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

SEC FILE NUMBER
8- 52538

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:

Newbridge Securities Corporation

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

OFFICIAL USE ONLY
FIRM I.D. NO.

1451 W. Cypress Creek Road, Suite # 204 (No. and Street)

Fort Lauderdale Florida 33309 (City) (State) (Zip Code)

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

Robert Spitler (954) 334-3450 (Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Jewett, Schwartz, Wolfe & Associates

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

South Park Road, Ste. 150 Hollywood, FL 33021 (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)

BB 3/10

OATH OR AFFIRMATION

I, Robert P. Spitler, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Newbridge Securities Corporation, 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:



Trina J. Signorino
Notary Public

Robert P. Spitler
Signature
President & CFO
Title

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).

NEWBRIDGE SECURITIES CORPORATION

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2009

NEWBRIDGE SECURITIES CORPORATION

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2009

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of
Newbridge Securities Corporation

We have audited the accompanying statement of financial condition of Newbridge Securities Corporation (The Company) as of December 31, 2009 and the related statements of operations statement of changes in shareholders' equity, statement of cash flow and changes in liabilities subordinated to claims of general creditors for the year then ended December 31, 2009 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 the standards of the Public Company Accounting Oversight Board (United States). 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 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 provided 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 Newbridge Securities Corporation as of December 31, 2009, and the results of their operations and cash flows for the year then ended December 31, 2009 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 contained in the schedules presented on pages 18, 19, 20, 21 and 22 is presented for the 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 the basic financial statements taken as a whole.

Jewett, Schwartz, Wolfe & Assoc CPA's

Jewett, Schwartz, Wolfe & Associates
Hollywood, Florida
February 25, 2010

NEWBRIDGE SECURITIES CORPORATION
STATEMENT OF FINANCIAL CONDITION
AS OF DECEMBER 31, 2009

ASSETS

CURRENT ASSETS	
Cash	\$ 1,259,435
Deposit held at clearing broker	126,642
Cash held in accounts at clearing broker	150,575
Receivable from clearing broker	1,885,794
Securities at market value	227,688
Accounts receivable	219,886
Loans receivable, net	667,260
Employee advances, net	46,840
Accrued interest	117,741
Prepaid expenses	<u>57,890</u>
 TOTAL CURRENT ASSETS	 4,759,751
 PROPERTY & EQUIPMENT, NET	 93,643
LOANS RECEIVABLE, NET	<u>885,418</u>
 TOTAL ASSETS	 \$ <u><u>5,738,812</u></u>

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES	
Securities sold short at market value	\$ 244,035
Payable to clearing broker	39,417
Accounts payable, accrued expenses, and other liabilities	592,171
Commissions payable	<u>1,900,042</u>
 TOTAL CURRENT LIABILITIES	 <u>2,775,665</u>
 SUBORDINATED BORROWINGS	 <u>1,911,111</u>
 TOTAL LIABILITIES	 <u>4,686,776</u>
 COMMITMENTS AND CONTINGENCIES	
 SHAREHOLDERS' EQUITY	
Common stock--Class A--no par value, 5,000 shares authorized, issued and outstanding	3,581,977
Common stock--Class B--no par value, 1,000 shares authorized, 195 shares issued and outstanding	750,000
Accumulated deficit	<u>(3,279,941)</u>
 TOTAL SHAREHOLDERS' EQUITY	 <u>1,052,036</u>
 TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	 \$ <u><u>5,738,812</u></u>

The accompanying notes are an integral part of these financial statements

NEWBRIDGE SECURITIES CORPORATION
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2009

REVENUES:	
Commissions	\$ 28,748,501
Private placement income	656,092
Investment banking income	525,867
Trading income	4,446,244
Interest	420,438
Client transaction service fee income	1,668,345
Other revenue	1,556,318
Total revenues	<u>38,021,805</u>
EXPENSES:	
Employee compensation and benefits	33,696,133
Clearing charges	492,632
Management fees	1,579,316
Communications	709,086
Customer settlements	605,917
Professional fees	546,404
Regulatory fees and expenses	545,120
Interest expense	201,482
Other operating expenses	1,372,149
Total expenses	<u>39,748,239</u>
NET LOSS BEFORE INCOME TAXES	1,726,434
Provision (benefit) for income taxes	-
NET LOSS	<u>\$ (1,726,434)</u>
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING-BASIC AND DILUTED	
	<u>5,195</u>
LOSS PER COMMON SHARE BASIC AND DILUTED	
	<u>\$ (332)</u>

The accompanying notes are an integral part of these financial statements

NEWBRIDGE SECURITIES CORPORATION
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2009

	COMMON STOCK					TOTAL SHAREHOLDERS' EQUITY
	CLASS A:		CLASS B:		ACCUMULATED DEFICIT	
	SHARES	AMOUNT	SHARES	AMOUNT		
Balance - January 1, 2009	5,000	\$ 2,131,977	195	\$ 750,000	\$ (1,553,507)	1,328,470
Additional Capitalization	-	1,450,000	-	-	-	1,450,000
Net Loss	-	-	-	-	(1,726,434)	(1,726,434)
Balance - December 31, 2009	5,000	\$ 3,581,977	195	\$ 750,000	\$ (3,279,941)	1,052,036

The accompanying notes are an integral part of these financial statements

NEWBRIDGE SECURITIES CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2009

CASH FLOW FROM OPERATING ACTIVITIES	
Net loss	\$ (1,726,434)
Adjustment to reconcile net loss to net cash in operating activities:	
Depreciation	72,560
Forgiveness of subordinated loan	(238,889)
Impairment of investments	12,700
Changes in operating assets and liabilities:	
Increase in deposits and cash at clearing broker	(150,533)
Increase in receivable from clearing broker	(535,846)
Decrease in securities at market value	687,549
Increase in accounts receivable	(49,886)
Increase in loans receivable	(80,334)
Decrease in employee advances	109,015
Increase in accrued interest	(17,846)
Increase in prepaid expenses	(21,200)
Increase in securities sold short at market value	244,020
Increase in payable to clearing broker	22,733
Increase in accounts payable, accrued expenses and other liabilities	118,716
Increase in commissions payable	326,742
Net cash used in operating activities	<u>(1,226,933)</u>
CASH FLOW FROM INVESTING ACTIVITIES	
Purchases of property and equipment	<u>(10,408)</u>
Net cash used in investing activities	<u>(10,408)</u>
CASH FLOW FROM FINANCING ACTIVITIES	
Proceeds from additional capitalization	<u>1,450,000</u>
Net cash provided by financing activities	<u>1,450,000</u>
Net increase in cash	212,659
CASH AT JANUARY 1, 2009	1,046,776
CASH AT DECEMBER 31, 2009	<u>\$ 1,259,435</u>
Supplemental disclosure of cash flow information	
Cash paid during the year for:	
Income taxes	<u>\$ 8,648</u>
Interest	<u>\$ 201,482</u>

The accompanying notes are an integral part of these financial statements

NEWBRIDGE SECURITIES CORPORATION
STATEMENT OF CHANGES IN LIABILITIES
SUBORDINATED TO CLAIMS OF GENERAL CREDITORS
FOR THE YEAR ENDED DECEMBER 31, 2009

Subordinated borrowings at January 1, 2009	\$	2,150,000
Decreases:		
Forgiveness of subordinated loan		<u>(238,889)</u>
Subordinated borrowings at December 31, 2009	\$	<u><u>1,911,111</u></u>

The accompanying notes are an integral part of these financial statements

NEWBRIDGE SECURITIES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

NOTE 1 – BUSINESS AND ORGANIZATION

Incorporation

The Company was incorporated in Virginia on December 17, 1997 as Ludwig Investments, Inc. In 2000, Newbridge Financial, Inc. (formerly Financial Holdings & Investments Corp.) acquired the Company and renamed the Company Newbridge Securities Corporation. The Company is a wholly owned subsidiary of Newbridge Financial, Inc. The Company is registered as a broker-dealer under the Securities Exchange Act of 1934 as amended, and is a member of The Financial Industry Regulatory Authority (FINRA).

Nature of business

The Company acts as an introducing broker through a fully disclosed clearing arrangement with a clearing broker-dealer. This broker-dealer provides clearing services, handles funds of the Company's customers, holds securities, and remits customer account activity statements to the Company's customers.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements and related notes are presented in accordance with accounting principles generally accepted in the United States of America. Significant accounting policies are as follows:

Recognition of commission income

Securities transactions are recorded for financial statement purposes on a trade-date basis with related commission income and expenses recorded on a trade-date basis.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Securities and Brokerage Transaction

Proprietary inventory transactions and the related gains and losses are recorded on a trade date basis. Securities owned are reported at fair value and any fluctuations are reported as a component of other revenue. Commission revenue and related expenses are also recorded on a trade date basis.

NEWBRIDGE SECURITIES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

Receivable from clearing broker

Clearing broker receivable are commissions receivable that are uncollateralized trade obligations due under normal trade terms requiring payments with approximately 5 business days of trade date. Unpaid balances do not bear interest. Commission receivables are stated at the amount settled with the Company's clearing broker. Payments of commission receivable are remitted monthly by the clearing broker. The company considers commissions receivable to be substantially all collectible. Accordingly, management believes that an allowance for doubtful accounts is not required at December 31, 2009.

Valuation of Securities Owned

Securities owned are valued using fair market value, as reported by stock exchanges and published quoted prices. Management considers these short term investment as trading securities. As such, any changes in the market value of such investment are recognized in operations.

Loans Receivable and Interest Income

The Company records certain unearned payments to registered representatives as loans receivable. These loans are evidenced by promissory notes and are typically earned over time in accordance with terms of the employment agreement and promissory note. The firm establishes a reserve for the remaining principal amount of any loan upon termination of the registered representative's employment regardless of the reason for termination or collectability of the remaining balance. The reserve amount is recorded as bad debt expense on the statement of income and any subsequent recoveries are credited to bad debt expense in the period of recovery. The Company has reserved approximately \$400,000 as of December 31, 2009.

The promissory notes referred to above include a stated rate of interest. The Company's balance sheet reflects interest accrued on the remaining principal balance of all loans receivable as of December 31, 2009.

Property and equipment

Property and equipment are carried at cost. For both financial statement and income tax purposes, depreciation of property and equipment is provided based upon the accelerated methods allowable by tax regulations over the estimated useful lives of the assets, ranging from 5 to 7 years, at the time the assets were placed in service.

Income Taxes

The Company files a consolidated income tax return with its parent and other affiliated companies. The Company computes its income taxes on a separate return basis.

NEWBRIDGE SECURITIES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes related primarily to differences between the bases of certain assets and liabilities for financial and tax reporting. The deferred taxes represent the future tax return consequences for those differences, which will either be taxable when the asset and liabilities are recovered or settled.

Statement of cash flows

For purposes of the statement of cash flows, the Company has defined cash equivalents as highly liquid investments, with original maturities of less than ninety days, and that are not held for sale in the ordinary course of business.

Loss per share

Basic loss per share of common stock were computed by dividing income available to common stockholders by the weighted average number of common shares outstanding for the year. Diluted earnings per share are not presented because the Company has issued no dilutive potential common shares.

NOTE 3 – PROPERTY AND EQUIPMENT, NET

Property and equipment are summarized by major classifications as follows:

Furniture and Fixture	\$ 239,511
Computers & Equipment	<u>501,006</u>
	740,517
Less: accumulated depreciation	<u>646,874</u>
Total	\$ <u><u>93,643</u></u>

Total depreciation expense amounted to \$72,560 for the year ended December 31, 2009.

NOTE 4 – FAIR VALUE

Fair value of certain of the Company's financial instruments including cash and cash equivalents, accounts receivable, loans receivable, commission payable, and other accrued liabilities approximate cost because of their short maturities. The Company measures and reports fair value in accordance with ASC 820, "Fair Value Measurements and Disclosure" defines fair value, establishes a framework for

NEWBRIDGE SECURITIES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

NOTE 4 – FAIR VALUE - (continued)

measuring fair value in accordance with generally accepted accounting principles and expands disclosures about fair value investments.

Fair value, as defined in ASC 820, is 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. The fair value of an asset should reflect its highest and best use by market participants, principal (or most advantageous) markets, and an in-use or an in-exchange valuation premise. The fair value of a liability should reflect the risk of nonperformance, which includes, among other things, the Company's credit risk.

Valuation techniques are generally classified into three categories: the market approach; the income approach; and the cost approach. The selection and application of one or more of the techniques may require significant judgment and are primarily dependent upon the characteristics of the asset or liability, and the quality and availability of inputs. Valuation techniques used to measure fair value under ASC 820 must maximize the use of observable inputs and minimize the use of unobservable inputs. ASC 820 also provides fair value hierarchy for inputs and resulting measurement as follows:

Level 1

Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities;

Level 2

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 for substantially the full term of the assets or liabilities; and

Level 3

Unobservable inputs for the asset or liability that are supported by little or no market activity and that are significant to the fair values.

Fair value measurements are required to be disclosed by the Level within the fair value hierarchy in which the fair value measurements in their entirety fall. Fair value measurements using significant unobservable inputs (in Level 3 measurements) are subject to expanded disclosure requirements including a reconciliation of the beginning and ending balances, separately presenting changes during the period attributable to the following: (i) total gains or losses for the period (realized and unrealized), segregating those gains or losses included in earnings, and a description of where those gains or losses included in earnings are reported in the statement of operations.

NEWBRIDGE SECURITIES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

NOTE 4 – FAIR VALUE - (continued)

The following table presents the Company’s fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of December 31, 2009.

	December 31, 2009			
	Total	Level 1	Level 2	Level 3
Assets ^(a)				
Securities:				
Equities	\$ 224,637	224,637	-	-
Bonds	3,051	3,051	-	-
Total assets at fair value	<u>\$ 227,688</u>	<u>227,688</u>	<u>-</u>	<u>-</u>
Liabilities ^(a)				
Financial instruments sold, not yet purchased:				
Equities	\$ 10,035	10,035	-	-
CD's	234,000	234,000	-	-
Total liabilities at fair value	<u>\$ 244,035</u>	<u>244,035</u>	<u>-</u>	<u>-</u>

(a) Financial assets are classified on our statement of financial condition as other assets, with the exception of short-term investments. Financial liabilities are classified on our statement of financial condition as other liabilities.

(b) Based on the price of common stock.

NOTE 5 – NET CAPITAL REQUIREMENT

The Company is subject to the Securities & Exchange Commission’s Uniform Net Capital Rule (Rule 15c3-1), which requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed fifteen to one. Net capital and the related net capital ratio fluctuates on a daily basis; however, as of December 31, 2009, the ratio of aggregate indebtedness to net capital was 4.49:1 and net capital was \$812,165, which exceeded the minimum net capital requirement by \$568,966.

NEWBRIDGE SECURITIES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

NOTE 6 – DEPOSIT WITH CLEARING BROKER

In accordance with the terms of its clearing arrangement, the Company is required to maintain a balance of at least \$125,000 in a deposit account retained by its clearing broker dealer. The deposit account is interest earning, is held in the name of the Company and the funds are not available for inclusion by the clearing broker dealer in its computation of net capital or for other operating purposes.

The Company has a deposit, which is interest earning, retained by its clearing broker-dealer as part of the clearing arrangement and to offset any unsecured customer debits.

NOTE 7 – RELATED PARTY TRANSACTIONS

Under an agreement between the Company and Newbridge Financial, Inc. (majority shareholder of the Parent), the Company pays a management fee to the parent. The management fee is a mutually agreed upon amount and may not represent the cost of obtaining the aforementioned items from an unrelated party. The management fees are paid for financial and administrative services, and for providing office facilities including furniture, fixtures and equipment. For the year ended December 31, 2009, the total management fee paid to the affiliate was \$1,579,316. The Company will be filing a consolidated income tax return with its affiliated group members for the year ended December 31, 2009. The Company did not have a balance due to or from the Parent at December 31, 2009.

Some of the officers of the Company are also the officers of the Parent and have a direct ownership interest in the Parent. At December 31, 2009, the Company had amounts due from officers of \$0.

NOTE 8 – CONCENTRATIONS OF CREDIT RISK

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 credit-worthiness of the counterparty or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counterparty.

NOTE 9 – EMPLOYEE BENEFIT PLAN

After completing 90 days of employment, each Company employee is eligible to participate in a Section 401(k) plan ("Plan") that the Parent sponsors. The Company made no contributions to the Plan during the year ended December 31, 2009, and is not required to contribute to the Plan.

NEWBRIDGE SECURITIES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

NOTE 10 – CONTINGENCIES

At December 31, 2009, various customers have instituted arbitration proceedings against the Company.

In one matter, the client and the Company have subsequently agreed to a settlement of \$127,000 of which the Company's professional liability insurance carrier has confirmed coverage of \$70,000 to be paid directly to the client. The financial statements reflect an accrued liability for the \$57,000 to be paid by the Company to settle this matter.

In another matter, independent counsel has confirmed that settlement is likely within the range of \$20,000 to \$25,000. The financial statements reflect an accrued liability of \$22,500 related to this matter.

Management is contesting all other cases vigorously. Management feels that the outcome of these remaining cases along with the potential for the Company to recover all or a portion of any losses through a claim with professional liability insurance carrier and /or indemnification provided to Company by the registered representative are uncertain. Management feels that an estimate of loss cannot be made. The financial statements do not reflect an accrual for any losses in these matters.

NOTE 11 – SUBORDINATED BORROWINGS

The borrowings under the subordination agreement at December 31, 2009, are due from the Company's clearing broker. The subordinated borrowings bear interest at 8 percent per annum payable monthly, and such interest payments are current at December 31, 2009. The subordinated borrowings are available in computing net capital under the SEC's uniform net capital rule. To the extent that such borrowings are required for the Company's continued compliance with minimum net capital requirements, they may not be repaid.

The subordinated borrowings note payable had an effective date of September 17, 2008 and an original principal balance of \$2,900,000, of which \$750,000 was converted to equity, in the form of Class B common stock. This conversion resulted in the clearing broker's having an equity interest of 3.75% of the total number of outstanding shares of the Company. The remaining outstanding shares are all held by the Parent.

As part of the above-mentioned conversion, the principal of the subordinated loan was reduced to \$2,150,000, which is forgivable in the amount of \$238,889 per year beginning 12 months after the effective date of the loan agreement and ending 9 years after the effective date of the loan agreement. The remaining principal balance as of December 31, 2009 is \$1,911,111.

NEWBRIDGE SECURITIES CORPORATION
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2009

NOTE 12 – INCOME TAXES

The provision (benefit) for income taxes from continued operations for the years ended December 31, 2009 consist of the following:

Current:		
Federal	\$	-
State		-
		<u>-</u>
Deferred:		
Federal	\$	(446,000)
State		(149,000)
		<u>(595,000)</u>
Provision from the operating loss carry forward		<u>595,000</u>
Provision (benefit) for income taxes, net	\$	<u><u>-</u></u>

The difference between income tax expense computed by applying the federal statutory corporate tax rate and actual income tax expense is as follows:

Statutory federal income tax rate	26.00 %
State income taxes and other	8.90 %
	<u>34.90 %</u>
Combined statutory income tax rate	
Valuation allowances	<u>(34.90) %</u>
Effective tax rate	<u><u>-</u></u>

Deferred income taxes result from temporary differences in the recognition of income and expenses for the financial reporting purposes and for tax purposes. The tax effect of these temporary differences representing deferred tax asset and liabilities result principally from the following:

Net operating loss carry forward	\$	1,700,000
Valuation allowance		<u>(1,700,000)</u>
Deferred income tax asset	\$	<u><u>-</u></u>

NEWBRIDGE SECURITIES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

NOTE 12 – INCOME TAXES (continued)

The Company has a net operating loss carry forward of approximately \$3,200,000 available to offset future taxable income through 2028.

A deferred tax asset in the amount of \$595,000 has been recorded to recognize the benefit of Federal and Florida net operating loss carry-forwards for financial-reporting purposes at December 31, 2009. This deferred tax asset is offset by a valuation allowance in the same amount because the Company believes it is likely that future benefits will not be realized. Realization of the deferred tax asset is dependent on generating sufficient taxable income in the future. The amount of the deferred tax asset considered realizable could change in the near term if estimates of future taxable income are increased. The Company's Federal and Florida net operating loss carry-forwards for financial-reporting purposes will expire in the year 2029.

The tax provisions or benefits differ from amounts that would be calculated by applying federal statutory rates to income or loss before income taxes because the Company and its Parent are subject to both state and federal income taxes.

NOTE 13 – DIVIDENDS

The Company did not declare or pay any dividends on common shares during the year ended December 31, 2009.

Supplementary Information

NEWBRIDGE SECURITIES CORPORATION
 SUPPLEMENTARY INFORMATION PURSUANT TO SEC RULE 17a-5
 AS OF DECEMBER 31, 2009

COMPUTATION OF NET CAPITAL

Total shareholders' equity	\$	1,052,036
Additions:		
Liabilities subordinated to claims of general creditors		<u>1,911,111</u>
Total capital and allowable subordinated liabilities		<u>2,963,147</u>
Deductions and/or charges		
Nonallowable assets:		
Accounts receivable	\$ 168,926	
Loans receivable, less allowance for doubtful loans of \$400,445	1,552,678	
Employee advances, less allowance for doubtful accounts of \$32,973	46,840	
Accrued interest	117,741	
Prepaid expenses	57,890	
Property and equipment, net of accumulated depreciation	<u>93,643</u>	<u>2,037,718</u>
Net capital before haircuts on securities positions		925,429
Less: Restricted stocks	68,323	
Less: Blockage charges	<u>3,600</u>	71,923
Less: Haircuts on securities (computed where applicable, pursuant to rule 15c3-1(f))		
Trading and investment securities - stocks, bonds and cd's	37,996	
Undue concentrations	<u>3,345</u>	<u>41,341</u>
NET CAPITAL	\$	<u><u>812,165</u></u>

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Net capital required (greater of a or b)	\$	<u><u>243,198</u></u>
a. Minimum net capital required (6-2/3% of aggregate indebtedness)	\$	<u><u>243,198</u></u>
b. Minimum dollar amount of net capital required	\$	<u><u>100,000</u></u>
Excess Net Capital	\$	<u><u>568,967</u></u>

The accompanying notes are an integral part of these financial statements

NEWBRIDGE SECURITIES CORPORATION
SUPPLEMENTARY INFORMATION PURSUANT TO SEC RULE 17a-5
AS OF DECEMBER 31, 2009

COMPUTATION OF AGGREGATE INDEBTEDNESS

Items included in statement of financial condition

Payable to clearing broker	\$ 39,416	
Accounts payable, accrued expenses and other liabilities	592,172	
Commissions payable	<u>1,900,042</u>	<u>2,531,630</u>
Items included in statement of financial condition		
Contingencies		<u>1,116,337</u>
Total aggregate indebtedness		\$ <u><u>3,647,967</u></u>
Ratio of aggregate indebtedness to net capital		<u><u>4.49</u></u>

The accompanying notes are an integral part of these financial statements

NEWBRIDGE SECURITIES CORPORATION
 SUPPLEMENTARY INFORMATION PURSUANT TO SEC RULE 17a-5
 AS OF DECEMBER 31, 2009

RECONCILIATION OF THE COMPUTATION OF NET CAPITAL

The adjustments to FOCUS Report, Part IIA, Form X - 7A5 (Allowable and Nonallowable Assets), as filed for the period ended December 31, 2009 are as follows:

	Unaudited	Adjustments	Audited
Allowable assets	\$ 3,701,094	\$ -	\$ 3,701,094
Nonallowable assets			
Decrease in loans receivable, less allowance for doubtful loans	1,592,678	(40,000)	1,552,678
Decrease in employee advances, less allowance for doubtful accounts	79,813	(32,973)	46,840
Decrease in miscellaneous investments	12,700	(12,700)	-
Other Non-allowable assets	438,200	-	438,200
	<u>2,123,391</u>	<u>(85,673)</u>	<u>2,037,718</u>
Total Assets	<u>\$ 5,824,485</u>	<u>\$ (85,673)</u>	<u>\$ 5,738,812</u>

The accompanying notes are an integral part of these financial statements

NEWBRIDGE SECURITIES CORPORATION
 SUPPLEMENTARY INFORMATION PURSUANT TO SEC RULE 17a-5
 AS OF DECEMBER 31, 2009

RECONCILIATION OF THE COMPUTATION OF NET CAPITAL

The adjustments to FOCUS Report, Part IIA, Form X - 7A5 (Aggregate indebtedness, other liabilities and stockholders' equity) as filed for the period ended December 31, 2009 are as follows:

	Unaudited	Adjustments	Audited
Aggregate Indebtedness			
Increase in accounts payable, accrued expenses and other liabilities	\$ 512,672	\$ 79,500	\$ 592,172
Other items included in aggregate indebtedness	1,939,458	-	1,939,458
	<u>2,452,130</u>	<u>79,500</u>	<u>2,531,630</u>
Other Liabilities	244,035	-	244,035
Subordinated loans	1,911,111	-	1,911,111
Shareholders Equity	1,217,209	-	1,217,209
The effect of above adjustments on net income		(165,173)	(165,173)
	<u>1,217,209</u>	<u>(165,173)</u>	<u>1,052,036</u>
Total Liabilities and Shareholders' Equity	<u>\$ 5,824,485</u>	<u>\$ (85,673)</u>	<u>\$ 5,738,812</u>

The accompanying notes are an integral part of these financial statements

NEWBRIDGE SECURITIES CORPORATION
SUPPLEMENTARY INFORMATION PURSUANT TO SEC RULE 17a-5
AS OF DECEMBER 31, 2009

EXEMPTIVE PROVISIONS UNDER RULE 15c3-3

With respect to the Computation for Determination of Reserve Requirements and Information relating to the Possession or Control Requirements under Rule 15c3-3, Newbridge Securities Corporation qualified for exemption under subparagraph (k) (2) (ii) of the Rule.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON
INTERNAL ACCOUNTING CONTROL REQUIRED BY SEC RULE 17a-5

To the Board of Directors and Stockholders of
Newbridge Securities Corporation

In planning and performing our audit of the financial statements and supplemental schedules of Newbridge Securities Corporation (The Company), as of and for the year ended December 31, 2009, in accordance with auditing standards generally accepted in the United States of America, We considered the Company's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company including consideration of control activities for safeguarding securities. This study included test of such practices and procedures that we considered relevant to the objective 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 provision 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 and recordation of differences required by Rule 17a-13
2. Complying with the requirements for prompt payment for securities under Section 8 of 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 the transactions are executed in accordance with management's authorization and recorded properly to permit preparation of financial statements in conformity with generally accepted accounting principle. Rule 17a-5(g) list additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control or the practices and procedures referred to above, errors 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 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.

Our consideration of internal control was for the limited purpose described in the first and second paragraph and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control 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 the practices and procedures that do not accomplish such objectives in all material respects indicates a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures, as described in the second paragraph of this report, 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 Director, management, the SEC, and other regulatory agencies which 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.

Jewett, Schwartz, Wolfe & Assoc CPA's

Jewett, Schwartz, Wolfe & Associates

Hollywood, Florida

February 25, 2010

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING
AGREED-UPON PROCEDURES
RELATED TO
AN ENTITY'S SIPC
ASSESSMENT RECONCILIATION
AS REQUIRED UNDER SEC RULE 17a-5(e) 4

To the Board of Directors and Stockholders of
Newbridge Securities Corporation

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying Schedule of Assessment and Payment (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 Newbridge Securities Corporation and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc. and SIPC, solely to assist you and the other specified parties in evaluating Newbridge Securities Corporation's compliance with the applicable instructions of the Transitional Assessment Reconciliation (Form SIPC-7T). Newbridge Securities Corporation's management is responsible for the Newbridge Securities Corporation'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, we 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 we performed and our findings are as follows:

1. Compared the listed assessment payments in Form SIPC-7T with respective cash disbursement records entries nothing no differences.
2. Compared the amounts reported on the audited Form X17A-5 for the year ended December 31, 2009, as applicable, with the amounts reported in Form SIPC-7T for the year ended December 31, 2009 nothing no differences;
3. Compared any adjustments reported in Form SIPC-7T with supporting schedules and working papers nothing no differences;
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7T and in the related schedules and working papers supporting the adjustments nothing no differences; and
5. Compared the amount of any overpayment applied to the current assessment with the Form SIPC-7T on which it was originally computed nothing no differences.

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

Jewett, Schwartz, Wolfe & Assoc CPA's

Jewett, Schwartz, Wolfe & Associates

Hollywood, Florida

February 25, 2010

Transitional Assessment Reconciliation

(Read carefully the instructions in your Working Copy before completing this Form)

TO BE FILED BY ALL SIPC MEMBERS WITH FISCAL YEAR ENDINGS

1. Name of Member, address, Designated Examining Authority, 1934 Act registration no. and month in which fiscal year ends for purposes of the audit requirement of SEC Rule 17a-5:

052538 FINRA DEC
NEWBRIDGE SECURITIES CORPORATION 12*12
1451 W CYPRESS CREEK RD STE 204
FT LAUDERDALE FL 33309-1953

Note: If any of the information shown on the mailing label requires correction, please e-mail any corrections to form@sipc.org and so indicate on the form filed.

Name and telephone number of person to contact respecting this form.

2. A. General Assessment [item 2e from page 2 (not less than \$150 minimum)]	\$ <u>50,029</u>
B. Less payment made with SIPC-6 filed including \$150 paid with 2009 SIPC-4 (exclude interest)	(<u>17,402</u>)
<i>1/7/09 - \$150; 8/5/09 - \$16,826.05; 10/19/09 - \$426.17</i> Date Paid	
C. Less prior overpayment applied	(<u>0</u>)
D. Assessment balance due or (overpayment)	<u>32,627</u>
E. Interest computed on late payment (see instruction E) for _____ days at 20% per annum	<u>0</u>
F. Total assessment balance and interest due (or overpayment carried forward)	\$ <u>32,627</u>
G. PAID WITH THIS FORM: Check enclosed, payable to SIPC Total (must be same as F above)	\$ <u>32,627.00</u>
H. Overpayment carried forward	\$(<u> </u>)

3. Subsidiaries (S) and predecessors (P) included in this form (give name and 1934 Act registration number):

The SIPC member submitting this form and the person by whom it is executed represent thereby that all information contained herein is true, correct and complete.

Newbridge Securities Corporation
(Name of Corporation, Partnership or other organization)
Robert P. Fritts
(Authorized Signature)
President + CEO
(Title)

Dated the 3rd day of February, 2010.

This form and the assessment payment is due 60 days after the end of the fiscal year. Retain the Working Copy of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.

SIPC REVIEWER

Dates: Postmarked Received Reviewed
Calculations Documentation Forward Copy
Exceptions:
Disposition of exceptions:

**DETERMINATION OF "SIPC NET OPERATING REVENUES"
AND GENERAL ASSESSMENT**

Amounts for the fiscal period
beginning April 1, 2009
and ending Dec 31, 2010
Eliminate cents

Item No.

2a. Total revenue (FOCUS Line 12; Part IIA Line 9, Code 4030)

\$ 29,720,799

2b. Additions:

(1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above.

0

(2) Net loss from principal transactions in securities in trading accounts.

0

(3) Net loss from principal transactions in commodities in trading accounts.

0

(4) Interest and dividend expense deducted in determining item 2a.

0

(5) Net loss from management of or participation in the underwriting or distribution of securities.

0

(6) Expenses other than advertising, printing, registration fees and legal fees deducted in determining net profit from management of or participation in underwriting or distribution of securities.

0

(7) Net loss from securities in investment accounts.

0

Total additions

29,720,799

2c. Deductions:

(1) Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, from the business of insurance, from investment advisory services rendered to registered investment companies or insurance company separate accounts, and from transactions in security futures products.

5,483,478

(2) Revenues from commodity transactions.

0

(3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.

0

(4) Reimbursements for postage in connection with proxy solicitation.

0

(5) Net gain from securities in investment accounts.

3,544,129

(6) 100% of commissions and markups earned from transactions in (i) certificates of deposit and (ii) Treasury bills, bankers acceptances or commercial paper that mature nine months or less from issuance date.

438,577

(7) Direct expenses of printing advertising and legal fees incurred in connection with other revenue related to the securities business (revenue defined by Section 16(9)(L) of the Act).

0

(8) Other revenue not related either directly or indirectly to the securities business.

(See instruction C):

Misc. Fees charged to Registered Reps of Firm

95,259

(9) (i) Total interest and dividend expense (FOCUS Line 22; PART IIA Line 13.

Code 4075 plus line 2b(4) above) but not in excess of total interest and dividend income.

\$ 145,739

(ii) 40% of interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960).

\$ 147,895

Enter the greater of line (i) or (ii)

147,895

Total deductions

9,709,338

1. SIPC Net Operating Revenues

\$ 20,011,461

2. General Assessment @ .0025

\$ 50,028.65

(to page 1 but not less than \$150 minimum)