[redacted]

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BB 4/6

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

SEC Mail Processing Section
APR 05 2010
Washington, DC
123

| SEC FILE NUMBER |
|---|
| 8- 18486 |

## 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 2-1-2009 (MM/DD/YY) AND ENDING 1-31-2010 (MM/DD/YY)

## A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: McLiney and Company

| OFFICIAL USE ONLY |
|---|
| FIRM I.D. NO. |

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

2800 McGee Traffic way
(No. and Street)

Kansas City (City) MO (State) 64108 (Zip Code)

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

(Area Code – Telephone Number)

## B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Weaver & Martin, LLC
(Name – *if individual, state last, first, middle name*)

411 Valentine Road, Suite 300 (Address) Kansas City (City) Missouri (State) 64111 (Zip Code)

**CHECK ONE:**

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

| FOR OFFICIAL USE ONLY |
|---|
| |

**Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)*

SEC 1410 (06-02)

**Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

BB 4/6

## OATH OR AFFIRMATION

I, George J. McLiney, Jr., swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of McLiney and Company, as of January 31, 2010, 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:

HEIDI EARL
Notary Public - Notary Seal
State of Missouri - County of Clay
My Commission Expires May 24, 2010
Commission #06434135

Signature

Chairman Emeritus

Title

Notary Public

This report ** contains (check all applicable boxes):

- [x] (a) Facing Page.
- [x] (b) Statement of Financial Condition.
- [x] (c) Statement of Income (Loss).
- [x] (d) Statement of Changes in Financial Condition.
- [x] (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- [x] (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- [x] (g) Computation of Net Capital.
- [x] (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- [x] (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- [x] (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.
- [x] (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- [x] (l) An Oath or Affirmation.
- [x] (m) A copy of the SIPC Supplemental Report.
- [x] (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).*

## TO BE COMPLETED WITH THE ANNUAL AUDIT REPORT ONLY:

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report

NAME (If individual, state last, first, middle name)

Weaver & Martin, LLC 70

ADDRESS

| 411 Valentine Road, Suite 300 71 | Kansas City 72 | Missouri 73 | 64111 74 |
|---|---|---|---|
| Number and Street | City | State | Zip Code |

CHECK ONE

- [x] Certified Public Accountant 75
- [ ] Public Accountant 76
- [ ] Accountant not resident in United States or any of its possessions 77

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| WORK LOCATION | REPORT DATE MM/DD/YY | DOC. SEQ. NO. | CARD | | | | |
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| 50 | 51 | 52 | 53 | | | | |

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

FORM X-17A-5

# FOCUS REPORT

(FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT)

PART II [11]

(Please read instructions before preparing Form)

This report is being filed pursuant to (Check Applicable Block(s)):

1) Rule 17a-5(a) [X] 16    2) Rule 17a-5(b) [ ] 17    3) Rule 17a-11 [ ] 18

4) Special request by designated examining authority [ ] 19    5) Other [ ] 26

| | |
|---|---|
| NAME OF BROKER-DEALER | SEC. FILE NO. |
| MCLINEY AND COMPANY [13] | 8-18486 [14] |
| ADDRESS OF PRINCIPAL PLACE OF BUSINESS (Do not use P.O. Box No.) | FIRM ID NO. |
| | 6936 [15] |
| 2800 MCGEE TRAFFICWAY [20] (No. and Street) | FOR PERIOD BEGINNING (MM/DD/YY) 01/01/10 [24] |
| KANSAS CITY [21] (City) MO [22] (State) 64108 [23] (Zip Code) | AND ENDING (MM/DD/YY) 01/29/10 [25] |

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT    (Area code) - Telephone No.

George J McLiney, Jr. [30]    (816) 221-4042 [31]

NAME(S) OF SUBSIDIARIES OR AFFILIATES CONSOLIDATED IN THIS REPORT    OFFICIAL USE

| | |
|---|---|
| [32] | [33] |
| [34] | [35] |
| [36] | [37] |
| [38] | [39] |

DOES RESPONDENT CARRY ITS OWN CUSTOMER ACCOUNTS ?    YES [ ] 40    NO [X] 41

CHECK HERE IF RESPONDENT IS FILING AN AUDITED REPORT [Y] 42

**EXECUTION:**

The registrant/broker or dealer submitting this Form and its attachments and the person(s) by whom it is executed represent hereby that all information contained therein is true, correct and complete. It is understood that all required items, statements, and schedules are considered integral parts of this Form and that the submisson of any amendment represents that all unamended items, statements and schedules remain true, correct and complete as previously submitted.

Dated the 29 day of March 20 10

Manual Signatures of:

1) Geo McLiney
Principal Executive Officer or Managing Partner

2) ______________________
Principal Financial Officer or Partner

3) ______________________
Principal Operations Officer or Partner

ATTENTION - Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C. 78:f (a) )

FINRA

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART II

| BROKER OR DEALER | | |
|---|---|---|
| MCLINEY AND COMPANY | N 2 | 100 |

## STATEMENT OF FINANCIAL CONDITION

as of (MM/DD/YY) 01/29/10 [99]
SEC FILE NO. 8-18486 [98]
Consolidated [ ] [198]
Unconsolidated [X] [199]

### ASSETS

| | Allowable | | Nonallowable | | Total | |
|---|---|---|---|---|---|---|
| 1. Cash | $ 841,389 | 200 | | | $ 841,389 | 750 |
| 2. Cash segregated in compliance with federal and other regulations | 55,100 | 210 | | | 55,100 | 760 |
| 3. Receivable from brokers or dealers and clearing organizations: | | | | | | |
| A. Failed to deliver: | | | | | | |
| 1. Includable in "Formula for Reserve Requirements" | | 220 | | | | |
| 2. Other | | 230 | | | | 770 |
| B. Securities borrowed: | | | | | | |
| 1. Includable in "Formula for Reserve Requirements" | | 240 | | | | |
| 2. Other | | 250 | | | | 780 |
| C. Omnibus accounts: | | | | | | |
| 1. Includable in "Formula for Reserve Requirements" | | 260 | | | | |
| 2. Other | | 270 | | | | 790 |
| D. Clearing Organizations: | | | | | | |
| 1. Includable in "Formula for Reserve Requirements" | | 280 | | | | |
| 2. Other | | 290 | | | | 800 |
| E. Other | | 300 | $ | 550 | | 810 |
| 4. Receivables from customers: | | | | | | |
| A. Securities accounts: | | | | | | |
| 1. Cash and fully secured accounts | | 310 | | | | |
| 2. Partly secured accounts | | 320 | | 560 | | |
| 3. Unsecured Accounts | | | | 570 | | |
| B. Commodity accounts | | 330 | | 580 | | |
| C. Allowance for doubtful accounts | ( ) | 335 | ( ) | 590 | | 820 |
| 5. Receivables from non-customers: | | | | | | |
| A. Cash and fully secured accounts | | 340 | | | | |
| B. Partly secured and unsecured accounts | | 350 | 121,821 | 600 | 121,821 | 830 |
| 6. Securities purchased under agreements to resell | | 360 | | 605 | | 840 |
| 7. Securities and spot commodities owned, at market value: | | | | | | |
| A. Banker's acceptances, certificates of deposit and commercial paper | | 370 | | | | |
| B. U.S. and Canadian government obligations | | 380 | | | | |
| C. State and municipal government obligations | 522,473 | 390 | | | | |
| D. Corporate obligations | | 400 | | | | |



OMIT PENNIES

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART II

BROKER OR DEALER

MCLINEY AND COMPANY

as of 01/29/10

## STATEMENT OF FINANCIAL CONDITION

### ASSETS (continued)

| | | | Allowable | | Nonallowable | | Total | |
|---|---|---|---|---|---|---|---|---|
| E. Stocks and warrants | | | $ | 410 | | | | |
| F. Options | | | | 420 | | | | |
| G. Arbitrage | | | | 422 | | | | |
| H. Other securities | | | | 424 | | | | |
| I. Spot Commodities | | | | 430 | | | | |
| J. Total inventory - includes encumbered securities of . . . | $ | 120 | | | | | $ 522,473 | 850 |
| 8. Securities owned not readily marketable: | | | | | | | | |
| A. At Cost | $ | 130 | | 440 | $ | 610 | | 860 |
| 9. Other investments not readily marketable: | | | | | | | | |
| | $ | 140 | | | | | | |
| B. At estimated fair value | | | | 450 | | 620 | | 870 |
| 10. Securities borrowed under subordination agreements and partners' individual and capital securities accounts, at market value: | | | | | | | | |
| A. Exempted securities | $ | 150 | | | | | | |
| B. Other | $ | 160 | | 460 | | 630 | | 880 |
| 11. Secured demand notes-market value of collateral: | | | | | | | | |
| A. Exempted securities | $ | 170 | | | | | | |
| B. Other | $ | 180 | | 470 | | 640 | | 890 |
| 12. Memberships in exchanges: | | | | | | | | |
| A. Owned, at market value | $ | 190 | | | | | | |
| B. Owned at cost | | | | | | 650 | | |
| C. Contributed for use of company, at market value | | | | | | 660 | | 900 |
| 13. Investment in and receivables from affiliates, subsidiaries and associated partnerships | | | | 480 | | 670 | | 910 |
| 14. Property, furniture, equipment, leasehold improvements and rights under lease agreements: At cost (net of accumulated depreciation and amortization) | | | | 490 | 13,325 | 680 | 13,325 | 920 |
| 15. Other Assets: | | | | | | | | |
| A. Dividends and interest receivable | | | 781 | 500 | | 690 | | |
| B. Free shipments | | | | 510 | | 700 | | |
| C. Loans and advances | | | | 520 | | 710 | | |
| D. Miscellaneous | | | | 530 | 6,529 | 720 | | |
| E. Collateral accepted under SFAS 140 | | | | 536 | | | | |
| F. SPE Assets | | | | 537 | | | 7,310 | 930 |
| 16. TOTAL ASSETS | | | $ 1,419,743 | 540 | $ 141,675 | 740 | $ 1,561,418 | 940 |

OMIT PENNIES

BROKER OR DEALER
MCLINEY AND COMPANY

as of 01/29/10

## STATEMENT OF FINANCIAL CONDITION
## LIABILITIES AND OWNERSHIP EQUITY

| Liabilities | A.I. Liabilities * | | Non-A.I. Liabilities * | | Total | |
|---|---|---|---|---|---|---|
| 17. Bank loans payable: | | | | | | |
| A. Includable in "Formula for Reserve Requirements" | $ | 1030 | $ | 1240 | $ | 1460 |
| B. Other | | 1040 | | 1250 | | 1470 |
| 18. Securities sold under repurchase agreements. | | | | 1260 | | 1480 |
| 19. Payable to brokers or dealers and clearing organizations: | | | | | | |
| A. Failed to receive: | | | | | | |
| 1. Includable in "Formula for Reserve Requirements" | | 1050 | | 1270 | | 1490 |
| 2. Other | | 1060 | | 1280 | | 1500 |
| B. Securities loaned: | | | | | | |
| 1. Includable in "Formula for Reserve Requirements" | | 1070 | | | | 1510 |
| 2. Other | | 1080 | | 1290 | | 1520 |
| C. Omnibus accounts: | | | | | | |
| 1. Includable in "Formula for Reserve Requirements" | | 1090 | | | | 1530 |
| 2. Other | | 1095 | | 1300 | | 1540 |
| D. Clearing organizations: | | | | | | |
| 1. Includable in "Formula for Reserve Requirements" | | 1100 | | | | 1550 |
| 2. Other | | 1105 | | 1310 | | 1560 |
| E. Other | | 1110 | | 1320 | | 1570 |
| 20. Payable to customers: | | | | | | |
| A. Securities accounts - including free credits of ...... $ ____ 950 | | 1120 | | | | 1580 |
| B. Commodities accounts | | 1130 | | 1330 | | 1590 |
| 21. Payable to non customers: | | | | | | |
| A. Securities accounts | | 1140 | | 1340 | | 1600 |
| B. Commodities accounts | | 1150 | | 1350 | | 1610 |
| 22. Securities sold not yet purchased at market value - including arbitrage of ...... $ ____ 960 | | | | 1360 | | 1620 |
| 23. Accounts payable and accrued liabilities and expenses: | | | | | | |
| A. Drafts payable | | 1160 | | | | 1630 |
| B. Accounts payable | | 1170 | | | | 1640 |
| C. Income taxes payable | | 1180 | | | | 1650 |
| D. Deferred income taxes | | | | 1370 | | 1660 |
| E. Accrued expenses and other liabilities | 230,440 | 1190 | | | 230,440 | 1670 |
| F. Other | | 1200 | | 1380 | | 1680 |
| G. Obligation to return securities | | | | 1386 | | 1686 |
| H. SPE Liabilities | | | | 1387 | | 1687 |

OMIT PENNIES

*Brokers or Dealers electing the alternative net capital requirement method need not complete these columns.

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART II

BROKER OR DEALER
MCLINEY AND COMPANY

as of 01/29/10

## STATEMENT OF FINANCIAL CONDITION
### LIABILITIES AND OWNERSHIP EQUITY (continued)

| | Liabilities | A.I. Liabilities * | Non-A.I. Liabilities * | Total |
|---|---|---|---|---|
| 24. Notes and mortgages payable: | | | | |
| A. Unsecured | $ | [1210] | | $ [1690] |
| B. Secured | | [1211] | $ [1390] | [1700] |
| 25. Liabilities subordinated to claims of general creditors: | | | | |
| 1. from outsiders | | | [1400] | [1710] |
| A. Cash borrowings: $ [0970] | | | | |
| 2. Includes equity subordination(15c3-1(d)) of [0980] | | | | |
| B. Securities borrowings, at market value: from outsiders $ [0990] | | | [1410] | [1720] |
| C. Pursuant to secured demand note collateral agreements: | | | [1420] | [1730] |
| 1. from outsiders $ [1000] | | | | |
| 2. Includes equity subordination(15c3-1(d)) of $ [1010] | | | | |
| D. Exchange memberships contributed for use of company, at market value | | | [1430] | [1740] |
| E. Accounts and other borrowings not qualified for net capital purposes | | [1220] | [1440] | [1750] |
| 26. TOTAL LIABILITIES | $ | 230,440 [1230] | $ [1450] | $ 230,440 [1760] |

### Ownership Equity

| | | Total |
|---|---|---|
| 27. Sole proprietorship | | $ [1770] |
| 28. Partnership - limited partners | $ [1020] | [1780] |
| 29. Corporation: | | |
| A. Preferred stock | | [1791] |
| B. Common stock | | 105,090 [1792] |
| C. Additional paid- in capital | | 10,180 [1793] |
| D. Retained Earnings | | 1,398,586 [1794] |
| E. Total | | 1,513,856 [1795] |
| F. Less capital stock in treasury | | ( 182,878 ) [1796] |
| 30. TOTAL OWNERSHIP EQUITY | | $ 1,330,978 [1800] |
| 31. TOTAL LIABILITIES AND OWNERSHIP EQUITY | | $ 1,561,418 [1810] |

OMIT PENNIES

* Brokers or Dealers electing the alternative net capital requirement method need not complete these columns.

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART II

BROKER OR DEALER

MCLINEY AND COMPANY as of 01/29/10

## COMPUTATION OF NET CAPITAL

| | | | | | | |
|---|---|---|---|---|---|---|
| 1. Total ownership equity (from Statement of Financial Condition - Item 1800) | | | | | $ 1,330,978 | 3480 |
| 2. Deduct: Ownership equity not allowable for Net Capital | | | | | ( ) | 3490 |
| 3. Total ownership equity qualified for Net Capital | | | | | 1,330,978 | 3500 |
| 4. Add: | | | | | | |
| A. Liabilities subordinated to claims of general creditors allowable in computation of net capital | | | | | | 3520 |
| B. Other (deductions) or allowable credits (List) | | | | | | 3525 |
| 5. Total capital and allowable subordinated liabilities | | | | | $ 1,330,978 | 3530 |
| 6. Deductions and/or charges: | | | | | | |
| A. Total non-allowable assets from Statement of Financial Condition (Notes B and C) | | | $ 141,675 | 3540 | | |
| 1. Additional charges for customers' and non-customers' security accounts | | | | 3550 | | |
| 2. Additional charges for customers' and non-customers' commodity accounts | | | | 3560 | | |
| B. Aged fail-to-deliver: | | | | 3570 | | |
| 1. number of items | | 3450 | | | | |
| C. Aged short security differences-less reserve of | $ | 3460 | | 3580 | | |
| number of items | | 3470 | | | | |
| D. Secured demand note deficiency | | | | 3590 | | |
| E. Commodity futures contracts and spot commodities - proprietary capital charges | | | | 3600 | | |
| F. Other deductions and/or charges | | | 5,000 | 3610 | | |
| G. Deductions for accounts carried under Rule 15c3-1(a)(6), (a)(7) and (c)(2)(x) | | | | 3615 | | |
| H. Total deductions and/or charges | | | | | ( 146,675 ) | 3620 |
| 7. Other additions and/or allowable credits (List) | | | | | | 3630 |
| 8. Net Capital before haircuts on securities positions | | | | | $ 1,184,303 | 3640 |
| 9. Haircuts on securities: (computed, where applicable, pursuant to 15c3-1(f)): | | | | | | |
| A. Contractual securities commitments | | | $ | 3660 | | |
| B. Subordinated securities borrowings | | | | 3670 | | |
| C. Trading and investment securities: | | | | | | |
| 1. Bankers' acceptances, certificates of deposit and commercial paper | | | | 3680 | | |
| 2. U.S. and Canadian government obligations | | | | 3690 | | |
| 3. State and municipal government obligations | | | 28,361 | 3700 | | |
| 4. Corporate obligations | | | | 3710 | | |
| 5. Stocks and warrants | | | | 3720 | | |
| 6. Options | | | | 3730 | | |
| 7. Arbitrage | | | | 3732 | | |
| 8. Other securities | | | | 3734 | | |
| D. Undue concentration | | | | 3650 | | |
| E. Other (List) | | | | 3736 | ( 28,361 ) | 3740 |
| 10. Net Capital | | | | | $ 1,155,942 | 3750 |

OMIT PENNIES

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART II

BROKER OR DEALER
MCLINEY AND COMPANY as of 01/29/10

## COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Part A

| | | | |
|---|---|---|---|
| 11. Minimal net capital required (6-2/3% of line 19) | $ | 15,363 | 3756 |
| 12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A) | $ | 100,000 | 3758 |
| 13. Net capital requirement (greater of line 11 or 12) | $ | 100,000 | 3760 |
| 14. Excess net capital (line 10 less 13) | $ | 1,055,942 | 3770 |
| 15. Net capital less greater of 10% of line 19 or 120% of line 12 | $ | 1,035,942 | 3780 |

## COMPUTATION OF AGGREGATE INDEBTEDNESS

| | | | | | |
|---|---|---|---|---|---|
| 16. Total A.I. liabilities from Statement of Financial Condition | | | $ | 230,440 | 3790 |
| 17. Add: | | | | | |
| A. Drafts for immediate credit | $ | 3800 | | | |
| B. Market value of securities borrowed for which no equivalent value is paid or credited | $ | 3810 | | | |
| C. Other unrecorded amounts (List) | $ | 3820 | $ | | 3830 |
| 18. Deduct: Adjustment based on deposits in Special Reserve Bank Accounts(15c3-1(c)(1)(vii)) | | | $ | | 3838 |
| 19. Total aggregate indebtedness | | | $ | 230,440 | 3840 |
| 20. Percentage of aggregate indebtedness to net capital (line 19 divided by line 10) | | | % | 19.94 | 3850 |
| 21. Percentage of aggregate indebtedness to net capital after anticipated capital withdrawals (line 19 divided by line 10 less item 4880 page 12) | | | % | 19.94 | 3853 |

## COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT

Part B

| | | | |
|---|---|---|---|
| 22. 2% of combined aggregate debit items as shown in Formula for Reserve Requirements pursuant to Rule 15c3-3 prepared as of the date of net capital computation including both brokers or dealers and consolidated subsidiaries' debits | $ | | 3870 |
| 23. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note(A) | $ | | 3880 |
| 24. Net capital requirement (greater of line 22 or 23) | $ | | |
| 25. Excess net capital (line 10 less 24) | $ | | 3910 |
| 26. Percentage of Net Capital to Aggregate Debits (line 10 divided by line 17 page 8) | % | | 3851 |
| 27. Percentage of Net Capital, after anticipated capital withdrawals, to Aggregate Debits item 10 less Item 4880 page 12 divided by line 17 page 8) | % | | 3854 |
| 28. Net capital in excess of the greater of: 5% of combined aggregate debit items or 120% of minimum net capital requirement | $ | | 3920 |

## OTHER RATIOS

Part C

| | | | |
|---|---|---|---|
| 29. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1 (d) | % | | 3860 |
| 30. Options deductions/Net Capital ratio (1000% test) total deductions exclusive of liquidating equity under Rule 15c3-1(a)(6), (a)(7) and (c)(2)(x) divided by Net Capital | % | | 3852 |

NOTES:

(A) The minimum net capital requirement should be computed by adding the minimum dollar net capital requirement of the reporting broker dealer and, for each subsidiary to be consolidated, the greater of:
1. Minimum dollar net capital requirement, or
2. 6-2/3% of aggregate indebtedness or 2% of aggregate debits if alternate method is used.

(B) Do not deduct the value of securities borrowed under subordination agreements or secured demand notes covered by subordination agreements not in satisfactory form and the market values of memberships in exchanges contributed for use of company (contra to item 1740) and partners' securities which were included in non-allowable assets.

(C) For reports filed pursuant to paragraph (d) of Rule 17a-5, respondent should provide a list of material non-allowable assets.

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART II

| | | | | | |
|---|---|---|---|---|---|
| BROKER OR DEALER | For the period (MMDDYY) from | 01/01/10 | 3932 | to 01/29/10 | 3933 |
| MCLINEY AND COMPANY | Number of months included in this statement | | | | 3931 |

## STATEMENT OF INCOME (LOSS)

| | | | | |
|---|---|---|---|---|
| **REVENUE** | | | | |
| 1. Commissions: | | | | |
| a. Commissions on transactions in listed equity securities executed on an exchange | | | $ | 3935 |
| b. Commissions on transactions in exchange listed equity securities executed over-the-counter | | | | 3937 |
| c. Commissions on listed option transactions | | | | 3938 |
| d. All other securities commissions | | | | 3939 |
| e. Total securities commissions | | | | 3940 |
| 2. Gains or losses on firm securities trading accounts | | | | |
| a. From market making in over-the-counter equity securities | | | | 3941 |
| 1. Includes gains or (losses) OTC market making in exchange listed equity securities | | 3943 | | |
| b. From trading in debt securities | | | 152,720 | 3944 |
| c. From market making in options on a national securities exchange | | | | 3945 |
| d. From all other trading | | | | 3949 |
| e. Total gains or (losses) | | | 152,720 | 3950 |
| 3. Gains or losses on firm securities investment accounts | | | | |
| a. Includes realized gains (losses) | | 4235 | | |
| b. Includes unrealized gains (losses) | | 4236 | | |
| c. Total realized and unrealized gains (losses) | | | | 3952 |
| 4. Profits or losses from underwriting and selling groups | | | | 3955 |
| a. Includes underwriting income from corporate equity securities | | 4237 | | |
| 5. Margin interest | | | | 3960 |
| 6. Revenue from sale of investment company shares | | | | 3970 |
| 7. Fees for account supervision, investment advisory and administrative services | | | | 3975 |
| 8. Revenue from research services | | | | 3980 |
| 9. Commodities revenue | | | | 3990 |
| 10. Other revenue related to securities business | | | 290 | 3985 |
| 11. Other revenue | | | 157,917 | 3995 |
| 12. Total revenue | | | $ 310,927 | 4030 |
| **EXPENSES** | | | | |
| 13. Registered representatives' compensation | | | $ 614,469 | 4110 |
| 14. Clerical and administrative employees' expenses | | | 48,972 | 4040 |
| 15. Salaries and other employment costs for general partners and voting stockholder officers | | | 383,500 | 4120 |
| a. Includes interest credited to General and Limited Partners capital accounts | | 4130 | | |
| 16. Floor brokerage paid to certain brokers (see definition) | | | | 4055 |
| 17. Commissions and clearance paid to all other brokers (see definition) | | | | 4145 |
| 18. Clearance paid to non-brokers (see definition) | | | 2,357 | 4135 |
| 19. Communications | | | | 4060 |
| 20. Occupancy and equipment costs | | | 1,500 | 4080 |
| 21. Promotional costs | | | 13,113 | 4150 |
| 22. Interest expense | | | 1,017 | 4075 |
| a. Includes interest on accounts subject to subordination agreements | | 4070 | | |
| 23. Losses in error account and bad debts | | | | 4170 |
| 24. Data processing costs (including service bureau service charges) | | | | 4186 |
| 25. Non-recurring charges | | | | 4190 |
| 26. Regulatory fees and expenses | | | 1,319 | 4195 |
| 27. Other expenses | | | 169,962 | 4100 |
| 28. Total expenses | | | $ 1,236,209 | 4200 |
| **NET INCOME** | | | | |
| 29. Income (loss) before Federal income taxes and items below (Item 12 less Item 28) | | | $ (925,282) | 4210 |
| 30. Provision for Federal Income taxes (for parent only) | | | 9,694 | 4220 |
| 31. Equity in earnings (losses) of unconsolidated subsidiaries not included above | | | | 4222 |
| a. After Federal income taxes of | | 4238 | | |
| 32. Extraordinary gains (losses) | | | | 4224 |
| a. After Federal income taxes of | | 4239 | | |
| 33. Cumulative effect of changes in accounting principles | | | | 4225 |
| 34. Net income (loss) after Federal Income taxes and extraordinary Items | | | $ (934,976) | 4230 |
| **MONTHLY INCOME** | | | | |
| 35. Income (current month only) before provision for Federal income taxes and extraordinary items | | | $ 934,976 | 4211 |

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
## PART II

| | |
|---|---|
| BROKER OR DEALER<br>MCLINEY AND COMPANY | as of 01/29/10 |

## COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS FOR BROKER-DEALERS UNDER RULE 15c3-3
(See Rule 15c3-3, Exhibit A and Related Notes)

### CREDIT BALANCES

| | | | | |
|---|---|---|---|---|
| 1. Free credit balances and other credit balances in customers' security accounts (see Note A, Exhibit A, Rule 15c3-3) | $ | 4340 | | |
| 2. Monies borrowed collateralized by securities carried for the accounts of customers (see Note B) | | 4350 | | |
| 3. Monies payable against customers' securities loaned (see Note C) | | 4360 | | |
| 4. Customers' securities failed to receive (see Note D) | | 4370 | | |
| 5. Credit balances in firm accounts which are attributable to principal sales to customers | | 4380 | | |
| 6. Market value of stock dividends, stock splits and similar distributions receivable outstanding over 30 calendar days | | 4390 | | |
| 7. ** Market value of short security count differences over 30 calendar days old | | 4400 | | |
| 8. ** Market value of short securities and credits (not to be offset by longs or by debits) in all suspense accounts over 30 calendar days | | 4410 | | |
| 9. Market value of securities which are in transfer in excess of 40 calendar days and have not been confirmed to be in transfer by the transfer agent or the issuer during the 40 days | | 4420 | | |
| 10. Other (List) | | 4425 | | |
| 11. TOTAL CREDITS | | | $ | 4430 |

### DEBIT BALANCES

| | | | | |
|---|---|---|---|---|
| 12. ** Debit balances in customers' cash and margin accounts excluding unsecured accounts and accounts doubtful of collection net of deductions pursuant to Note E, Exhibit A, Rule 15c3-3 | $ | 4440 | | |
| 13. Securities borrowed to effectuate short sales by customers and securities borrowed to make delivery on customers' securities failed to deliver | | 4450 | | |
| 14. Failed to deliver of customers' securities not older than 30 calendar days | | 4460 | | |
| 15. Margin required and on deposit with the Options Clearing Corporation for all option contracts written or purchased in customer accounts (see Note F) | | 4465 | | |
| 16. Margin related to security futures products written, purchased or sold in customer accounts required and on deposit with a clearing agency or a derivative clearing organization (see note G) | | 4467 | | |
| 17. Other (List) | | 4469 | | |
| 18. ** Aggregate debit items | | | $ | 4470 |
| 19. ** Less 3% (for alternative method only - see Rule 15c3-1(f)(5)(i)) | | | ( ) | 4471 |
| 20. ** TOTAL 15c3-3 DEBITS | | | | 4472 |

### RESERVE COMPUTATION

| | | |
|---|---|---|
| 21. Excess of total debits over total credits (line 20 less line 11) | $ | 4480 |
| 22. Excess of total credits over total debits (line 11 less line 20) | | 4490 |
| 23. If computation permitted on a monthly basis, enter 105% of excess of total credits over total debits | | 4500 |
| 24. Amount held on deposit in "Reserve Bank Account(s)", including value of qualified securities, at end of reporting period | | 4510 |
| 25. Amount of deposit (or withdrawal) including $ [4515] value of qualified securities | | 4520 |
| 26. New amount in Reserve Bank Account(s) after adding deposit or subtracting withdrawal including $ [4525] value of qualified securities | $ | 4530 |
| 27. Date of deposit (MMDDYY) | | 4540 |

OMIT PENNIES

### FREQUENCY OF COMPUTATION

28. Daily [4332] Weekly [4333] Monthly [4334]

** In the event the Net Capital Requirement is computed under the alternative method, this "Reserve Formula" shall be prepared in accordance with the requirements of paragraph (f) of Rule 15c3-1.

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
## PART II

BROKER OR DEALER

MCLINEY AND COMPANY | as of 01/29/10

## COMPUTATION FOR DETERMINATION OF PAIB RESERVE REQUIREMENTS FOR BROKER-DEALERS

### CREDIT BALANCES

| | | | | |
|---|---|---|---|---|
| 1. Free credit balances and other credit balances in proprietary accounts of introducing brokers (PAIB) | $ | [2110] | | |
| 2. Monies borrowed collateralized by securities carried for PAIB | | [2120] | | |
| 3. Monies payable against PAIB securities loaned (see Note 2-PAIB) | | [2130] | | |
| 4. PAIB securities failed to receive | | [2140] | | |
| 5. Credit balances in firm accounts which are attributable to principal sales to PAIB | | [2150] | | |
| 6. Other (List) | | [2160] | | |
| 7. TOTAL PAIB CREDITS | | | $ | [2170] |

### DEBIT BALANCES

| | | | | |
|---|---|---|---|---|
| 8. Debit balances in PAIB excluding unsecured accounts and accounts doubtful of collection | $ | [2180] | | |
| 9. Securities borrowed to effectuate short sales by PAIB and securities borrowed to make delivery on PAIB securities failed to deliver | | [2190] | | |
| 10. Failed to deliver of PAIB securities not older than 30 calendar days | | [2200] | | |
| 11. Margin required and on deposit with the Options Clearing Corporation for all option contracts written or purchased in PAIB accounts | | [2210] | | |
| 12. Margin related to security futures products written, purchased or sold in PAIB accounts required and on deposit with a clearing agency or a derivative clearing organization | | [2215] | | |
| 13. Other (List) | | [2220] | | |
| 14. TOTAL PAIB DEBITS | | | $ | [2230] |

### RESERVE COMPUTATION

| | | |
|---|---|---|
| 15. Excess of total PAIB debits over total PAIB credits (line 14 less line 7) | $ | [2240] |
| 16. Excess of total PAIB credits over total PAIB debits (line 7 less line 14) | | [2250] |
| 17. Excess debits in customer reserve formula computation | | [2260] |
| 18. PAIB Reserve Requirement (line 16 less line 17) | | [2270] |
| 19. Amount held on deposit in "Reserve Bank Account(s)", including $ [2275] value of qualified securities, at end of reporting period | | [2280] |
| 20. Amount of deposit (or withdrawal) including $ [2285] value of qualified securities | | [2290] |
| 21. New amount in Reserve Bank Account(s) after adding deposit or subtracting $ [2295] value of qualified securities | $ | [2300] |
| 22. Date of deposit (MMDDYY) | | [2310] |

### FREQUENCY OF COMPUTATION

OMIT PENNIES

23. Daily [2315] Weekly [2320] Monthly [2330]

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART II

BROKER OR DEALER
MCLINEY AND COMPANY as of 01/29/10

## COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS FOR BROKER-DEALERS UNDER RULE 15c3-3 (continued)

### EXEMPTIVE PROVISIONS

26. If an exemption from Rule 15c3-3 is claimed, identify below the section upon which such exemption is based:

A. (k) (1)-Limited business (mutual funds and/or variable annuities only) ........................ $ ______ [4550]

B. (k) (2)(i)-"Special Account for the Exclusive Benefit of customers" maintained .................. X [4560]

C. (k) (2)(ii)-All customer transactions cleared through another broker-dealer on a fully disclosed basis.
Name(s) of Clearing Firm(s) - Please separate multiple names with a semi-colon
______ [4335] ______ [4570]

D. (k) (3)-Exempted by order of the Commission .......................................... ______ [4580]

Information for Possession or Control Requirements Under Rule 15c3-3

State the market valuation and the number of items of:

1. Customers' fully paid securities and excess margin securities not in the respondent's possession or control as of the report date (for which instructions to reduce to possession or control had been issued as of the report date) but for which the required action was not taken by respondent within the time frames specified under Rule 15c3-3. Notes A and B .......................... $ ______ [4586]

   A. Number of items ........................................................................ ______ [4587]

2. Customers' fully paid securities and excess margin securities for which instructions to reduce to possession or control had not been issued as of the report date, excluding items arising from "temporary lags which result from normal business operations" as permitted under Rule 15c3-3. Notes B,C and D .................................................... ______ [4588]

   A. Number of items ............................................................ $ ______ [4589]

OMIT PENNIES

3. The system and procedures utilized in complying with the requirement to maintain physical possession or control of customers' fully paid and excess margin securities have been tested and are functioning in a manner adequate to fulfill the requirements of Rule 15c3-3 ... Yes ______ [4584] No ______ [4585]

NOTES

A--Do not include in item one customers' fully paid and excess margin securities required by Rule 15c 3-3 to be in possession or control but for which no action was required by the respondent as of the report date or required action was taken by respondent within the time frames specified under Rule 15c3-3.

B--State separately in response to items one and two whether the securities reported in response thereto were subsequently reduced to possession or control by the respondent.

C--Be sure to include in item two only items not arising from "temporary lags which result from normal business operations" as permitted under Rule 15c3-3.

D--Item two must be responded to only with report which is filed as of the date selected for the broker's or dealer's annual audit of financial statements, whether or not such date is the end of a calendar quarter. The response to item two should be filed within 60 calendar days after such date, rather than with the remainder of this report. This information may be required on a more frequent basis by the Commission or the designated examining authority in accordance with Rule 17a-5(a)(2)(iv).

SUPPLEMENT TO
FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART II

| | |
|---|---|
| BROKER OR DEALER | |
| MCLINEY AND COMPANY | as of 01/29/10 |

## STATEMENT OF SEGREGATION REQUIREMENTS AND FUNDS IN SEGREGATION FOR CUSTOMERS TRADING ON U.S. COMMODITY EXCHANGES

SEGREGATION REQUIREMENTS (Section 4d(2) of the CEAct)

| | | | | |
|---|---|---|---|---|
| 1. Net ledger balance | | | | |
| A. Cash | | | $ | 7010 |
| B. Securities (at market) | | | | 7020 |
| 2. Net unrealized profit (loss) in open futures contracts traded on a contract market | | | | 7030 |
| 3. Exchange traded options | | | | |
| A. Add market value of open option contracts purchased on a contract market | | | | 7032 |
| B. Deduct market value of open option contracts granted (sold) on a contract market | | | ( ) | 7033 |
| 4. Net equity (deficit) (add lines 1, 2, and 3) | | | | 7040 |
| 5. Accounts liquidating to a deficit and accounts with debit balances | | | | |
| - gross amount | | 7045 | | |
| Less: amount offset by customer owned securities | ( ) | 7047 | | 7050 |
| 6. Amount required to be segregated (add lines 4 and 5) | | | $ | 7060 |

FUNDS IN SEGREGATED ACCOUNTS

| | | |
|---|---|---|
| 7. Deposited in segregated funds bank accounts | | |
| A. Cash | | 7070 |
| B. Securities representing investments of customers' funds (at market) | | 7080 |
| C. Securities held for particular customers or option customers in lieu of cash (at market) | | 7090 |
| 8. Margins on deposit with derivatives clearing organizations of contract markets | | |
| A. Cash | $ | 7100 |
| B. Securities representing investments of customers' funds (at market) | | 7110 |
| C. Securities held for particular customers or option customers in lieu of cash (at market) | | 7120 |
| 9. Net settlement from (to) derivatives clearing organizations of contract markets | | 7130 |
| 10. Exchange traded options | | |
| A. Value of open long option contracts | | 7132 |
| B. Value of open short option contracts | ( ) | 7133 |
| 11. Net equities with other FCMs | | |
| A. Net liquidating equity | | 7140 |
| B. Securities representing investments of customers' funds (at market) | | 7160 |
| C. Securities held for particular customers or option customers in lieu of cash (at market) | | 7170 |
| 12. Segregated funds on hand (describe: ) | | 7150 |
| 13. Total amount in segregation (add lines 7 through 12) | | 7180 |
| 14. Excess (deficiency) funds in segregation (subtract line 6 from line 13) | $ | 7190 |

SUPPLEMENT TO
FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART II

BROKER OR DEALER

MCLINEY AND COMPANY

as of 01/29/10

## STATEMENT OF SEGREGATION REQUIREMENTS AND FUNDS IN SEGREGATION FOR CUSTOMERS' DEALER OPTIONS ACCOUNTS

| | | | | |
|---|---|---|---|---|
| 1. Amount required to be segregated in accordance with Commission regulation 32.6 | | | $ | 7200 |
| 2. Funds in segregated accounts | | | | |
| A. Cash | $ | 7210 | | |
| B. Securities (at market) | | 7220 | | |
| C. Total | | | | 7230 |
| 3. Excess (deficiency) funds in segregation (subtract line 2.C from line 1) | | | $ | 7240 |

SUPPLEMENT TO
FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART II

| | |
|---|---|
| BROKER OR DEALER<br>MCLINEY AND COMPANY | as of 01/29/10 |

## STATEMENT OF SECURED AMOUNTS AND FUNDS HELD IN SEPARATE ACCOUNTS FOR FOREIGN FUTURES AND FOREIGN OPTIONS CUSTOMERS PURSUANT TO COMMISSION REGULATION 30.7

FOREIGN FUTURES AND FOREIGN OPTIONS SECURED AMOUNTS - SUMMARY

I. Check the appropriate box to identify the amount shown on line 1. below.

[ ] 7300 Secured amounts in only U.S. - domiciled customers' accounts

[ ] 7310 Secured amounts in U.S. and foreign - domiciled customers' accounts

[ ] 7320 Net liquidating equities in all accounts of customers trading on foreign boards of trade

[ ] 7330 Amount required to be set aside pursuant to law, rule or regulation of a foreign government or a rule of a self-regulatory organization authorized thereunder.

II. Has the FCM changed the method of calculating the amount to be set aside in separate accounts since the last financial report it filed ?

[ ] Yes 7340 If yes, explain the change below

[ ] No 7350

| | | |
|---|---|---|
| 1. Amount to be set aside in separate section 30.7 accounts | $ | 7360 |
| 2. Total funds in separate section 30.7 accounts (page T10-4, line 8) | | 7370 |
| 3. Excess (deficiency) - (subtract line 1 from line 2) | $ | 7380 |

SUPPLEMENT TO

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART II

BROKER OR DEALER

MCLINEY AND COMPANY

as of 01/29/10

## STATEMENT OF SECURED AMOUNTS AND FUNDS HELD IN SEPARATE ACCOUNTS FOR FOREIGN FUTURES AND FOREIGN OPTIONS CUSTOMERS PURSUANT TO COMMISSION REGULATION 30.7

FUNDS DEPOSITED IN SEPARATE REGULATION 30.7 ACCOUNTS

| | | | |
|---|---|---|---|
| 1. Cash in banks | | | |
| A. Banks located in the United States | | $ [7500] | |
| B. Other banks designated by the Commission | | | |
| Name(s): | [7510] | [7520] | $ [7530] |
| 2. Securities | | | |
| A. In safekeeping with banks located in the United States | | $ [7540] | |
| B. In safekeeping with other banks designated by the Commission | | | |
| Name(s): | [7550] | [7560] | [7570] |
| 3. Equities with registered futures commission merchants | | | |
| A. Cash | | $ [7580] | |
| B. Securities | | [7590] | |
| C. Unrealized gain (loss) on open futures contracts | | [7600] | |
| D. Value of long option contracts | | [7610] | |
| E. Value of short option contracts | | ( ) [7615] | [7620] |
| 4. Amounts held by clearing organizations of foreign boards of trade | | | |
| Name(s): | [7630] | | |
| A. Cash | | $ [7640] | |
| B. Securities | | [7650] | |
| C. Amount due to (from) clearing organizations - daily variation | | [7660] | |
| D. Value of long option contracts | | [7670] | |
| E. Value of short option contracts | | ( ) [7675] | [7680] |
| 5. Amounts held by members of foreign boards of trade | | | |
| Name(s): | [7690] | | |
| A. Cash | | $ [7700] | |
| B. Securities | | [7710] | |
| C. Unrealized gain (loss) on open futures contracts | | [7720] | |
| D. Value of long option contracts | | [7730] | |
| E. Value of short option contracts | | ( ) [7735] | [7740] |
| 6. Amounts with other depositories designated by a foreign board of trade | | | |
| Name(s): | [7750] | | [7760] |
| 7. Segregated funds on hand (describe: ) | | | [7765] |
| 8. Total funds in separate section 30.7 accounts (to page T10-3 line 2) | | | $ [7770] |

A. If any securities shown are other than the types of securities referred to in CFTC Regulation 1.25, attach a separate schedule detailing the obligations shown on each such line.

SUPPLEMENT TO

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART II

| | |
|---|---|
| BROKER OR DEALER | |
| MCLINEY AND COMPANY | as of 01/29/10 |

## COMPUTATION OF CFTC MINIMUM NET CAPITAL REQUIREMENT

Net Capital required

A. Risk-Based Requirement

| | | | |
|---|---|---|---|
| i. Amount of Customer Risk Maintenance Margin requirement | 7415 | | |
| ii. Enter 8% of line A.i | | 7425 | |
| iii. Amount of Non-Customer Risk Maintenance Margin requirement | 7435 | | |
| iv. Enter 4% of line A.iii | | 7445 | |
| v. Add lines A.ii and A.iv. | | 7455 | |
| B. Minimum Dollar Amount Requirement (Enter $500,000 if a member of NFA) | | 7465 | |
| C. Other NFA Requirement | | 7475 | |
| D. Minimum CFTC Net Capital Requirement. Enter the greatest of lines A, B or C | | | 7490 |

Note: If amount on Line D (7490) is greater than minimum net capital requirement computed on Line 3760 (Page 6) then enter this greater amount on Line 3760. The greater of the amount required by SEC or CFTC is the minimum net capital requirement.

CFTC Early Warning Level 7495

Note: If the minimum CFTC Net Capital Requirement computed on Line D (7490) is the:

(1) Risk Based Requirement, enter 110% of Line A (7455) or

(2) Minimum Dollar Amount Requirement, enter 150% of Line B (7465) or

(3) Other NFA Requirement, enter 150% of Line C (7475).

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART II

BROKER OR DEALER
MCLINEY AND COMPANY as of 01/29/10

Ownership Equity and Subordinated Liabilities maturing or proposed to be withdrawn within the next six months and accruals, (as defined below), which have not been deducted in the computation of Net Capital.

| Type of Proposed withdrawal or Accrual (See below for code to enter) | Name of Lender or Contributor | Insider or Outsider ? (In or Out) | Amount to be withdrawn (cash amount and/or Net Capital Value of Securities) | (MMDDYY) Withdrawal or Maturity Date | Expect to Renew (Yes or No) |
|---|---|---|---|---|---|
| 4600 | 4601 | 4602 | 4603 | 4604 | 4605 |
| 4610 | 4611 | 4612 | 4613 | 4614 | 4615 |
| 4620 | 4621 | 4622 | 4623 | 4624 | 4625 |
| 4630 | 4631 | 4632 | 4633 | 4634 | 4635 |
| 4640 | 4641 | 4642 | 4643 | 4644 | 4645 |
| 4650 | 4651 | 4652 | 4653 | 4654 | 4655 |
| 4660 | 4661 | 4662 | 4663 | 4664 | 4665 |
| 4670 | 4671 | 4672 | 4673 | 4674 | 4675 |
| 4680 | 4681 | 4682 | 4683 | 4684 | 4685 |
| 4690 | 4691 | 4692 | 4693 | 4694 | 4695 |
| | | TOTAL | $ 4699* | | |

OMIT PENNIES

* To agree with the total on Recap (Item No. 4880)

Instructions: Detail listing must include the total of items maturing during the six month period following the report date, regardless of whether or not the capital contribution is expected to be renewed. The schedule must also include proposed capital withdrawals scheduled within the six month period following the report date including the proposed redemption of stock and payments of liabilities secured by fixed assets (which are considered allowable assets in the capital computation pursuant to Rule 15c3-1(c) (2) (iv)), which could be required by the lender on demand or in less than six months.

| WITHDRAWAL CODE: | DESCRIPTION |
|---|---|
| 1 | Equity Capital |
| 2. | Subordinated Liabilities |
| 3. | Accruals |
| 4. | 15c3-1(c) (2) (iv) Liabilities |

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
## Capital Withdrawals
## PART II

BROKER OR DEALER

MCLINEY AND COMPANY

as of 01/29/10

## RECAP

Ownership Equity and Subordinated Liabilities maturing or proposed to be withdrawn within the next six months and accruals, which have not been deducted in the computation of Net Capital.

| | | | | |
|---|---|---|---|---|
| **1. Equity Capital** | | | | |
| A. Partnership Capital: | | | | |
| 1. General Partners | $ | 4700 | | |
| 2. Limited | | 4710 | | |
| 3. Undistributed Profits | | 4720 | | |
| 4. Other (describe below) | | 4730 | | |
| 5. Sole Proprietorship | | 4735 | | |
| B. Corporation Capital: | | | | |
| 1. Common Stock | | 4740 | | |
| 2. Preferred Stock | | 4750 | | |
| 3. Retained Earnings (Dividends and Other) | | 4760 | | |
| 4. Other (describe below) | | 4770 | | |
| **2. Subordinated Liabilities** | | | | |
| A. Secured Demand Notes | | 4780 | | |
| B. Cash Subordinations | | 4790 | | |
| C. Debentures | | 4800 | | |
| D. Other (describe below) | | 4810 | | |
| **3. Other Anticipated Withdrawals** | | | | |
| A. Bonuses | | 4820 | | |
| B. Voluntary Contributions to Pension or Profit Sharing Plans | | 4860 | | |
| C. Other (describe below) | | 4870 | | |
| Total | | | $ | 4880 |

**4. Description of Other**

## STATEMENT OF CHANGES IN OWNERSHIP EQUITY
## (SOLE PROPRIETORSHIP, PARTNERSHIP OR CORPORATION)

| | | | | |
|---|---|---|---|---|
| 1. Balance, beginning of period | | | $ 2,265,956 | 4240 |
| A. Net income (loss) | | | (934,976) | 4250 |
| B. Additions (Includes non-conforming capital of | $ | 4262 ) | | 4260 |
| C. Deductions (Includes non-conforming capital of | $ 2 | 4272 ) | 2 | 4270 |
| 2. Balance, end of period (From Item 1800) | | | $ 1,330,978 | 4290 |

## STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED TO CLAIMS OF GENERAL CREDITORS

| | | |
|---|---|---|
| 3. Balance, beginning of period | $ | 4300 |
| A. Increases | | 4310 |
| B. Decreases | ( ) | 4320 |
| 4. Balance, end of period (From item 3520) | $ | 4330 |

OMIT PENNIES

## FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
## PART II

BROKER OR DEALER

MCLINEY AND COMPANY

as of 01/29/10

### FINANCIAL AND OPERATIONAL DATA

| | Valuation | | Number | |
|---|---|---|---|---|
| 1. Month end total number of stock record breaks unresolved over three business days. | | | | |
| A. breaks long | $ | 4890 | | 4900 |
| B. breaks short | $ | 4910 | | 4920 |

2. Is the firm in compliance with Rule 17a-13 regarding periodic count and verification of securities positions and locations at least once in each calendar quarter ? (Check one) ........ Yes [X] 4930 No [ ] 4940

A) If response is negative attach explanation of steps being taken to comply with Rule 17a-13.

| | | |
|---|---|---|
| 3. Personnel employed at end of reporting period: | | |
| A. Income producing personnel | 9 | 4950 |
| B. Non-income producing personnel (all other) | 1 | 4960 |
| C. Total | 10 | 4970 |
| 4. Actual number of tickets executed during current month of reporting period | 58 | 4980 |
| 5. Number of corrected customer confirmations mailed after settlement date | | 4990 |

| | No. of Items | | Debit (Short Value) | | No. of Items | | Credit (Long Value) | |
|---|---|---|---|---|---|---|---|---|
| 6. Money differences | | 5000 | $ | 5010 | | 5020 | $ | 5030 |
| 7. Security suspense accounts | | 5040 | $ | 5050 | | 5060 | $ | 5070 |
| 8. Security difference accounts | | 5080 | $ | 5090 | | 5100 | $ | 5110 |
| 9. Commodity suspense accounts | | 5120 | $ | 5130 | | 5140 | $ | 5150 |
| 10. Open transactions with correspondents, other brokers, clearing organizations, depositories and interoffice and intercompany accounts which could result in a charge-unresolved amounts over 30 calendar days | | 5160 | $ | 5170 | | 5180 | $ | 5190 |
| 11. Bank account reconciliations-unresolved amounts over 30 calendar days | | 5200 | $ | 5210 | | 5220 | $ | 5230 |
| 12. Open transfers over 40 calendar days, not confirmed | | 5240 | $ | 5250 | | 5260 | $ | 5270 |
| 13. Transactions in reorganization accounts-over 60 calendar days | | 5280 | $ | 5290 | | 5300 | $ | 5310 |
| 14. Total | | 5320 | $ | 5330 | | 5340 | $ | 5350 |

| | No. of Items | | Ledger Amount | | Market Value | |
|---|---|---|---|---|---|---|
| 15. Failed to deliver 5 business days or longer (21 business days or longer in the case of Municipal Securities) | | 5360 | $ | 5361 | | 5362 |
| 16. Failed to receive 5 business days or longer (21 business days or longer in the case of Municipal Securities) | | 5363 | $ | 5364 | $ | 5365 |

| | | | |
|---|---|---|---|
| 17. Security concentrations (See instructions in Part I): | | | |
| A. Proprietary positions | $ | | 5370 |
| B. Customers' accounts under Rule 15c3-3 | $ | | 5374 |
| 18. Total of personal capital borrowings due within six months | $ | | 5378 |
| 19. Maximum haircuts on underwriting commitments during the period | $ | | 5380 |
| 20. Planned capital expenditures for business expansion during next six months | $ | | 5382 |
| 21. Liabilities of other individuals or organizations guaranteed by respondent | $ | | 5384 |
| 22. Lease and rentals payable within one year | $ | 18,000 | 5386 |
| 23. Aggregate lease and rental commitments payable for entire term of the lease | | | |
| A. Gross | $ | 22,500 | 5388 |
| B. Net | $ | | 5390 |

OMIT PENNIES

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
## PART I (OR PART II)

BROKER OR DEALER
MCLINEY AND COMPANY

as of 01/29/10

## FINANCIAL AND OPERATIONAL DATA
### Operational Deductions From Capital (Note A)

| | I No. of Items | | II Debits (Short Value) | | III Credits (Long Value) | | IV Deductions In Computing Net Capital | |
|---|---|---|---|---|---|---|---|---|
| 1. Money suspense and balancing differences | | 5610 | $ | 5810 | $ | 6010 | $ | 6012 |
| 2. Security suspense and differences with related money balances L | | 5620 | | 5820 | | 6020 | | 6022 |
| S | | 5625 | | 5825 | | 6025 | | 6027 |
| 3. Market value of short and long security suspense and differences without related money (other than reported in line 4., below) | | 5630 | | 5830 | | 6030 | | 6032 |
| 4. Market value of security record breaks | | 5640 | | 5840 | | 6040 | | 6042 |
| 5. Unresolved reconciling differences with others: | | | | | | | | |
| A. Correspondents and Broker/Dealers L | | 5650 | | 5850 | | 6050 | | 6052 |
| S | | 5655 | | 5855 | | 6055 | | 6057 |
| B. Depositories | | 5660 | | 5860 | | 6060 | | 6062 |
| C. Clearing Organizations L | | 5670 | | 5870 | | 6070 | | 6072 |
| S | | 5675 | | 5875 | | 6075 | | 6077 |
| D. Inter-company Accounts | | 5680 | | 5880 | | 6080 | | 6082 |
| E. Bank Accounts and Loans | | 5690 | | 5890 | | 6090 | | 6092 |
| F. Other | | 5700 | | 5900 | | 6100 | | 6102 |
| G. (Offsetting) Items A. through F. | | 5720 | ( ) | 5920 | ( ) | 6120 | | |
| TOTAL Line 5 | | 5730 | | 5930 | | 6130 | | 6132 |
| 6. Commodity Differences | | 5740 | | 5940 | | 6140 | | 6142 |
| 7. Open transfers and reorganization account items over 40 days not confirmed or verified | | 5760 | | 5960 | | 6160 | | 6162 |
| 8. TOTAL (Line 1.-7.) | | 5770 | $ | 5970 | $ | 6170 | $ | 6172 |
| 9. Lines 1.-6. resolved subsequent to report date | | 5775 | $ | 5975 | $ | 6175 | $ | 6177 |
| 10. Aged Fails --to deliver | | 5780 | $ | 5980 | $ | 6180 | $ | 6182 |
| --to receive | | 5785 | $ | 5985 | $ | 6185 | $ | 6187 |
| | | | (Omit 000's) | | (Omit 000's) | | (Omit Pennies) | |

NOTE A - This section must be completed as follows:

1. All member organizations must complete column IV, lines 1. through 8. and 10., reporting deductions from capital as of the report date whether resolved subsequently or not (see instructions relative to each line item).
2. a. Columns I, II and III of lines 1. through 8. and 10. must be completed when a Part II filing is required.
   b. Columns I, II and III of lines 1. through 8. must be completed with a Part I filing, only if the total deduction on line 8 column IV equals or exceeds 25% of excess net capital as of the prior month end reporting date. All columns of line 10. require completion.
3. A response to line 9., cols. I through IV and the "Potential Operational Charges Not Deducted From Capital" schedule on p. 3 are required only if:
   a. the parameters cited in 2.b. above exist, and
   b. the total deduction, line 8. column IV, for the current month exceeds the total deductions for the prior month by 50% or more.
4. All columns and line items (1. through 10.) must be answered if required. If respondent has nothing to report enter -0-.

### Other Operational Data (Items 1., 2. and 3. below require an answer)

Item 1. Have the accounts enumerated on line 5.A. through F. above been reconciled with statements received from others within 35 days for lines 5.A. through D. and 65 days for lines 5.E. and F. prior to the report date and have all reconciling difference been appropriately comprehended in the computation of net capital at the report date? If this has not been done in all respects, answer No.

Yes X 5600
No 5601

Item 2. Do the respondent's books reflect a concentrated position (See Instruction) in commodities? If yes report the totals ($000 omitted) in accordance with the specific instructions; If No answer -0- for:

A. Firm Trading and Investment Accounts A. 5602
B. Customers' and Non-Customers' and Other Accounts B. 5603

Item 3. Does respondent have any planned operational changes? (Answer Yes or No based on specific instructions.)

Yes 5604
No X 5605

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
## PART I (OR PART II)

| BROKER OR DEALER | |
|---|---|
| MCLINEY AND COMPANY | as of 01/29/10 |

## FINANCIAL AND OPERATIONAL DATA
### Potential Operational Charges Not Deducted From Capital (Note B)

| | I No. of Items | II Debits (Short Value) | III Credits (Long Value) | IV Deductions In Computing Net Capital |
|---|---|---|---|---|
| 1. Money suspense and balancing differences | 6210 | $ 6410 | $ 6610 | $ 6612 |
| 2. Security suspense and differences with related money balances L | 6220 | 6420 | 6620 | 6622 |
| S | 6225 | 6425 | 6625 | 6627 |
| 3. Market value of short and long security suspense and differences without related money (other than reported in line 4., below) | 6230 | 6430 | 6630 | 6632 |
| 4. Market value of security record breaks | 6240 | 6440 | 6640 | 6642 |
| 5. Unresolved reconciling differences with others: | | | | |
| A. Correspondents and Broker/Dealers L | 6250 | 6450 | 6650 | 6652 |
| S | 6255 | 6455 | 6655 | 6657 |
| B. Depositories | 6260 | 6460 | 6660 | 6662 |
| C. Clearing Organizations L | 6270 | 6470 | 6670 | 6672 |
| S | 6275 | 6475 | 6675 | 6677 |
| D. Inter-company Accounts | 6280 | 6480 | 6680 | 6682 |
| E. Bank Accounts and Loans | 6290 | 6490 | 6690 | 6692 |
| F. Other | 6300 | 6500 | 6700 | 6702 |
| G. (Offsetting) Items A. through F. | 6310 | ( ) 6510 | ( ) 6710 | |
| TOTAL (Line 5.) | 6330 | 6530 | 6730 | 6732 |
| 6. Commodity Differences | 6340 | 6540 | 6740 | 6742 |
| TOTAL (Line 1.-6.) | 6370 | $ 6570 | $ 6770 | $ 6772 |
| | | (Omit 000's) | (Omit 000's) | (Omit Pennies) |

NOTE B - This section must be completed as follows:

1. All line items (1. through 6.) and columns (I through IV) must be completed only if:
   a. the total deductions on line 8., column IV, of the "Operational Deductions From Capital" schedule equal or exceed 25% of excess net capital as of the prior month end reporting date; and
   b. the total deduction on line 8., column IV, for the current month exceeds the total deductions for the prior month by 50% or more. If respondent has nothing to report enter -0-.
2. Include only suspense and difference items open at the report date which were NOT required to be deducted in the computation of net capital AND which were not resolved seven (7) business days subsequent to the report date.
3. Include in column IV only additional deductions not comprehended in the computation of net capital at the report date.
4. Include on line 5. A. through F. unfavorable differences offset by favorable differences (see instructions for line 5) at the report date if resolution of the favorable items resulted in additional deductions in the computation of net capital subsequent to the report date.
5. Exclude from lines 5. A. through F. new reconciling differences disclosed as a result of reconciling with the books of account statements received subsequent to the report date.
6. Line items 1. through 5. above correspond to similar line items in the "Operational Deductions From Capital" schedule (page 2) and the same instructions should be followed except as stated in Note (B-1 through 5.) above.

# McLiney and Company

## Financial Statements

## January 31, 2010

WEAVER & MARTIN

Board of Directors
McLiney and Company
Kansas City, Missouri

## Report of Independent Registered Public Accounting Firm

We have audited the accompanying statement of financial condition of McLiney and Company as of January 31, 2010 and the related statements of income, shareholders' equity and cash flows for the year then ended that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we do not express such an opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of McLiney and Company as of January 31, 2010 and the results of its operations, shareholders' equity, and cash flows for the year then ended in conformity with generally accepted accounting principles in the United States.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Form X-17a-5 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 of the Securities and Exchange Commission. This information is the responsibility of the Company's management. 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.

Weaver & Martin, LLC

Weaver & Martin, LLC
Kansas City, Missouri
March 15, 2010

Certified Public Accountants & Consultants
411 Valentine, Suite 300
Kansas City, Missouri 64111
Phone: (816) 756-5525
Fax: (816) 756-2252

**McLiney & Company**
**Statement of Financial Condition**
**Janaury 31, 2010**

| | | |
|---|---|---|
| Assets | | |
| Current assets: | | |
| Cash | $ | 841,389 |
| Cash, segregated account | | 55,100 |
| Note receivable shareholders | | 117,600 |
| Other receivables | | 5,002 |
| Inventory - municipal bonds | | 522,473 |
| Prepaid expense | | 6,529 |
| Total current assets | | 1,548,093 |
| Furniture and equipment | | 119,630 |
| Accumulated depreciation | | (106,305) |
| | | 13,325 |
| | $ | 1,561,418 |
| Liabilities & Shareholders' Equity | | |
| Current liabilities: | | |
| Accounts payable | $ | 44,550 |
| Accrued liabilities | | 185,890 |
| Total current liabilities | | 230,440 |
| Commitments: | | |
| Shareholders' equity: | | |
| Common stock- | | |
| Class A, voting, $1 par value, 200,000 shares authorized, 100,000 shares issued and outstanding | | 100,000 |
| Class B, voting, $1 par value, 15,000 shares authorized, 5,090 issued and outstanding | | 5,090 |
| Additional paid-in capital | | 10,180 |
| Retained earnings | | 1,398,586 |
| | | 1,513,856 |
| Less treasury stock at cost (14,224 A shares and 3,916 B shares) | | (182,878) |
| Total shareholders' equity | | 1,330,978 |
| | $ | 1,561,418 |

See notes to financial statements.

**McLiney & Company**
**Statement Of Income**
**Year Ended January 31, 2010**

| | |
|---|---|
| Underwriting, trading and fees | $ 2,986,560 |
| Other operating income (expense): | |
| Interest income | 23,595 |
| Interest expense | (8,979) |
| | 14,616 |
| Operating expenses | 2,947,200 |
| Income before income tax provision | 53,976 |
| Provision for income taxes | (9,694) |
| Net income | 44,282 |

See notes to financial statements.

**McLiney & Company**
**Statement Of Shareholders' Equity**
**Year Ended January 31, 2010**

| | Balance 1/31/09 | Income | Balance 1/31/10 |
|---|---|---|---|
| Common stock | $ 105,090 | $ - | $ 105,090 |
| Paid-in capital | 10,180 | - | 10,180 |
| Retained earnings | 1,354,304 | 44,282 | 1,398,586 |
| Treasury stock | (182,878) | - | (182,878) |
| Total equity | $ 1,286,696 | $ 44,282 | $ 1,330,978 |

See notes to financial statements.

**McLiney & Company**
**Statement Of Cash Flows**
**Year Ended January 31, 2010**

| | | |
|---|---|---|
| Operating activities: | | |
| Net income | $ | 44,282 |
| Adjustments to reconcile net income to cash flows used in operating activities: | | |
| Depreciation | | 8,000 |
| Change in assets and liabilities- | | |
| Other receivables | | 8,194 |
| Inventory | | (443,607) |
| Prepaid expense and other | | 3,370 |
| Accounts payable | | 11,933 |
| Accrued liabilities | | 102,524 |
| Cash used in operating activities | | (265,304) |
| Investing activities: | | |
| Proceeds from sale of securities | | 700,441 |
| Purchase of fixed assets | | (5,934) |
| Cash provided by investing activities | | 694,507 |
| Increase in cash | | 429,203 |
| Cash, beginning of year | | 467,286 |
| Cash, end of year | $ | 896,489 |
| Supplemental cash flow information: | | |
| Interest paid | $ | 8,979 |
| Income taxes paid | $ | 34,867 |

See notes to financial statements.

## 1. Nature of Operations and Summary of Significant Accounting Policies

**Nature of Operations:**
The Company is a broker-dealer, principally in securities of Municipalities, with customers throughout the United States. The Company is a member of FINRA and the Securities Investor Protection Corporation (SIPC).

**Uses of Estimates:**
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and notes. Actual results could differ from those estimates, but management does not believe such differences will materially affect the Company's financial position, results of operations, or cash flows.

**Furniture and Equipment:**
Furniture and equipment are carried at cost. Major renewals and betterments are capitalized, and maintenance and repairs, which do not improve or extend the life of the respective asset are charged against earnings in the period in which they are incurred. Depreciation is calculated on straight-line using estimated useful lives of five to ten years.

**Securities:**
Securities are valued at market and consisted of municipal government obligations as of January 31, 2010. The transactions are recorded at the settlement date.

The Company classifies its marketable equity securities, if any, as available-for-sale and carries them at fair market value, with the unrealized gains and losses included in the determination of comprehensive income and reported in stockholders' equity. As of January 31, 2010, the Company held no equity securities, had no unrealized gains or losses, and had no accumulated comprehensive income or losses.

**Long-lived Assets:**
Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment is measured by comparing the carrying value of the long-lived asset to the estimated undiscounted future cash flows

expected to result from the use of the assets and their eventual disposition. The Company determined that as of January 31, 2010, there had been no impairment in the carrying value of long-lived assets.

**Income Taxes**

The Company follows ASC subtopic 740-10 (formerly Statement of Financial Accounting Standard No. 109, "Accounting for Income Taxes") for recording the provision for income taxes. ASC 740-10 requires the use of the asset and liability method of accounting for income taxes. Under the asset and liability method, deferred tax assets and liabilities are computed based upon the difference between the financial statement and income tax basis of assets and liabilities using the enacted marginal tax rate applicable when the related asset or liability is expected to be realized or settled. Deferred income tax expenses or benefits are based on the changes in the asset or liability each period. If available evidence suggests that it is more likely than not that some portion or all of the deferred tax assets will not be realized, a valuation allowance is required to reduce the deferred tax assets to the amount that is more likely than not to be realized. Future changes in such valuation allowance are included in the provision for deferred income taxes in the period of change.

Deferred income taxes may arise from temporary differences resulting from income and expense items reported for financial accounting and tax purposes in different periods. Deferred taxes are classified as current or non-current, depending on the classification of assets and liabilities to which they relate. Deferred taxes arising from temporary differences that are not related to an asset or liability are classified as current or non-current depending on the periods in which the temporary differences are expected to reverse.

**Cash Equivalents:**

The Company's cash equivalents consist principally of cash and money market accounts with financial institutions. The investment policy limits the amount of credit exposure of any one financial institution but on various dates throughout the year the Company had deposits in excess of the FDIC insured limits.

**Financial Instruments:**

The carrying value of the Company's cash and cash equivalents, accounts payable and accrued expenses approximate fair value because of the short-term maturity of these instruments. Fair values are based on quoted market prices and assumptions concerning the amount and timing of estimated future cash flows and assumed discount rates reflecting varying degrees of perceived risk. See Note 11 for further details.

**Revenue recognition:**
The Company recognizes commissions from its broker services based on a settlement date basis. Fees billed and collected before services are performed are included in deferred revenue. Expenses are recorded when the obligation is incurred.

2. **Note payable**
The Company has a $2,500,000 line of credit with a bank secured by securities inventory and the personal guarantee of the shareholders. Interest is payable monthly at the prime rate with a floor of 5%. The Company also has an overline for an additional $2,500,000 with the same terms. Both lines mature in November of 2010. On January 31, 2010 the prime rate was 3.25% and had been 3.25% during the year then ended. As of January 31, 2010 no funds were borrowed against either line.

During the year ended January 31, 2010, the Company executed a note payable in the amount of $520,000. The note bears interest of 5% and is secured by securities inventory. The note matures in February of 2010. Prior to January 31, 2010, the Company paid off the note and all related interest.

On January 1, 2007 the company executed a note payable in the amount of $52,000 in exchange for 3,320 shares of Class A company stock. The note bears interest at 10%, payable monthly with the principal payable on demand. As of January 31, 2010 there is $52,000 payable on this note.

Interest expense was $8,979 for the year ended January 31, 2010.

3. **Net Capital Requirements and SIPC Assessment**
The Securities and Exchange Commission Rule 15c 3-1 requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital shall not exceed 15 to 1. At January 31, 2010, the Company had a net capital ratio of 19.94% and total net capital of $1,155,942.

4. **Pension Plan**
The Company has a Savings Incentive Match Plan for Employees (SIMPLE) covering all employees. The Company will match employee contributions up to 3% of compensation. Amounts contributed for the year ended January 31, 2010 was approximately $45,665.

5. **Commitments**

At January 31, 2010, the Company had not entered into and when-issued sales commitments or when-issued purchase commitments.

The Company rents office space under a three-year lease. Rent payments for the year ended January 31, 2010 totaled approximately $18,000. Minimum lease payments are $18,000 for fiscal year 2011,and $4,500 for fiscal year 2012.

6. **Income Taxes**

The Company follows ASC subtopic 740-10 (formerly Statement of Financial Accounting Standard No. 109, "Accounting for Income Taxes") for recording the provision for income taxes. ASC 740-10 requires the use of the asset and liability method of accounting for income taxes. Under the asset and liability method, deferred tax assets and liabilities are computed based upon the difference between the financial statement and income tax basis of assets and liabilities using the enacted marginal tax rate applicable when the related asset or liability is expected to be realized or settled. Deferred income tax expenses or benefits are based on the changes in the asset or liability each period. If available evidence suggests that it is more likely than not that some portion or all of the deferred tax assets will not be realized, a valuation allowance is required to reduce the deferred tax assets to the amount that is more likely than not to be realized. Future changes in such valuation allowance are included in the provision for deferred income taxes in the period of change.

Deferred income taxes may arise from temporary differences resulting from income and expense items reported for financial accounting and tax purposes in different periods. Deferred taxes are classified as current or non-current, depending on the classification of assets and liabilities to which they relate. Deferred taxes arising from temporary differences that are not related to an asset or liability are classified as current or non-current depending on the periods in which the temporary differences are expected to reverse.

The Company's effective income tax rate is higher than would be expected if the federal statutory rate were applied to income before tax, primarily because of expenses deductible for financial reporting purposes that are not deductible for tax purposes during the year ended January 31, 2010.

The income tax provision is composed of the following:

| | | |
|---|---|---|
| Federal - current year | $ | 6,997 |
| State and local – current year | | 2,697 |
| Net income tax provision | $ | 9,694 |

As of January 31, 2010, the Company has no deferred tax assets or liabilities.

7. **Related Party Transactions**
Included in notes receivable at January 31, 2010 were two unsecured notes with shareholders. Interest is payable semi-annually at 5% with the principal payable upon demand. As of January 31, 2010, the balance receivable on these notes was $117,600.

8. **Inventory – municipal bonds**
Securities are valued at market and consisted of municipal government obligations as of January 31, 20010 with a value of $522,473. The Company classifies its marketable equity securities, if any, as available-for-sale and carries them at fair market value, with the unrealized gains and losses included in the determination of comprehensive income and reported in stockholders' equity. As of January 31, 2010, the Company held no equity securities, had no unrealized gains or losses, and had no accumulated comprehensive income or losses.

9. **Computation of determination of reserve requirements (Rule 15c3-3)**
A computation of reserve requirements is not applicable to the Company as the Company qualifies for an exemption under Rule 15c3-3(k)(2)(ii). All customer transactions are cleared through another broker-dealer on a fully disclosed basis.

10. **Information relating to possession or control requirements (Rule 15c3-3)**
Information relating to possession or control requirements is not applicable to the Company as the Company qualifies for exemption under Rule 15c3-3(k)(2)(ii). All customer transactions are cleared through another broker-dealer on a fully disclosed basis.

11. **Fair Value Measurements**
The Company adopted ASC Topic 820-10 at the beginning of 2009 to measure the fair value of certain of its financial assets required to be measured on a recurring basis. The adoption of ASC Topic 820-10 did not impact the Company's financial condition or results of operations. ASC Topic 820-10 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for

identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). ASC Topic 820-10 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability. The three levels of the fair value hierarchy under ASC Topic 820-10 are described below:

Level 1 – Valuations based on quoted prices in active markets for identical assets or liabilities that an entity has the ability to access.

Level 2 – Valuations based on quoted prices for similar assets and liabilities in active markets, quoted prices for identical assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable data for substantially the full term of the assets or liabilities.

Level 3 – Valuations based on inputs that are supportable by little or no market activity and that are signifigant to the fair value of the asset or liability.

The following table presents a reconciliation of all assets and liabilities measured at fair value on a recurring basis as of December 31, 2009:

| | Level 1 | Level 2 | Level 3 | Fair Value |
|---|---|---|---|---|
| Cash | $ 896,489 | $ - | $ - | $ 896,489 |
| Receivables | - | 122,602 | - | 122,602 |
| Inventory–municipal bonds | 522,473 | - | - | 522,473 |
| Accounts payable | - | 44,550 | - | 44,550 |
| Accrued liabilities | - | 185,890 | - | 185,890 |
| Total | $ 1,418,962 | $ 353,042 | $ - | $ 1,772,004 |

**12. Subsequent events**

The Company has evaluated all subsequent events through March 15, 2010, the date the financial statements were issued, and determined that there are no subsequent events to record or disclose.

**McLiney & Company**
**Statement Of Operating Expenses**
**Year Ended January 31, 2010**

| | | |
|---|---|---|
| Accounting | $ | 32,350 |
| Advertising | | 18,466 |
| Bank charges | | 11,178 |
| Contributions | | 650 |
| Data services | | 11,081 |
| Depreciation | | 8,000 |
| Dues and subscriptions | | 16,457 |
| Entertainment | | 1,999 |
| Insurance | | 6,000 |
| Legal | | 200 |
| Office | | 22,581 |
| Postage | | 3,717 |
| Rent | | 18,000 |
| Retirement plan | | 45,665 |
| Salaries and wages | | 2,176,785 |
| Taxes | | 75,755 |
| Telephone | | 14,555 |
| Travel | | 45,932 |
| Underwriting expenses | | 432,644 |
| Utilities | | 5,185 |
| | $ | 2,947,200 |

See notes to financial statements.

**McLiney & Company**
**Statement Of Reconciliation Of Statement Of Financial Position**
**Janaury 31, 2010**

| | * As Originally Reported (Part II) (Unaudited) | Adjustments Add (Deduct) | | Amount As Adjusted (Audited) |
|---|---|---|---|---|
| 1. Cash | $ 841,389 | $ - | | $ 841,389 |
| 2. Cash segregated with regulations | 55,100 | - | | 55,100 |
| 5. Receivables from non-customers | | | | |
| B. Partly secured & unsecured | 121,821 | - | | 121,821 |
| 7. Securities owned, at market | | | | |
| C. State and muni govt obligations | 522,473 | - | | 522,473 |
| 14. Furniture and equipment, net | 13,325 | - | | 13,325 |
| 15. Other assets | | | | - |
| A. Dividends and interest receivable | 781 | - | | 781 |
| D. Miscellaneous | 6,529 | - | | 6,529 |
| 16. Total assets | $ 1,561,418 | $ - | | $ 1,561,418 |
| Total assets - allowable | $ 1,419,743 | $ - | | $ 1,419,743 |
| Total assets - nonallowable | 141,675 | - | | 141,675 |
| Total assets | $ 1,561,418 | $ - | | $ 1,561,418 |
| 23. E. Accrued expenses | $ 220,746 | $ 9,694 | 1 | $ 230,440 |
| 26. Total liabilities | 220,746 | 9,694 | | 230,440 |
| 29. B. Common stock | 105,090 | | | 105,090 |
| C. Additional paid-in capital | 10,180 | | | 10,180 |
| D. Retained earnings | 1,408,280 | (9,694) | 1 | 1,398,586 |
| E. Total | 1,523,550 | (9,694) | | 1,513,856 |
| F. Treasury stock | (182,878) | | | (182,878) |
| 30. Total ownership equity | 1,340,672 | (9,694) | | 1,330,978 |
| 31. Total liabilities and ownership equity | $ 1,561,418 | $ - | | $ 1,561,418 |

*** - Refers to the most recent unaudited page 1 to 4, part II of form X 17a-5 filed by McLiney and Company as of January 31, 2010**

**Explanation of adjustments**

1. Year end adjustment of accrued expenses $ 9,694

**McLiney& Company**
**Reconciliation Of Net Capital Under Rule 15c3-1 Pursuant To Rule 17a-5(d)(4)**
**Janaury 31, 2010**

| | | * As Originally Reported (Part II) (Unaudited) | | Adjustments Add (Deduct) | | | Amount As Adjusted (Audited) |
|---|---|---|---|---|---|---|---|
| 1. Total ownership equity | $ | 1,340,672 | $ | (9,694) | 1 | $ | 1,330,978 |
| 3. Total ownership equity qualified for net capital | | 1,340,672 | | (9,694) | 1 | | 1,330,978 |
| 5. Total capital and allowable subordinated liabilities | | 1,340,672 | | (9,694) | 1 | | 1,330,978 |
| 6. Deductions and/or charges | | | | | | | |
| A. Total non allowable assets | | 141,675 | | - | | | 141,675 |
| F. Other deductions | | 5,000 | | - | | | 5,000 |
| H. Total deductions | | 146,675 | | - | | | 146,675 |
| 8. Net capital before haircuts | | 1,193,997 | | (9,694) | 1 | | 1,184,303 |
| 9. Haircuts on securities | | | | | | | |
| C.3 State and Municipal government obligations | | 28,361 | | - | | | 28,361 |
| 10. Net Capital | | 1,165,636 | | (9,694) | 1 | | 1,155,942 |
| 11. Minimum net capital required | | 14,716 | | 647 | 2 | | 15,363 |
| 12. Minimum dollar net capital | | 100,000 | | | | | 100,000 |
| 13 Net capital requirement | | 100,000 | | | | | 100,000 |
| 14. Excess net capital | | 1,065,636 | | (9,694) | 1 | | 1,055,942 |
| 15. Excess net capital at 1,000% | | 1,045,636 | | (9,694) | 1 | | 1,035,942 |
| 16. Total A.I. liabilities | | 220,746 | | 9,694 | 1 | | 230,440 |
| 19. Total aggregate indebtedness | | 220,746 | | 9,694 | 1 | | 230,440 |
| Percent of aggregate indebtedness | | 18.94% | | | | | 19.94% |

*** - Refers to the most recent unaudited page 1 to 4, part II of form X 17a-5 filed by McLiney and Company as of January 31, 2010**

**Explanation of adjustments**

1. Net effect of year end adjustments on retained earnings $ 9,694
2. Calculation difference

**McLiney & Company**
**Statement Of Reconciliation Of Computation For Determination Of The Reserve Requirements Under Rule 15c3-3 Pursuant To Rule 17a-5(d)(4)**
**Janaury 31, 2010**

Exempt under rule 15c3-3, Section (K)(2)(A)

**McLiney & Company**
**Statement Pursuant To Rule 17a-5(d)(4)**
**Janaury 31, 2010**

There were no material differences between the most recent unaudited report Form X-17A-5, Part II filed by McLiney and Company and the enclosed audited Form X-17A-5, Part II. A reconciliation of net capital has been included on the previous page showing one immaterial change to Form X-17A-5, Part II.

WEAVER & MARTIN

## Report of Independent Registered Public Accounting Firm on Internal Control Structure as Required by SEC Rule 17a-5

McLiney and Company
Kansas City, Missouri

In planning and performing our audit of the financial statements of McLiney and Company (the "Company") as of and for the year ended January 31, 2010 (on which we issued our report dated March 15, 2010 and such report expressed an unqualified opinion), 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. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company, including consideration of control activities for safeguarding securities. This study included test of compliance with such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g), in making the periodic computations of aggregate indebtedness and net capital under rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of rule 15c3-3. We did not review the practices and procedures followed by the Company in making the quarterly securities examinations, counts, verifications and comparisons, and the recordation of differences required by rule 17a-13 or in complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governments of the Federal Reserve System, because the Company does not carry security accounts for customers or perform custodial functions relating to customer securities.

The management of the Company is responsible for establishing and maintaining internal control structure and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgements 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 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.

Certified Public Accountants & Consultants
411 Valentine, Suite 300
Kansas City, Missouri 64111
Phone: (816) 756-5525
Fax: (816) 756-2252

Because of inherent limitations in internal control and 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.

Our consideration of internal control was for the limited purposed described in the first and second paragraphs 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 that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures, as described in the second paragraph of this report, were adequate at January 31, 2010, to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, Financial Industry Regulatory Authority, Inc., and other regulatory agencies that rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered broker-dealers, and is not intended to be and should not be used by anyone other than these specified parties.

Weaver & Martin, LLC

Weaver & Martin LLC
Kansas City, Missouri
March 15, 2010

# McLiney and Company

## Financial Statements

## January 31, 2010

**WEAVER & MARTIN**
CERTIFIED PUBLIC ACCOUNTANTS

# McLiney and Company

Statement of Assessment and Payments to the SIPC

For the Year Ended December 31, 2009

**WEAVER & MARTIN**
CERTIFIED PUBLIC ACCOUNTANTS

# McLiney and Company

## Statement of Assessment and Payments to the SIPC

## For the Year Ended December 31, 2009

Board of Directors
McLiney and Company
Kansas City, Missouri

**Independent Accountants' Report on Applying Agreed-Upon Procedures Related to an Entity's SIPC Assessment Reconciliation**

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 Payments to the Securities Investor Protection Corporation (SIPC) for the Year Ended January 31, 2010, which were agreed to by McLiney and Company and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., and SIPC solely to assist you and the other specified parties in evaluating the Company's compliance with the applicable instructions of the Transitional Assessment Reconciliation (Form SIPC-7T). The Company's management is responsible for 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 noting no differences.

2. Compared the amounts reported on the audited Form X-17A-5 for the year ended January 31, 2010, as applicable, with the amounts reported in Form SIPC-7T for the year ended January 31, 2010 noting no differences.

3. Compared any adjustments reported in Form SIPC-7T with supporting schedules and working papers noting 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 noting no differences.

5. Compared the amount of any overpayment applied to the current assessment with the Form SIPC-7T on which it was originally computed noting 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.

Weaver & Martin, LLC
Kansas City, Missouri
March 22, 2010

Weaver & Martin, LLC

Certified Public Accountants & Consultants
411 Valentine, Suite 300
Kansas City, Missouri 64111
Phone: (816) 756-5525
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**McLiney and Company**
**Schedule of Assessment and Payments to the SIPC**
**For the Year Ended December 31, 2009**

| | | | |
|---|---|---|---|
| Total Revenue | | | |
| April to June 2009 | 80,262 | | |
| July to December 2009 | 2,763,810 | | |
| | | | 2,844,072 |
| Direct Expenses | | | |
| April to June 2009 | - | | |
| July to December 2009 | 424,466 | | |
| | | 424,466 | |
| Interest Expense | | | |
| April to June 2009 | - | | |
| July to December 2009 | 8,112 | | |
| | | 8,112 | |
| Total Deductions | | | 432,578 |
| SIPC Net Operating Revenues | | | 2,411,494 |
| General Assessment @ .0025 | | | 6,029 |
| Interest on late payment with SIPC-6 | | | 1 |
| Total due for the year ended December 31, 2009 | | | 6,030 |
| 12/31/08 Payment to SIPC | | | 150 |
| 11/24/09 Payment to SIPC | | | 52 |
| 03/22/10 Payment to SIPC | | | 5,828 |
| Total paid for the year ended December 31, 2009 | | | 6,030 |