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SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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

OMB APPROVAL	
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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 1/01/2009 AND ENDING 12/31/2009  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: M. Amarico, Inc.

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

96 Limekiln Road

(No. and Street)

West Redding

(City)

CT

(State)

06896

(Zip Code)

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

Michael Amari

203-938-3530

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Gargan, James M. CPA

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

828 Federal Road, Suite 2-A Brookfield

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

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\*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)

BPB  
3/4

BPB  
3/4

OATH OR AFFIRMATION

I, Michael Amari, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of M. Amarico, 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:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Michael M Amari  
Signature  
president  
Title

GRACE L. ABBADESSA  
Notary Public - State of New York  
No. 01AB6119088  
Qualified in Putnam County  
My Commission Expires November 22, 2012  
Grace L. Abbadesse  
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 **Cash Flows**
- (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).

**JAMES M. GARGAN, C.P.A.**

828 Federal Road, Suite 2A  
Brookfield Village Center  
Brookfield, CT 06804  
(203) 740-9699

To The Shareholder of  
M. Amarico, Inc.

I have examined the statement of financial condition of M. Amarico, Inc. as of December 31, 2009 and the related statements of income, changes in stockholders' equity, and cash flows for the year then ended. My examination was made in accordance with generally accepted auditing standards and accordingly, included such tests of the accounting records and such other auditing procedures as I considered necessary in the circumstances.

In my opinion, the financial statements referred to above present fairly the financial position of M. Amarico, Inc. as of December 31, 2009, and the results of its operations and changes in financial position for the year then ended in conformity with generally accepted accounting principles.

My examination included the supplementary schedules 1-4 and in my opinion, they represent fairly the information included therein in conformity with the rules of the Securities and Exchange Commission.



Brookfield, Connecticut  
February 24, 2010

**M. Amarico, Inc.**  
**Statement of Financial Condition**  
**As of December 31, 2009**

Exhibit A

Assets

Current Assets	
Cash and Cash Equivalents	\$ 38,082
Accounts Receivable	8,487
Securities Owned at Market Value (Cost \$46,855)	40,557
Prepaid Expenses & Deposits	<u>557</u>
<b><u>Total Current Assets</u></b>	<b>\$87,683</b>
Fixed Assets	
Automobiles	40,533
Furniture, Fixtures & Office Equip.	<u>35,032</u>
<u>Total</u>	\$75,565
Less: Accumulated Depreciation	<u>70,048</u>
<u>Net Fixed Assets</u>	<u>\$ 5,517</u>
<u>Other Assets</u>	
Cash Surrender Value Life Insurance	<u>60,853</u>
<b><u>Total Assets</u></b>	<b><u>\$154,053</u></b>

Liabilities and Stockholder's Equity

Liabilities

Accounts Payable, Accrued Expenses and Taxes Payable (Schedule A-1)	\$ 126
Shareholder Loan	<u>5,762</u>
<u>Total Liabilities</u>	\$ 5,888

Commitments and Contingent Liabilities (Note 8)

Stockholders' Equity	
Capital Stock Issued (Note 2)	\$ 50,000
Retained Earnings - Exhibit C	<u>98,165</u>
<u>Total Stockholders' Equity (Exhibit D)</u>	<u>\$148,165</u>
<u>Total Liabilities and Stockholders' Equity</u>	<u>\$154,053</u>

The accompanying notes to financial statements are an integral part of this report.

**M. Amarico, Inc.**  
**Accrued Expenses and Taxes Payable**  
**As of December 31, 2009**

Accrued Income Taxes	<u>126</u>
Total	<u>\$ 126</u>

The accompanying notes to financial statements are an integral part of this report.

**M. Amarico, Inc.**  
**Statement of Income**  
**For the Calendar Year 2009**

Revenue

Commissions etc.	\$128,078
Profits (Loss) on Firm Trading Accounts	9,776
Unrealized Gain (Loss) on Securities Held	24,552
Interest and Dividends	<u>104</u>

**Total Revenue**

**\$162,510**

Expenses

Officer's Salary	\$ 2,400
Salary Expense	14,640
Clearing Broker	66,422
Payroll Taxes & Employee Benefits (Note 3)	17,971
Telephone	1,780
Insurance	1,400
Membership Dues & Subscriptions	1,008
Automobile Lease & Expenses	775
Office Supplies & Expense	68
Utilities & Other Occupancy	6,310
Material & Repair Expense	50
Professional Fee	14,987
NASD & Other Regulatory Expenses	114
Quote Expense	2,016
Interest Expense	991
General & Miscellaneous Expenses	<u>267</u>

**Total Expenses**

**\$131,199**

Profit (Loss) Before Depreciation and Taxes	31,311
<u>Less:</u> Depreciation (Note 5)	912

Income (Loss) Before Taxes	\$30,399
Changes in Income Taxes (Note 6)	600

<u>Net Income (Loss)</u>	<b><u>\$ 29,799</u></b>
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The accompanying notes to financial statements are an integral part of this report.

**M. Amarico, Inc.**  
**Statement of Retained Earnings**  
**For the Calendar Year 2009**

Exhibit C

<u>Balance - Beginning of Year</u>	\$65,664	
<u>Add: Net Income Per Exhibit B</u>	<u>29,799</u>	
Cash Surrender Value Life Insurance	<u>2,702</u>	
<u>Balance - End of Year</u>		<u>\$98,165</u>

**Statement of Changes in Stockholders' Equity**

Exhibit D

<u>Balance - Beginning of Year</u>	\$115,664	
<u>Add: Net Income (Loss) Per Exhibit B</u>	29,799	
Cash Surrender Value of Life Insurance	<u>2,702</u>	
<u>Balance - End of Year</u>		<u>\$148,165</u>

The accompanying notes to financial statements are an integral part of this report.

**M. Amarico, Inc.**  
**Statement of Cash Flows**  
**For the Calendar Year 2009**

Exhibit E

Sources (Uses) of Cash

From Operations

Net Income (Loss) \$ 29,799

Depreciation 912

Cash (Uses) of Cash from Operating Activities \$ 30,711

Changes in Assets and Liabilities

Accounts Receivable (6,173)

Accrued Expenses and Taxes (242)

Bank and Auto Loan (19,039)

Shareholder's Loan 5,763

Net (Uses) of Cash from Operating Activities \$ (19,691)

Cash Flow From Investing and Financing Activities

Sale of Marketable Securities 23,165

Net (User) of Cash from  
Investing and Financing \$ 23,165

Net (Decrease) in Cash 34,185

Cash Beginning of Year 3,897

Cash End of Year \$ 38,082

Cash Paid During the Year for Income Taxes \$ 600

Cash Paid During the Year for Interest \$ 991

The accompanying notes to financial statements are an integral part of this report.

**M. Amarico, Inc.**  
**Computation of Net Capital**  
**As of December 31, 2009**

Schedule 1

Total Stockholder's Equity Per Exhibit A		\$148,165
<u>Less: Non Allowable Assets</u>		
Prepaid Expenses & Deposits	\$ 557	
Net Fixed Assets	<u>5,517</u>	<u>\$ 6,074</u>
<u>Net Capital Before Haircuts on Securities Position</u>		\$142,091
<u>Less: Haircuts on Securities Position</u>	\$ 6,084	
		<u>\$ 6,084</u>
<u>Net Capital</u>		<u>\$136,007</u>

The accompanying notes to financial statements are an integral part of this report.

**M. Amarico, Inc.**  
**Computation for Determination of Requirements**  
**Pursuant to Rule 15C3-4**

Schedule 2

Not Applicable\*

Information Relating to the Possession or Control  
Pursuant to Rule 15C3-3  
December 31, 2009

Schedule 3

Not Applicable\*

\* The above schedules numbered 2 and 3 are not applicable since the corporation claims an exemption from Rule 15C3-3 on the grounds that all customer transactions are cleared through Ridge Clearing Corp. on a fully disclosed basis.

The accompanying notes to financial statements are an integral part of this report.

**M. Amarico, Inc.**  
**Reconciliation of Net Capital Computation**  
**As of December 31, 2009**

Schedule 4

<u>Net Capital Per Form X-17A-5 (Unaudited Focus Report Filed by Corporation)</u>	\$ 138,168
<u>Net Capital Per Schedule 1</u>	<u>136,007</u>
<u>Difference Decrease</u>	\$ (2,161)
<u>The Above difference is Reconciled as Follows-</u>	
Increase in Cash Surrender Value	985
Increase in Net Fixed Assets	(408)
Decrease in Depreciation	408
Increase in Insurance Expense	(328)
Increase in Auto Expense	(775)
Increase in Accrued Expense and Payroll Taxes	(27)
Increase in Quote Expense	<u>(2,016)</u>
<b>Total Difference</b>	<b>\$ (2,161)</b>

The accompanying notes to financial statements are an integral part of this report.

**M. Amarico, Inc.**  
**Note to Financial Statements**  
**December 31, 2009**

**Note 1 - Nature of Corporation's Business**

The corporation conducts a retail stock brokerage business with its offices at 96 Limekiln Road, West Redding, CT. All customer transactions are fully disclosed through Ridge Clearing Corp. The agreement with Ridge Clearing is for M. Amarico, Inc. to deposit \$50,000 in a Good Faith Account at Ridge Clearing Corp.

**Note 2 - Capital Stock Issued**

The corporation was incorporated in the state of Delaware on January 14, 1981. Subsequent to that date, Mr. Michael Amari purchased 100% of the capital stock in the Corporation for the sum of \$50,000.

**Note 3 - Payroll Taxes and Employee Benefits**

Contributions to the M. Amarico Pension Plan were not made in 2009 because the plan reached the Full funding Limitation under the rules of 1987 O.S.R.A. regulations. Pension accrual was reduced to reflect the Full Funding of the plan. The remaining pension provision on Amarico's books reflects an accrual of possible contribution for 2009 since actuarial reports are not finalized as of this audit date.

**Note 4 - Insurance**

The corporation has secured a Stockholders' Blanket Insurance Policy from Hartford Fire Insurance Co. for the term of one year commencing June 25, 2009 through June 25, 2010. The policy has a limit of \$60,000 and is subject to a loss deductible clause of \$5,000 per loss. The premium applicable to the year 2009 is reflected in Insurance Expense on Exhibit B. The corporation is a member of the Securities Investors Protection Corp. Assessments paid to same, are included in Insurance Expense on Exhibit B.

**Note 5 - Depreciation**

Included herein is the sum of \$912 for depreciation on equipment and is calculated under the Straight Line Method of Depreciation.

Note 6 - Income Taxes

Income taxes consists of the following:

<u>Current</u>		
Federal		\$ 0
State & Local		<u>600</u>
		\$ 600
 <u>Deferred</u>		
Federal		0
State		<u>0</u>
		\$ 0

Deferred taxes are provided due principally to unrealized appreciation of securities. Reduction in deferred taxes is a result of recognized income from sale of securities. Deferred taxes are accrued due to timing differences and book to tax accounting for depreciation. There was no accrual for deferred taxes in 2009 since the amount was immaterial and results reflect a net loss to operations.

Note 7 - Net Income (Loss)

The Income of \$29,799 is arrived at after including net unrealized profit and losses from securities. Unrealized Gain on securities was \$24,552. The salaries, paid to non officers, for 2009 were \$14,640.

Note 8 - Commitments and Contingent Liabilities

The Company as of this date is unaware of any contingencies.

The accompanying notes to financial statements are an integral part of this report.

To The Board of Directors  
M. Amarico, Inc.

I have examined the financial statements of M. Amarico, Inc. for the period ended December 31, 2009, and have issued my report thereon dated February 24, 2010. As part of my examination, I made a study and evaluation of the system as required by generally accepted auditing standards and Rule 17A-5 of the Securities and Exchange Commission. This study and evaluation included the accounting system, the procedures for safeguarding securities, and practices and procedures followed by the client in making the periodic computations of aggregate indebtedness and net capital under Rule 17A-3 (A) (11). Since the corporation claims exemption from compliance with Rule 15C3-3, I satisfied myself that all transactions were cleared through Ridge Clearing Corp. and no information came to my attention that the Corporation did not comply with this requirement. Rule 17A-5 states that the scope of the study and evaluation should be sufficient to provide assurance that any material weakness existing at the date of my examination would be disclosed. Under generally accepted auditing standards and Rule 17A-5, the purposes of such study and evaluation are to establish a basis for reliance thereon in determining the nature, timing, and extent of other auditing procedures necessary for expressing an opinion on the financial statements and to provide a basis for reporting material weaknesses in internal auditing control.

The objective of internal accounting control is to provide reasonable, but not absolute, assurance concerning the safeguarding of assets against loss from unauthorized use or disposition and concerning the reliability of financial records for preparing financial statements and maintaining accountability for assets. However, for the purpose of this report under Rule 17A-5, the determination of weakness to be reported was made without considering the practicability of corrective action by management within the framework of a cost/benefit relationship.

There are inherent limitations that should be recognized in considering the potential effectiveness of any system of internal accounting control. In the performance of most control procedures, errors can result from the misunderstanding of instructions, mistakes of judgment, carelessness, or other personal factors. Control procedures whose effectiveness depends on segregation of duties can be circumvented intentionally by management either with respect to the execution and recording of transactions or with respect to the estimates and judgments required in the preparations of financial statements. Further, projection of any evaluation of internal accounting control for future period is subject to the risk that the procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

My study and evaluation of the system of internal accounting control for the period ended December 31, 2009, which was made for the purposes set forth in the first paragraph above, that may have existed during the period, disclosed no weaknesses that I believe to be material.

Brookfield, Connecticut  
February 24, 2010



James M. Gargan, CPA