

AT  
3/3



SEC Mail  
Mail Processing  
Section

SE

10028041

MISSION

Washington, D.C. 20549

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	February 28, 2010
Estimated average burden hours per response.....	12.00

MAN 01 2010

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

Washington, DC  
109

SEC FILE NUMBER
8- 18148

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01/01/09 AND ENDING 12/31/09  
MM/DD/YY MM/DD/YY

## A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: South Texas Securities Co.  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
13027 Taylorcrest, Box 79626

OFFICIAL USE ONLY
FIRM I.D. NO.

Houston TX 77279  
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
F. E. Hartung 713-464-7076  
(Area Code - Telephone Number)

## B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*  
EXEMPTION BASED ON SECTION 240.17a-5(e)(1)(i)(B)

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

(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, Frank E. Hartung, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of South Texas Securities Co., 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.

Facts and circumstances relied upon as basis for exemption from requirement that these statements and schedules need to be audited: since the date of the previous financial statements of the report filed pursuant to Sec. 240.17a5, the firm has not conducted any securities business other than buying and selling evidences of indebtedness secured by mortgage, deed of trust, or other lien upon real estate or leasehold interests, and the firm has not carried any margin account, credit balance, or security for any securities customer.



Frank E Hartung  
Signature  
Partner  
Title

[Signature]  
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).

SOUTH TEXAS SECURITIES CO.

Firm Id: 4029

**ASSETS**

Consolidated <sup>C</sup> [0198]	Unconsolidated <sup>G</sup> [0199]	<b>Allowable</b>	<b>Non-Allowable</b>	<b>Total</b>
1. Cash		89,000 [0200]		89,000 [0750]
2. Receivables from brokers or dealers:				
A. Clearance account		[0295]		
B. Other		[0300]	14,241 [0550]	14,241 [0810]
3. Receivables from non- customers		[0355]	5,314 [0600]	5,314 [0830]
4. Securities and spot commodities owned, at market value:				
A. Exempted securities		[0418]		
B. Debt securities		[0419]		
C. Options		[0420]		
D. Other securities		65,805 [0424]		
E. Spot commodities		[0430]		65,805 [0850]
5. Securities and/or other investments not readily marketable:				
A. At cost				
	[0130]			0
B. At estimated fair value		[0440]	[0610]	[0860]
6. Securities borrowed under subordination agreements and partners' individual and capital securities accounts, at market value:				
A. Exempted securities		[0460]	[0630]	[0880]
	[0150]			0
B. Other				

## securities

	[0160]			0
7. Secured demand notes market value of collateral:	[0470]	[0640]	[0890]	
<b>A. Exempted     securities</b>				
	[0170]			
<b>B. Other     securities</b>				
	[0180]			
8. Memberships in exchanges:				
<b>A. Owned, at     market</b>				
	[0190]			
<b>B. Owned, at cost</b>		[0650]		0
<b>C. Contributed for     use of the     company, at     market value</b>		[0660]	[0900]	
9. Investment in and receivables from affiliates, subsidiaries and associated partnerships	[0480]	[0670]	[0910]	0
10. Property, furniture, equipment, leasehold improvements and rights under lease agreements, at cost-net of accumulated depreciation and amortization	[0490]	[0680]	[0920]	0
11. Other assets	[0535]	[0735]	[0930]	0
	154,805	19,555	174,360	
12. <b>TOTAL ASSETS</b>	[0540]	[0740]	[0940]	

Next Section

SOUTH TEXAS SECURITIES CO.

Firm Id: 4029

**LIABILITIES AND OWNERSHIP EQUITY**

Liabilities	A.I. Liabilities	Non-A.I. Liabilities	Total
13. Bank loans payable	[1045]	[1255]	[1470]
14. Payable to brokers or dealers:			0
A. Clearance account	[1114]	[1315]	[1560]
B. Other	[1115]	[1305]	[1540]
15. Payable to non-customers	[1155]	[1355]	[1610]
16. Securities sold not yet purchased, at market value		[1360]	[1620]
17. Accounts payable, accrued liabilities, expenses and other	[1205]	[1385]	[1685]
18. Notes and mortgages payable:			0
A. Unsecured	[1210]		[1690]
B. Secured	[1211]	[1390]	[1700]
19. Liabilities subordinated to claims of general creditors:			0
A. Cash borrowings:		[1400]	[1710]
1. from outsiders	[0970]		
2. Includes equity subordination (15c3-1(d)) of	[0980]		
B. Securities borrowings, at market value:		[1410]	[1720]
from outsiders	[0990]		
C. Pursuant to secured demand note collateral agreements:		[1420]	[1730]
1. from outsiders			

