable securities are recorded at fair value on a recurring basis. Fair value measurements for mutual fund equities are based upon identical assets in an active market utilizing Level 1 inputs. Fair value measurements for U.S. government and federal agency securities are based upon quoted prices of like or similar securities, utilizing Level 2 inputs. These measurements are obtained from a service provider who considers observable data that may include dealer quotes, market spreads, cash flows, the U.S. Treasury yield curve, live trading levels, trade execution data, market consensus prepayment speeds, credit information and the securities' terms and conditions, among other sources.

NOTE 11 - FAIR VALUE DISCLOSURES (Continued)

Assets Recorded at Fair Value on a Recurring Basis

Below is a table that presents information about certain assets measured at fair value:

	Carrying Amount in the Balance Sheet	Fair Value Measurements Using: Quoted Prices in Active Market for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
As of December 31, 2009:				
U.S. Government and Federal Agency Securities	$ 11,421	$ 0	$ 11,421	$ 0
Mutual Fund Equities	1,488,058	1,488,058	0	0
	$ 1,499,479	$ 1,488,058	$ 11,421	$ 0
As of December 31, 2008:				
U.S. Government and Federal Agency Securities	$ 15,824	$ 0	$ 15,824	$ 0
Mutual Fund Equities	1,708,939	1,708,939	0	0
	$ 1,724,763	$ 1,708,939	$ 15,824	$ 0

NOTE 12 - CONSOLIDATED SUBSIDIARIES

The following is a summary of certain financial information of the Company's consolidated subsidiaries:

	SSN Advisory, Inc.	SSN Agency, Inc.	SSN Agency of Texas, Inc.	Network Agency	Network Agency of Alabama, Inc.	Network Agency of Ohio, Inc.	Fort Loudon Insurance	Total
Total Assets	$ 28,496	$ 8,454	$ 3,181	$ 6,746	$ 5,061	$ 5,152	$ 1,799,326	$ 1,856,416
Total Stockholder's Equity	$ (1,549)	$ 1,106	$ 2,041	$ (23,280)	$ (774)	$ 157	$ 102,155	$ 79,856

The subsidiaries' capital is not included in the computation of the Company's net capital.