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SECURITIES AND EXCHANGE COMMISSION  
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# ANNUAL AUDITED REPORT FORM X-17A-5 PART III

SEC FILE NUMBER  
8- 67853

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: O'Connor & Company Securities, Inc.

OFFICIAL USE ONLY  
FIRM I.D. NO.

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

620 Newport Center Drive, Suite 1100

(No. and Street)

Newport Beach

CA

92660

(City)

(State)

(Zip Code)

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

949-706-0222

William O'Connor

(Area Code - Telephone Number)

### B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Elizabeth Tractenberg, CPA

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

3832 Shannon Road

Los Angeles

CA

90027

(Address)

(City)

(State)

(Zip Code)

Mail Processing  
Section

CHECK ONE:

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

MAR 01 2010

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)

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## OATH OR AFFIRMATION

I, William O'Connor, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of O'Connor & Company Securities, 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:

None

W O'Connor

Signature

President

Title

2/25/2010  
See attached  
Doc.

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.
- (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).

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

State of California

County of Orange

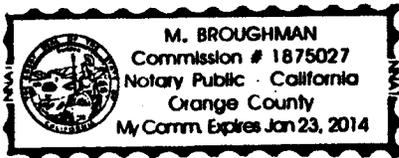
On February 25, 2010 before me, M. Broughman, Notary Public

personally appeared William Anthony O'Connor

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Place Notary Seal Above

Signature [Handwritten Signature]  
Signature of Notary Public

**OPTIONAL**

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

**Description of Attached Document**

Title or Type of Document: Annual Audited Report Form X-17A-5

Document Date: February 25, 2010 Number of Pages: 2

Signer(s) Other Than Named Above: NONE

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: William Anthony O'Connor Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer — Title(s): President
- Partner —  Limited  General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_



Signer Is Representing: O'Connor Company

- Individual
- Corporate Officer — Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_



Signer Is Representing: \_\_\_\_\_

**SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C.**

**ANNUAL AUDIT REPORT**

**DATE - DECEMBER 31, 2009**

**O'CONNOR & COMPANY SECURITIES, INC.**

**SEC**  
**Mail Processing**  
**Section**

**MAR 01 2010**

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# Elizabeth Tractenberg, CPA

3832 SHANNON ROAD  
LOS ANGELES, CALIFORNIA 90027  
323/669-0545 – Fax 323/669-0575  
[elizabeth@tractenberg.net](mailto:elizabeth@tractenberg.net)

## Independent Auditor's Report

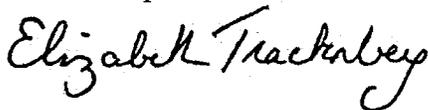
Board of Directors  
O'Connor & Company Securities, Inc.  
Newport Beach, CA

I have audited the accompanying statement of financial condition of O'Connor & Company Securities, Inc. (the Company) as of December 31, 2009, and the related statements of operations, changes in shareholders' equity and changes in financial condition for the year then ended that you are filing pursuant to rule 17a5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with the auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, such financial statements referred to above present fairly, in all material respects, the financial condition of O'Connor & Company Securities, Inc. as of December 31, 2009 and the results of its operations, shareholders' equity and changes in financial condition for the year then ended in conformity with accounting principles generally accepted in the United States of America.

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedules I, II, III and IV 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 my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Elizabeth Tractenberg, CPA  
Los Angeles, California  
January 23, 2010

O'CONNOR & COMPANY SECURITIES, INC.  
STATEMENT OF FINANCIAL CONDITION  
DECEMBER 31, 2009

Assets

|                                |    |        |            |
|--------------------------------|----|--------|------------|
| Cash                           |    |        |            |
| Checking                       | \$ | 34,221 |            |
| Payroll checking               |    | 13,265 |            |
| Clearing brokers               |    | 26,160 | \$ 73,646  |
|                                |    |        |            |
| Due from Clearing Broker       |    |        | 42,917     |
| Secured demand note receivable |    |        | 300,000    |
| Prepaid expenses               |    |        | 1,815      |
| Security deposit               |    |        | 3,404      |
| Total Assets                   |    |        | \$ 421,782 |

Liabilities and Shareholders' Equity

|   |    |          |            |
|---|----|----------|------------|
| Accounts payable and accrued expenses   | \$ | 17,767   |            |
| Interest payable on subordinated notes  |    | 7,000    |            |
| Liabilities subordinated to claims of general creditors                                       |    | 300,000  |            |
| Total Liabilities   |    |          | 324,767    |
| Shareholders' Equity  |    |          |            |
| Common stock (\$5 par value, 100,000 shares authorized, 26,600 shares issued and outstanding) | \$ | 133,000  |            |
| Paid-in capital   |    | 1,000    |            |
| Retained earnings (deficit)   |    | (36,985) | 97,015     |
| Total Liabilities and Shareholders' Equity  |    |          | \$ 421,782 |

See Accompanying Notes to Financial Statements

O'CONNOR & COMPANY SECURITIES, INC.  
STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2009

|                                |                          |
|--------------------------------|--------------------------|
| Revenues                       |                          |
| Trading income                 | \$ 233,946               |
| Underwriting revenue           | 260,185                  |
| Interest income                | <u>139</u>               |
| <br>Total Revenues             | <br>494,270              |
| Expenses                       |                          |
| Advertising and promotion      | 4,125                    |
| Clearing expenses              | 39,214                   |
| Commissions                    | 105,291                  |
| Insurance                      | 44,387                   |
| Interest expense               | 21,000                   |
| Legal and professional fees    | 50,370                   |
| Office expense                 | 24,557                   |
| Payroll taxes                  | 9,877                    |
| Quotation service              | 42,432                   |
| Regulatory fees                | 8,352                    |
| Rent                           | 26,092                   |
| Salaries and wages             | 100,329                  |
| SIPC fees                      | 1,235                    |
| Travel and entertainment       | 8,676                    |
| Utilities                      | 5,727                    |
| All other expenses             | <u>1,569</u>             |
| <br>Total Expenses             | <br><u>493,233</u>       |
| <br>Income before income taxes | <br>1,037                |
| <br>Income tax provision       | <br><u>800</u>           |
| <br>Net Income                 | <br><u><u>\$ 237</u></u> |

See Accompanying Notes to Financial Statements

O'CONNOR & COMPANY SECURITIES, INC.  
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2009

|                            | <u>Common<br/>Stock<br/>Shares</u> |    | <u>Common<br/>Stock</u> |    | <u>Paid-<br/>In<br/>Capital</u> |    | <u>Retained<br/>Earnings<br/>(Deficit)</u> |    | <u>Total</u>  |
|----------------------------|------------------------------------|----|-------------------------|----|---------------------------------|----|--|----|---------------|
| Balance, December 31, 2008 | 26,600                             | \$ | 133,000                 | \$ | 1,000                           | \$ | (37,222)                                   | \$ | 96,778        |
| Capital addition           |                                    |    |                         |    |                                 |    |  |    | 0             |
| Net Income                 |                                    |    |                         |    |                                 |    | <u>237</u>                                 |    | <u>237</u>    |
| Balance, December 31, 2009 | <u>26,600</u>                      | \$ | <u>133,000</u>          | \$ | <u>1,000</u>                    | \$ | <u>(36,985)</u>                            | \$ | <u>97,015</u> |

See Accompanying Notes to Financial Statements

O'CONNOR & COMPANY SECURITIES, INC.  
STATEMENT OF CHANGES IN FINANCIAL CONDITION  
FOR THE YEAR ENDED DECEMBER 31, 2009

|  |                         |
|--|-------------------------|
| Cash Flows from Operating Activities:        |                         |
| Net income                                   | \$ 237                  |
| Changes in operating assets and liabilities: |                         |
| Due from clearing broker                     | (42,917)                |
| Prepaid interest                             | (1,815)                 |
| Security deposit                             | (3,404)                 |
| Accounts payable and accrued expenses        | <u>15,980</u>           |
| Net cash used by operating activities        | <u>(31,919)</u>         |
| Cash Flows from Investing Activities:        | <u>0</u>                |
| Cash Flows from Financing Activities         | <u>0</u>                |
| Net increase in cash                         | (31,919)                |
| Cash at beginning of year                    | <u>105,565</u>          |
| Cash at end of year                          | <u><u>\$ 73,646</u></u> |
| Supplemental Cash Flow Information:          |                         |
| Cash paid for interest                       | <u>\$ 19,250</u>        |
| Cash paid for taxes                          | <u>\$ 800</u>           |

See Accompanying Notes to Financial Statements

O'CONNOR & COMPANY SECURITIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2009

NOTE 1 – GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

*General*

O'Connor & Company Securities, Inc. (the Company) is a California corporation incorporated on November 9, 2007. The company is a registered broker/dealer in securities under the Securities Exchange Act of 1934, is a member of the Financial Industry regulatory Authority ("FINRA") as of June 12, 2009. The Company is engaged in underwriting and selling group participant (municipal securities, U.S. Government Securities and trading securities for its own account. The Company does not hold customer funds or securities.

*Summary of Significant Accounting Policies*

The presentation of 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 financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

For purposes relating to the statement of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. The Company also includes money market accounts as cash equivalents.

Securities transactions are recorded on a trade date basis with related income and expenses also recorded on a trade date basis.

The Company, with consent of its shareholder, has elected to be an S corporation and accordingly has its income taxes under Section 1372 of the Internal Revenue code, which provides that in lieu of corporation income taxes, the shareholder is taxed on the Company's taxable income. Therefore, no provision of liability for Federal income taxes is included in these financial statements. The state of California has similar regulations, although there exists a provision for a minimum franchise tax and a tax rate of 1.5% over the minimum tax of \$800.

NOTE 2 - INCOME TAXES

As discussed in the Summary of Significant Accounting Policies (Note 1), the company is subject to a 1.5% tax on net income over the minimum tax of \$800. At December 31, 2009, The Company recorded the minimum franchise tax of \$800.

O'CONNOR & COMPANY SECURITIES, INC.  
NOTES TO FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2009

NOTE 3 - NET CAPITAL

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 ration of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. Net capital and aggregate indebtedness change day to day, but at December 31, 2009, the company had net capital in excess of its required net capital of \$250,000. See page 8 for the net capital computation

O'CONNOR & COMPANY SECURITIES, INC.  
SCHEDULE I  
COMPUTATION OF NET CAPITAL REQUIREMENTS PURSUANT  
TO RULE 15c3-1  
DECEMBER 31, 2009

|  |                       |
|--|-----------------------|
| Computation of Net Capital   |                       |
| Total ownership equity   | \$ 97,015             |
| Plus: Subordinated debt  | 300,000               |
| Less: Non Allowable assets   | <u>(5,219)</u>        |
| <br>Net Capital  | <br><u>\$ 391,796</u> |
| <br>Computation of Net Capital Requirements  |                       |
| Minimum net aggregate indebtedness-<br>6-2/3% of net aggregate indebtedness  | <br><u>1,652</u>      |
| <br>Minimum dollar net capital required  | <br><u>250,000</u>    |
| <br>Net Capital required (greater of above amounts)  | <br><u>250,000</u>    |
| Excess Capital   | <u>141,796</u>        |
| <br>Computation of Aggregate Indebtedness  |                       |
| Total liabilities - net of subordinated debt   | 24,767                |
| <br>Percentage of aggregate indebtedness to net capital  | <br>6.32%             |
| <br>The following is a reconciliation of the above net capital computation with the<br>Company's corresponding unaudited computation pursuant to Rule 179-5(d)(4): |                       |
| Net Capital Per Company's Computation  | \$ 399,103            |
| Variance - Accrued expenses  | <u>(7,307)</u>        |
| Net Capital Per Audit  | <u>\$ 391,796</u>     |

See Accompanying Notes to Financial Statements

O'CONNOR & COMPANY SECURITIES, INC.  
 SCHEDULE II  
 STATEMENT OF LIABILITIES SUBORDINATED TO CLAIMS OF CREDITORS  
 DECEMBER 31, 2009

|  | Balance<br>Dec. 31,<br>2008 | Additions       | Deletions       | Balance<br>Dec. 31,<br>2009 |
|--|-----------------------------|-----------------|-----------------|-----------------------------|
| William J. O'Connor<br>7% interest, payable monthly<br>principal due June 14, 2013                     | 150,000                     | 0               | 0               | 150,000                     |
| Kenneth & Louise Caresio Living<br>Trust<br>7% interest, payable monthly<br>principal due May 31, 2010 | <u>150,000</u>              | <u>0</u>        | <u>0</u>        | <u>150,000</u>              |
| <br>Total  | <br>\$ <u>300,000</u>       | <br>\$ <u>0</u> | <br>\$ <u>0</u> | <br>\$ <u>300,000</u>       |

See Accompanying Notes to Financial Statements

O'CONNOR & COMPANY SECURITIES, INC.  
SCHEDULE III – COMPUTATION FOR DETERMINATION OF RESERVE  
REQUIREMENTS PURSUANT TO RULE 15c3-3  
AS OF DECEMBER 31, 2009

A computation of reserve requirement is not applicable to O'Connor & Company Securities, Inc. as the Company qualifies for exemption under Rule 15c3-3 (k) (2) (ii).

O'CONNOR & COMPANY SECURITIES, INC.  
SCHEDULE IV – INFORMATION RELATING TO POSSESSION OR CONTROL  
REQUIREMENTS UNDER RULE 15c3-3  
AS OF DECEMBER 31, 2009

Information relating to possession or control requirements is not applicable to O'Connor & Company Securities, Inc. as the Company qualifies for exemption under Rule 15c3-3 (k) (2) (ii).

**Elizabeth Tractenberg, CPA**  
3832 SHANNON ROAD  
LOS ANGELES, CALIFORNIA 90027  
323/669-0545 – Fax 323/669-0575  
[elizabeth@tractenberg.net](mailto:elizabeth@tractenberg.net)

Part II  
Report of Independent Accountant  
On Internal Accounting Control Required by SEC Rule 17a-5

Board of Directors  
O'Connor & Company Securities, Inc.  
Newport Beach, California

In planning and performing my audit of the financial statements and supplemental schedules of O'Connor & Company Securities, Inc. (the "Company") for the year ended December 31, 2009, I considered its internal control, including control activities for safeguarding securities, in order to determine my auditing procedures for the purpose of expressing my 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), I have made a study of the practices and procedures followed by the Company including tests of such practices and procedures that I 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 Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, I 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 for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board 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.

Board of Directors  
O'Connor & Company Securities, Inc.  
Newport Beach, California

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.

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.

My 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. I did not identify any deficiencies in internal control and control activities for safeguarding securities that I consider to be material weaknesses, as defined above.

I 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 my study, I 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 information and use of the Board of Directors, management, the SEC, FINRA, 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.



Elizabeth Tractenberg, CPA  
Los Angeles, California  
January 23, 2010

# Elizabeth Tractenberg, CPA

3832 SHANNON ROAD  
LOS ANGELES, CALIFORNIA 90027  
323/669-0545 – Fax 323/669-0575  
[elizabeth@tractenberg.net](mailto:elizabeth@tractenberg.net)

## Part III

### SIPC Supplemental Report Pursuant to SEC Rule 17a-5(e)(4)

Board of Directors  
O'Connor & Company Securities, Inc.  
Newport Beach, California

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, I 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 Year Ended December 31, 2009, which were agreed to by O'Connor & Company Securities, Inc. and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., SIPC solely to assist you and the other specified parties in evaluating O'Connor & Company Securities, Inc.'s compliance with the applicable instructions of the Transitional Assessment Reconciliation (Form SIPC-7T).

O'Connor & Company Securities, Inc.'s management is responsible for the O'Connor & Company Securities, Inc.'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, I 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 I performed and my findings are as follows:

1. Compared the listed assessment payments in Form SIPC-7T with respective cash disbursement records entries to the check register and compared to the copy of the cancelled checks dated Jul 15, 2009 noting no differences. Copy of the cancelled check dated January 3, 2009 was not available, traced to January 31, 2009 bank statement and noted that the check cleared on January 9, 2009.
2. Reviewed the completed form SIPC-7T - Determination of "SIPC Net Operating Revenues" and General Assessment form as follows:
  - a. Compared Item No. 2a Total Revenue for the quarter ending December 31, 2009 to the Focus Report line 12/Part IIA line 9, Code 4030 and Item No. 2c (9)(i) total interest expense to the Focus Report line 22/Part IIA line 13, Code 4075 noting no differences.
  - b. Compared Item No. 2c Deductions to the transaction reports (general ledger activity) for the quarter ending December 31, 2009 noting that deductions for clearing broker fees were not deducted – resulting in a \$395 over accrual of SPIC fees at December 31, 2009 .
  - c. Reviewed computation of Item No. 2d SIPC Net Operating Revenues and Item No. 2e General Assessment noting no difference other than that noted in 2b above.

Board of Directors  
O'Connor & Company Securities, Inc.  
Newport Beach, California

SIPC Supplemental Report page 2

3. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7T and in the related schedules and working papers as noted in section 2 above noting no difference other than the \$395 over accrual noted in 2b above.
4. Compared the amount due to subsequent payment as reported in the check register noting no difference other than the \$395 over accrual noted in 2b above.

I was not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my 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.



Elizabeth Tractenberg, CPA  
Los Angeles, California  
January 23, 2010