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

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Security Capital Brokerage, Inc.

OFFICIAL USE ONLY

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

FIRM I.D. NO.

3300 Cumberland Blvd STE 300

(No. and Street)

Atlanta

GA

30339

(City)

(State)

(Zip Code)

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

Nathan L. Lewis 404-230-8475

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Arnold Gallivan Levesque P.C.

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

10475 Medlock Bridge Road

Johns Creek

GA

30097

(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)*

SEC 1410 (06-02)

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.

OATH OR AFFIRMATION

I, Nathan L. Lewis, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Security Capital Brokerage, Inc, 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:

Nathan L. Lewis
Signature
President / CEO
Title

Shawnita Fleming
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).

SHAWNITA FLEMING
NOTARY PUBLIC
Gwinnett County
State of Georgia
My Comm. Expires Aug. 28, 2012



SECURITY CAPITAL BROKERAGE, INC.

FINANCIAL STATEMENTS

For the Year Ended December 31, 2009

TABLE OF CONTENTS

<u>Report of Independent Auditors</u>	1
---------------------------------------	---

Financial Statements - Confidential

Statement of Financial Condition	2
Statement of Income	3
Statement of Changes in Stockholders' Equity	4
Statement of Cash Flows	5
Notes to Financial Statements	6

Supplementary Information

Independent Auditors' Report on Internal Control Required by SEC Rule 17a-5	11
Schedule 1 - Computation of Net Capital under Rule 15c3-1 of the Securities and Exchange Commission	13
Schedule 2 - Statement of Exemption from Compliance under Rule 15c3-3 of the Securities Exchange Commission	14

Arnold Gallivan Levesque P.C.

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REPORT OF INDEPENDENT AUDITORS

To the Stockholders' of
Security Capital Brokerage, Inc.

We have audited the accompanying statement of financial condition of Security Capital Brokerage, Inc. as of December 31, 2009, and the related statement of income, changes in stockholders' equity, 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 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 Company's internal control over financial reporting. Accordingly, we express no such opinion. 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 position of Security Capital Brokerage, Inc. 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 presented on pages 13-14 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 basic financial statements taken as a whole.


Johns Creek, Georgia
February 20, 2010

SECURITY CAPITAL BROKERAGE, INC.
STATEMENT OF FINANCIAL CONDITION
As of December 31, 2009

ASSETS

Cash and cash equivalents	\$ 191,824
Total current assets	<u>191,824</u>
Equipment, net of accumulated depreciation of \$813	<u>3,738</u>
Deposits	<u>25,000</u>
Total assets	<u>\$ 220,562</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Accrued expenses	\$ 8,473
Income tax payable	9,453
Accrued bonus to shareholder	<u>85,000</u>
Total current liabilities	<u>102,926</u>
Deferred tax liabilities	<u>560</u>
Stockholders' equity	
Common stock, no par value, authorized 1,000 shares; 200 shares issued and outstanding	-
Additional paid-in capital	66,350
Retained earnings	<u>50,726</u>
Total stockholders' equity	<u>117,076</u>
Total liabilities and stockholders' equity	<u>\$ 220,562</u>

See accompanying notes.

SECURITY CAPITAL BROKERAGE, INC.
STATEMENT OF INCOME
For the Year Ended December 31, 2009

REVENUES	
Commissions	\$ 320,355
EXPENSES	
Brokerage commissions	115,355
General and administrative	<u>136,786</u>
Total expenses	252,141
Total operating income	<u>77,214</u>
OTHER INCOME	<u>55</u>
NET INCOME BEFORE PROVISION FOR INCOME TAXES	<u>77,269</u>
INCOME TAX EXPENSE	<u>16,571</u>
NET INCOME	<u><u>\$ 60,698</u></u>

See accompanying notes.

SECURITY CAPITAL BROKERAGE, INC.
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
For the Year Ended December 31, 2009

	Common Stock		Additional Paid-in Capital	Retained Earnings (Deficit)	Total Stockholders' Equity
	Number of Shares	Amount			
Balance, December 31, 2008	200	\$ -	\$ 66,350	\$ (9,972)	\$ 56,378
Net income	-	-	-	60,698	60,698
Balance, December 31, 2009	200	\$ -	\$ 66,350	\$ 50,726	\$ 117,076

See accompanying notes.

SECURITY CAPITAL BROKERAGE, INC.
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2009

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net income	\$ 60,698
Adjustments to reconcile net income to net cash used in operating activities:	
Depreciation	610
Deferred income taxes	7,047
Changes in operating assets and liabilities	
Accrued expenses	8,473
Income tax payable	9,453
Accrued bonus to shareholder	<u>85,000</u>
Net cash provided by operating activities	<u>171,281</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property and equipment	<u>(1,500)</u>
Net Cash Used In Investing Activities	<u>(1,500)</u>
Net decrease in cash and cash equivalents	169,781
Cash and cash equivalents at beginning of year	<u>22,043</u>
Cash and cash equivalents at end of year	<u>\$ 191,824</u>

See accompanying notes.

SECURITY CAPITAL BROKERAGE, INC
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2009

1. Organization and description of business

Security Capital Brokerage, Inc., (the "Company") is a Georgia corporation formed exclusively to provide brokerage to individual and institutional investors in stocks, bonds, debentures, negotiable instruments and other securities on the New York Stock Exchange, the American Stock Exchange, the NASDAQ Stock Exchange and any other exchange at the sole discretion of the Board of Directors.

2. Summary of significant accounting policies

Basis of accounting - The accompanying financial statements of the Company have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other assets and liabilities in accordance with accounting principles generally accepted in the United States of America.

Revenue recognition - Security transactions are recorded on a trade date basis. Commission income and expenses are recorded on the settlement date and management fees are recorded on the offering date.

Cash and cash equivalents - The Company considers all cash and money market investments with maturities of three months or less to be cash equivalents.

Equipment - Property and equipment are recorded at acquisition cost in accordance with the guidance of FASB ASC 360. Expenditures for maintenance and repairs are charged to operations as incurred. Property replacements and betterments which extend the life of the asset are capitalized and subsequently depreciated. When the assets are sold or retired, the cost and accumulated depreciation are removed from the accounts and the resulting gains or losses are included in operations. Depreciation expense for the year ending December 31, 2009 was \$610.

Advertising costs - The Company expenses advertising costs as incurred. For the year ended December 31, 2009, advertising expense was \$3,935.

Use of estimates - Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. These estimates and assumptions affect the reported amounts of assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.

Reclassification - Certain amounts in prior year financial statements have been reclassified to conform to the current year presentation.

SECURITY CAPITAL BROKERAGE, INC
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2009

2. Summary of significant accounting policies (continued)

Income taxes - The Company accounts for income taxes in accordance with FASB ASC 740, *Income Taxes*. FASB ASC 740-10-25 provides guidance for how uncertain tax positions should be recognized, measured, presented, and disclosed in financial statements. Adoption of FASB ASC 740-10-25 is required for fiscal years beginning after December 15, 2008. The Company evaluates its uncertain tax provisions using the provisions of FASB ASC 450, *Contingencies*. Management believes there are no material estimates that should be accrued as of December 31, 2009, and does not anticipate a material impact from the adoption of FASB ASC 740-10-25 during the year ended December 31, 2010.

The Financial Accounting Standards Board (FASB) has released FASB ASC 740-10-25, which provides guidance for how uncertain tax positions should be recognized, measured, presented, and disclosed in financial statements. Adoption of FASB ASC 740-10-25 is required for fiscal years beginning after December 15, 2008. The Company evaluates its uncertain tax provisions using the provisions of FASB ASC 450-10-05. Management believes there are no material estimates that should be accrued as of December 31, 2009.

Fair value of financial instruments - In September 2006, the Financial Accounting Standards Board issued FASB ASC 820, *Fair Value Measurements and Disclosures*, which defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. FASB ASC 820 was effective for the Company on January 1, 2008, with the exception of a one-year deferral for certain non-financial assets and liabilities. The requirements of FASB ASC 820 have been applied prospectively. The adoption of FASB ASC 820 does not have a material impact on the Company's financial statements.

FASB ASC 820-10-35-2 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Company uses various methods including market, income, and cost approaches. The Company utilizes valuation techniques that maximize the use of observable inputs and minimizes the use of unobservable inputs.

As a basis for categorizing these inputs, FASB ASC 820-10-35-37 establishes the following hierarchy, which prioritizes the inputs used to measure fair value from market based assumptions to entity specific assumptions:

- Level 1: Inputs based on quoted market prices for identical assets or liabilities in active markets at the measurement date.

SECURITY CAPITAL BROKERAGE, INC
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2009

2. Summary of significant accounting policies (continued)

- Level 2: Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3: Inputs reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. The inputs are unobservable in the market and significant to the instrument's valuation.

The requirements of FASB ASC 820 do not have a material impact on the Company's financial statements. All assets and liabilities are valued with Level 1 inputs.

Recently Issued Accounting Standards - In June 2009, the FASB issued FASB ASC 105, *Generally Accepted Accounting Principles (GAAP)*, which establishes the FASB Accounting Standards Codification as the sole source of authoritative generally accepted accounting principles. Prior FASB standards have been superseded by the Codification for periods ending on or after September 15, 2009.

Pursuant to the provisions of FASB ASC 105, the Company has updated references to GAAP in its financial statements issued for the period ended December 31, 2009. The adoption of FASB ASC 105 did not impact the Company's financial position or results of operations.

3. Net Capital Requirements

As a registered broker dealer, the Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule 15c 3-1 ("Rule 15c 3-1"). The rule states, in part, that a broker or dealer that does not receive, directly or indirectly, or hold funds or securities for, or owe funds or securities to, customers and does not carry accounts of, or for, customers is required to maintain minimum net capital 6-2/3% of aggregate indebtedness, or \$5,000, whichever is greatest. As of December 31, 2009, the Company has net capital of \$206,374 as defined by Rule 15c 3-1, which exceeds its requirement of \$6,899 by \$199,475.

4. Related Party Transactions

For the year ended December 31, 2009, commissions and consulting fees paid to the stockholders' of Security Capital Brokerage, Inc. were \$115,355.

As of December 31, 2009, the Company owed \$85,000 to a stockholder for an accrued bonus.

SECURITY CAPITAL BROKERAGE, INC
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2009

5. Concentrations of credit risk

The Company maintains cash balances at banks and other financial institutions. At various times during the year these balances may exceed Federal Deposit Insurance Corporation (FDIC) limits. As of December 31, 2009, these balances exceeded these limits by approximately \$34,000.

6. Income Taxes

The provision for income taxes differs from the amount of income tax determined by applying the income tax rate to pretax income for the year ended December 31, 2009, primarily due to the reversing tax effects of certain estimate items for prior period tax positions and permanent tax differences such as non-reimbursed and non-business meals and entertainment expenses that are not deductible for tax purposes.

The tax provision is summarized as follows:

Current:		
Federal	\$	6,631
State		<u>2,893</u>
		9,524
Deferred:		
Federal		4,933
State		<u>2,114</u>
		<u>7,047</u>
Total provision for income taxes	\$	<u>16,571</u>

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The Company's deferred tax asset and liability is primarily related to the difference in depreciation methods between book and tax.

The Company's deferred tax liability as of December 31, 2009 was \$560.

SECURITY CAPITAL BROKERAGE, INC
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2009

7. Leases

The Company leases office space and equipment in an operating lease agreement expiring in August 31, 2010. Lease payments are made monthly in the amount of \$1,980. Future minimum rental payments under the Company's non-cancellable operating lease are \$15,840 in 2010.

The Company had rental expense of approximately \$27,000 for the year ended December 31, 2009

SUPPLEMENTARY INFORMATION

Arnold Gallivan Levesque P.C.

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL REQUIRED BY SEC RULE 17a-5

To the Stockholders'
Security Capital Brokerage, Inc.

In planning and performing our audit of the financial statements and supplemental schedule of Security Capital Brokerage, Inc. (the "Company") for the year ending December 31, 2009, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on 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 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 aggregated 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 Company 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 Company in any of the following:

1. Making quarterly securities examinations, counts, verifications and comparisons
2. Recordation of differences required by Rule 17a-13
3. Complying with the requirements of prompt payment for securities under Section 8 of the Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

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. 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.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
REQUIRED BY SEC RULE 17a-5 (continued)

Because of inherent limitations in internal control or 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.

Our consideration of internal control would not necessarily disclose all matters in internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving internal control including 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 Company's practices and procedures were adequate at December 31, 2009, to meet the SEC's objectives.

This report is intended solely for the use of the Board of Directors, the shareholder of the Company, its management, the SEC, the Financial Industry Regulatory Authority, and other regulatory agencies who 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.

Arnold Gallivan Swasey P.C.

Johns Creek, Georgia
February 20, 2010

SECURITY CAPITAL BROKERAGE, INC.
COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1 OF THE SECURITIES AND
EXCHANGE COMMISSION
DECEMBER 31, 2009

Schedule 1

Net Capital	
Total stockholders' equity	\$ 117,076
Add liabilities subordinated to claims of general creditors and deferred taxes allowable in computation of net capital	85,560
Deduct total non-allowable assets	<u>(3,738)</u>
Net capital before haircuts on securities	198,898
Haircuts on securities	<u>-</u>
Net Capital	<u>\$ 198,898</u>
Aggregated Indebtedness	
Accounts payable and accrued expenses	\$ 102,926
Deferred tax liabilities	<u>560</u>
Total Aggregate Indebtedness	<u>\$ 103,486</u>
Computation of Basic Net Capital Requirement	
Minimum net capital required	<u>\$ 6,899</u>
Excess Net Capital	<u>\$ 191,999</u>
Percentage of aggregate indebtedness to net capital	<u>50%</u>
Reconciliation of Net Capital Computation under Rule 17a-5(d)(4) of the Securities and Exchange Act of 1934:	
Net Capital, as reported in Company's unaudited Part II of Form X-17A-5	\$ 198,898
Audit adjustment to record additional expenses and liabilities	<u>-</u>
Net Capital, as reported in Company's audited financial report	<u>\$ 198,898</u>

See Report of Independent Auditors.

SECURITY CAPITAL BROKERAGE, INC.
STATEMENT OF EXEMPTION FROM COMPLIANCE UNDER RULE 15c3-3 OF THE
SECURITIES AND EXCHANGE COMMISSION
DECEMBER 31, 2009

Schedule 2

The Company is exempt from compliance with Rule 15c3-3 under Section (k)(2)(i) of the Rule. The Company does not carry security accounts for customers, perform custodial functions relating to customer securities, or clear or introduce customer transactions. The Company was in compliance with the conditions of the exemption as of December 31, 2009.

See Report of Independent Auditors.