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

SEC FILE NUMBER
8- 24255

FACING PAGE

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

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

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: ROSENBLATT SECURITIES INC.  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
20 BROAD STREET - 26TH FLOOR

OFFICIAL USE ONLY
FIRM I.D. NO.

(No. and Street)

NEW YORK

NEW YORK

10005

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
JOSEPH C. GAWRONSKI 212-607-3100  
(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

ROY A. ABRAMOWITZ & CO.

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

230 WEST 41ST STREET - 15TH FLOOR NEW YORK

NEW YORK

NEW YORK

10036

(Address)

(City)

(State)

(Zip Code)

SEC Mail Processing Section  
MAR 01 2010  
Washington, DC 110

**CHECK ONE:**

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

<b>FOR OFFICIAL USE ONLY</b>

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

OATH OR AFFIRMATION

I, JOSEPH C. GAWRONSKI, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of ROSENBLATT SECURITIES, INC., as of DECEMBER 31, 2009, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

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

ROBIN RICHEL  
Notary Public, State of New York  
No. 01RI4925997  
Qualified in Kings County  
Commission Expires April 4, 2010



Signature

PRESIDENT & CHIEF OPERATING OFFICER

Title



Notary Public

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

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Changes in Financial Condition.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital.
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

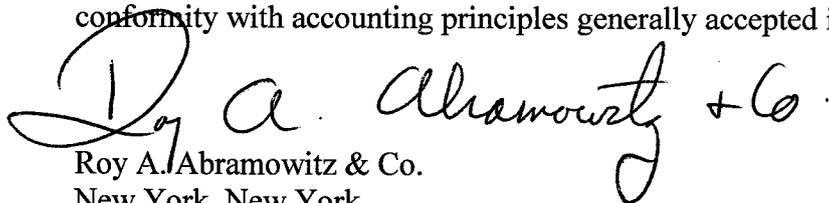
## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Rosenblatt Securities Inc.

We have audited the accompanying statement of financial condition of Rosenblatt Securities Inc. (the Company) (an S Corporation) as of December 31, 2009. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of Rosenblatt Securities Inc as of December 31, 2009 in conformity with accounting principles generally accepted in the United States of America.



Roy A. Abramowitz & Co.  
New York, New York  
New Canaan, Connecticut  
February 24, 2010

**ROSENBLATT SECURITIES INC.**  
**STATEMENT OF FINANCIAL CONDITION**  
**DECEMBER 31, 2009**

ASSETS

Cash & cash equivalents	\$ 139,184
Receivable from broker-dealers and clearing organization	686,931
Due from non-affiliated company	9,793
Investment in RSI Europe Ltd	74,396
Furniture and equipment, net of accumulated depreciation of \$1,349,060	493,616
Loans receivable - employees	201,875
Security deposits	615,656
Prepaid expenses	<u>51,353</u>
TOTAL ASSETS	<u>\$ 2,272,804</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Liabilities:

Accounts payable	\$ 736,716
Accrued expenses	44,040
Payable to clients	43,044
NYC Corp Tax Payable	15,390
Bonuses payable	<u>178,612</u>
TOTAL LIABILITIES	\$ 1,017,802

Stockholders' equity:

Common stock, \$1.00 par value, 20,000 shares authorized, 2,500 shares issued and outstanding	2,500
Undistributed profits	<u>1,252,502</u>
TOTAL SHAREHOLDERS' EQUITY	<u>\$ 1,255,002</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$ 2,272,804</u>

The accompanying notes are an integral part of the financial statements.

**ROSENBLATT SECURITIES INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2009**

**NOTE 1: ORGANIZATION AND NATURE OF BUSINESS**

Rosenblatt Securities Inc. (RSI), was established in 1979 as a New York Corporation, and is a registered broker-dealer with the Securities and Exchange Commission, a member of the New York Stock Exchange (NYSE), the Financial Industry Regulatory Authority (FINRA), NYSEArca, Nasdaq, BATS Trading, the International Securities Exchange, the ISE Stock Exchange, the National Futures Association (NFA) and most of the major ECN's and independent crossing networks. RSI is an agency-only execution boutique. The firm represents traditional institutions, quants and portfolio trading customers in the listed and over-the-counter markets both through its trading desk and by direct access to the NYSE trading floor, a service that it pioneered in the late 1980's. With eight trading licenses on the New York Stock Exchange the Company has complete floor coverage to complement its state of the art upstairs trading facility. RSI has been at the forefront of embracing automation to enhance trading efficiency and the self sufficiency of the buy-side, from creating DOT for non-member firms nearly twenty years ago to offering DMA for ECN access and sophisticated algorithmic tools today. The Company formed a subsidiary corporation in Ireland, with an office in Dublin, in 2003, to function as an introducing broker in an effort to expand its customer base to the European Union and started an international trading desk in New York in 2007. RSI also utilizes its expertise in market structure to render consulting services and provide analysis to customers with regard to such matters.

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES**

- (A) Commission revenue and related expenses are recorded on a settlement-date basis. Revenues and expenses would not be materially different if reported on a trade basis.
- (B) Furniture and equipment are carried at cost less accumulated depreciation. Depreciation is computed on an accelerated basis or straight line basis over the estimated useful lives of the assets. Amortization of leasehold improvements is computed on the life of the leasehold. Depreciation and amortization expense would not be materially different if calculated using the straight-line basis only. For the year 2009 \$94,198 of acquisitions and leasehold improvements were made for the upstairs trading facility and administrative offices. All new acquisitions are depreciated on a straight line basis.

**ROSENBLATT SECURITIES INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2009**

- (C) The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
- (D) For purposes of the Statement of Financial Condition, the Company has defined cash equivalents as highly liquid investments, with original maturities of less than ninety days that are not held for sale in the ordinary course of business.
- (E) Pursuant to SFAS 115, par. 13 as amended by SFAS 130, par. 33 unrealized gains and losses on trading securities would be included in earnings. The Company had no unrealized gain or loss on “available for sale securities”.
- (F) The investment in RSI Europe Ltd, the offshore subsidiary, is shown as an asset pursuant to the equity method of accounting. RSI has an 85% ownership interest in RSI Europe Ltd. Any annual unrealized gain or loss resulting from foreign currency transactions are included in net income.
- (G) The Company’s Anti-Money Laundering Program (AMLP) is currently being audited pursuant to Section 352 of the USA Patriot Act of 2001 (Act). The audit is being conducted by another firm of independent Certified Public Accountants in accordance with Statement on Standards for Consulting Services issued by the American Institute of Certified Public Accountants. The audit is for the period January 1, 2009 through December 31, 2009. In prior years the independent firm of Certified Public Accountants, attested that the Company’s AMLP met the standards set forth in Section 352 of the Act.
- (H) Nearly all customers of RSI are handled on a DVP-RVP basis. Nearly all of RSI’s customers have separate bank accounts at banks and other custodial institutions which handle receipt and payment of funds and receipt and delivery of securities. As an introducing broker, RSI does not carry, accept or handle customer funds or securities. All instructions or transactions for the processing of funds or securities are transmitted to or through RSI’s clearing firm.

**ROSENBLATT SECURITIES INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2009**

- (I) Since the company is an S Corporation all profits and losses flow through to the shareholders.
- (J) The \$95,000 letter of credit to Vornado Realty Trust (the Company's landlord) is not recorded on the balance sheet and is not considered in the computation of the Company's net capital requirements.

**NOTE 3: RECEIVABLE FROM BROKERS AND CLEARING ORGANIZATION**

The receivable from broker-dealers represents commissions receivable from broker-dealers for whom the Company has executed trades primarily on the floor or via the automated systems of the New York Stock Exchange during December 2009 and received in January 2010.

The receivable from clearing organizations represents commissions receivable from clearing brokers for trades executed by the Company on behalf of its customers and cleared through its clearing brokers during December 2009 and received in January 2010.

In the normal course of business the Company executes, as agent, transactions on behalf of customers through its clearing broker. If the agency transactions do not settle because of failure to perform by the customer, the Company may be obligated to discharge the obligation of the customer and, as a result, may incur a loss if the market value of the security fluctuates to the detriment of the Company.

The Company does not anticipate nonperformance by customers in the above situation. The Company's policy is to monitor its market exposure and customer risk. In addition, the Company has a policy of reviewing as considered necessary, the credit standing of each customer with which it conducts business.

**NOTE 4: ESCROW DEPOSITS**

During 2008 the Company entered into agreements with two clearing firms. In addition an escrow deposit was made during 2008 as a DTCC member. The Company made escrow (security) deposits in the amount of \$609,902 during 2008 with the clearing firms and NSCC. 2009 interest in the amount of \$ 3,780 was earned on the deposits. During 2009 an escrow deposit of \$1,975 was made to secure the Company's St. Louis office. At December 31, 2009 security deposits inclusive of interest totaled \$615,657.

**ROSENBLATT SECURITIES INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2009**

**NOTE 5: INCOME TAXES**

For income tax purposes, the shareholders have elected that the Company be treated as an "S" Corporation pursuant to Subchapter S of the Internal Revenue Code and as a Small Business Corporation under New York State Law (Article 22 §660 (A)).

Accordingly, no provision has been made for Federal and state income taxes since the net income or loss of the Company is to be included in the tax returns of the individual shareholder(s). However, New York State imposes a franchise tax based upon the difference between the maximum rate of personal income tax and the article 9A corporate rate. The Company is also required to pay the estimated tax on behalf of its non-resident shareholders. The tax provision for 2009 is \$5,829. Estimated tax payments in the amount of \$5,829 were made during the year 2009.

The New York City Administrative Code does not recognize S Corporation status and imposes an alternative tax computed on approximately 30% of net income or loss plus an add-back of officer's compensation, for officer\shareholders owning more than 5% of the Company's outstanding stock. The New York City Alternative income tax for 2009 is \$55,219. However \$39,829 was over-accrued and paid as estimated tax during 2008. The over payment was credited to 2009. The net accrual for 2009 is \$15,390.

In addition the Company has accrued the minimum corporate tax of \$200 to the City of St. Louis where it maintains an office.

**NOTE 6 COMMITMENTS**

The Company entered into a amended lease on March 20, 2003 pertaining to its office space at 20 Broad Street, 26<sup>th</sup> Floor, New York, New York 10005. The lease term was to expire on March 31, 2008. On August 25, 2006 the Company entered into the third amendment of the lease which granted it the right to surrender the current premises and lease other, larger premises (new premises) on the same floor in the same office building.

The term of the amendment was for five years from the anniversary of the new premises rent commencement date. On May 21, 2008 the Company entered into the "Fourth Amendment of Lease" in which it rented the previously surrendered premises in addition to the new premises. The lease was extended until May 21, 2013.

**ROSENBLATT SECURITIES INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2009**

The annual rent for the previously surrendered premises is payable in advance in equal monthly installments of \$10,657.25.

The annual rent for the new premises is payable in advance in equal monthly installments of \$17,701.33 through February 29, 2012. Commencing on March 1, 2012 and ending on the new expiration date the annual rent will escalate to \$25,998.83 per month. Future minimum annual payments required as of December 31, 2009 over the term of the current lease for the combined premises are as follows:

<u>Year</u>	<u>Rental Amount</u>
2010	\$ 340,303
2011	340,303
2012	423,279
2013	<u>362,076</u>
Total	<u>\$ 1,465,961</u>

Pursuant to a "Services and Cost Sharing Agreement" entered into with Penserra Securities LLC the Company received \$24,291 in annual rents (see Note 8).

In addition the Company set up a \$95,000 Standby Letter of Credit in favor of its Landlord in lieu of a deposit.

**NOTE 7: TRADING LICENSES**

During the calendar year 2009 the Company maintained seven trading licenses with the NYSE. During December 2009 the Company added an eighth trading license. The annual price for each trading license was set at approximately \$40,000 per year for 2009. Trading licenses are renewed each year. Trading license fees are billed monthly and cancelable with a one month notification. The annual fee of \$40,000 is prorated for the portion of the year during which the trading license will be outstanding.

**ROSENBLATT SECURITIES INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2009.**

**NOTE 8: REGULATORY REQUIREMENTS**

As a registered broker-dealer, the Company is subject to the Uniform Net Capital Requirements for brokers or dealers pursuant to 15c3-1 of the Securities and Exchange Commission, and Regulation 1.17 under the Commodity Futures Trading Act. Since the Company does not receive, directly or indirectly, or hold funds or securities for, or owe funds or securities to customers and does not engage in any of the activities described in Rule 15c3-1(a)(2)(i) through (v), net capital is computed pursuant to subparagraph (a)(2)(vi) which requires that net capital as defined, shall be at least the greater of \$45,000 or one-fifteenth of aggregate indebtedness, as defined. Net capital and aggregate indebtedness change from day-to-day, but as of December 31, 2009, the Company had net capital of \$588,495 which exceeded the minimum net capital requirements computed pursuant to SEC Rule 15c3-1 of \$67,854 by \$520,641.

Minimum net capital pursuant to CFTC Rule 1.17 is \$67,854. As of December 31, 2009 the Company's net capital exceeded the minimum net capital requirements computed pursuant to CFTC Rule 1.17 by \$520,641.

All customer transactions (i.e., transactions with persons other than broker\dealers) are cleared through other broker-dealer(s) on a fully disclosed basis, therefore the Company is not required to maintain a separate bank account for the exclusive benefit of customers or to segregate customer securities in accordance with Rule 15c3-3 of the Securities and Exchange Commission or Regulation 1.16 under the Commodity Futures Trading Act.

**NOTE 9 RELATED PARTY TRANSACTION**

The Company entered into a "Services and Cost-Sharing Agreement" with Penserra Securities LLC a New York Limited Liability Company with certain members in common on November 30, 2007. Pursuant to the agreement Penserra rents facilities from Rosenblatt Securities located at 20 Broad Street in New York City and utilizes certain administrative and other services in compliance with FINRA Notice to Members 03-63. The agreement can be terminated with 90 days written notice. At December 31, 2008 the monthly rent was fixed at \$1762.80 with a fee for technology and administrative support of \$1,500 a quarter. Other expenses include payment for data consulting, use of personnel and allocated