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SECURITIES AND EXCHANGE COMMISSION

SECURITIES

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

SEC FILE NUMBER
8-48478

**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: R. Hobman Securities Inc

OFFICIAL USE ONLY
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
6466 E. EVENING GLOW DRIVE

(No. and Street)

SCOTTSDALE

ARIZONA

85266

(City)

(State)

(Zip Code)

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

RICHARD HOBMAN

928-925-1964

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

KMJ CORBIN & COMPANY LLP

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

555 ANTON BLVD SUITE 1000 COSTA MESA

CALIFORNIA 92626

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

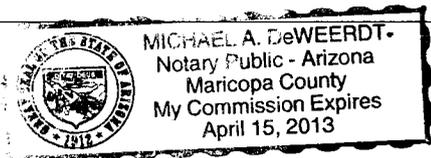
- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions.

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)

OATH OR AFFIRMATION

I, RICHARD HOBMAN, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of R. HOBMAN SECURITIES, INC. 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:



Richard Hobman
Signature
CHAIRMAN
Title

[Signature]
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).

R. HOBMAN SECURITIES, INC.
SEC ID No. 8-48478

**STATEMENT OF FINANCIAL CONDITION AND
SUPPLEMENTAL SCHEDULE**

As of December 31, 2009

with

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
THEREON**

and

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

The report is filed in accordance with Rule 17a-5(e)(3) under the Securities and Exchange Act of 1934 as a **PUBLIC DOCUMENT**.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors
R. Hobman Securities, Inc.

We have audited the accompanying statement of financial condition of R. Hobman Securities, Inc. (the "Company") as of December 31, 2009 that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this 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 statement of financial condition referred to above presents fairly, in all material respects, the financial position of R. Hobman Securities, Inc. as of December 31, 2009 in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statement taken as a whole. The information contained in Schedule I is presented for purposes of additional analysis and is not a required part of the basic financial statement, but is supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic statement of financial condition and, in our opinion, is fairly stated in all material respects in relation to the basic financial statement taken as a whole.

KMJ Corbin & Company LLP
KMJ | Corbin & Company LLP

Costa Mesa, California
February 25, 2010

R. HOBMAN SECURITIES, INC.

STATEMENT OF FINANCIAL CONDITION

ASSETS	December 31, 2009
Current assets:	
Cash and cash equivalents	\$ 38,009
Commissions receivable	18,657
Prepaid expenses and other	<u>15,458</u>
Total current assets	72,124
Furniture and equipment, net	29,734
Deposits	<u>600</u>
	<u>\$ 102,458</u>
 LIABILITIES AND SHAREHOLDER'S EQUITY	
Current liabilities:	
Accounts payable and accrued expenses	\$ <u>24,608</u>
Commitments	
Shareholder's equity:	
Common stock, no par value; 1,000 shares authorized; 1,000 shares issued and outstanding	14,957
Retained earnings	<u>62,893</u>
Total shareholder's equity	<u>77,850</u>
	<u>\$ 102,458</u>

See accompanying notes to statement of financial condition

NOTES TO STATEMENT OF FINANCIAL CONDITION

As of December 31, 2009

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

R. Hobman Securities, Inc. (the “Company”) was incorporated in Nevada on January 27, 1995. On October 30, 2008, the Company was registered in the state of Arizona. The Company was formed to provide general securities broker/dealer services to investors in securities and other investments. The Company is a registered broker/dealer in securities under the Securities Exchange Act of 1934 and is a licensed member of the Financial Industry Regulatory Authority (“FINRA”).

The Company engages in consulting activities for two broker/dealers. Commissions for these activities are remitted directly to the two broker/dealers, in turn, they remit the agreed-upon percentage to the Company for its consulting services. The Company is exempt from the provisions of Rule 15c3-3 (pursuant to paragraph (k)(2)(ii) of such rule) under the Securities Exchange Act of 1934, as the Company conducts business on a fully disclosed basis with another broker/dealer. Because of such exemptions, the Company is not required to prepare a determination of reserve requirements and possession or control requirements of Rule 15c3-3.

Registration

The Company must register with state departments which govern compliance with securities laws for the states in which it does business. The Company generates a substantial amount of commission income in the state of Arizona. Various regulatory requirements exist in each state with which the Company must comply. Should the Company violate certain state securities laws, it could be prohibited from doing business in that state.

Concentrations of Credit Risk

Cash and cash equivalents

The Company maintains its cash balances at financial institutions that are insured by the Federal Deposit Insurance Corporation (“FDIC”) up to \$250,000. At December 31, 2009, the Company had no amounts in excess of the FDIC insurance limit. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk related to these deposits.

Customers

No allowance for uncollectible amounts has been provided. Management has evaluated the accounts and believes they are fully collectible.

NOTES TO STATEMENT OF FINANCIAL CONDITION

As of December 31, 2009

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Cash and Cash Equivalents

The Company considers highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Cash equivalents are recorded at cost, which approximate fair value.

Furniture and Equipment

Furniture and equipment are recorded at cost. Depreciation is provided for using the straight-line method over the estimated useful lives of the related assets, which is generally three to seven years.

Income Taxes

The Company has elected to be taxed as a qualified subchapter S corporation under the Internal Revenue Code and under the tax laws of the State of Arizona, pursuant to which taxes on income of the Company are the responsibility of the shareholder. Under this election, the Company's taxable income or loss flows through to the shareholder's federal and state income tax returns. The State of Arizona imposes a \$50 minimum tax per year only if the Company has income subject to tax at the federal level. As the Company does not have income subject to tax at the federal level in 2009, it is not subject to the minimum tax imposed by the State of Arizona.

The Company recognizes any uncertain income tax positions on income tax returns at the largest amount that is more-likely-than not to be sustained upon audit by the relevant taxing authority. An uncertain income tax position will not be recognized if it has less than a 50% likelihood of being sustained. The Company adopted the accounting for uncertain tax positions as of January 1, 2009. There are no unrecognized tax benefits as of the date of adoption. There are no unrecognized tax benefits included in the balance sheet that would, if recognized, affect the effective tax rate. The Company's policy is to recognize interest and/or penalties related to income tax matters in income tax expense. The Company had \$0 accrued for interest and penalties on its balance sheet at December 31, 2009.

NOTES TO STATEMENT OF FINANCIAL CONDITION

As of December 31, 2009

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

The Company is subject to taxation in the U.S, Arizona and New Mexico. New Mexico does not impose a state income tax on S Corporations. The Company does not foresee material changes to its gross uncertain income tax position liability within the next twelve months. The Company is no longer subject to IRS or state examinations prior to 2005.

Fair Value Measurements

As of December 31, 2009, the Company measures the fair value of certain of its financial assets on a recurring basis. A fair value hierarchy is used to rank the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 – Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets and liabilities, quoted prices in the markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

As of December 31, 2009, the Company's cash equivalents of \$5,075, are valued using quoted prices for similar assets, or Level 2, as defined by the fair value hierarchy.

Use of Estimates

The preparation of the financial statement in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statement and the recorded amounts of revenues and expenses during the reporting period. Significant estimates made by the Company's management include but are not limited to, the collectibility of receivables. Actual results could differ from those estimates.

R. HOBMAN SECURITIES, INC.

NOTES TO STATEMENT OF FINANCIAL CONDITION

As of December 31, 2009

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Subsequent Events

The Company has evaluated and determined that no events have occurred subsequent to the balance sheet date and through February 25, 2010, the date of issuance of this financial statement, which would require inclusion or disclosure in its financial statement other than as described in the accompanying notes (see Note 8).

NOTE 2 – FURNITURE AND EQUIPMENT

Furniture and equipment consisted of the following at December 31, 2009:

Computer equipment	\$	56,832
Furniture, fixtures and equipment		29,924
Software		<u>39,735</u>
		126,491
Less accumulated depreciation		<u>(96,757)</u>
	\$	<u>29,734</u>

NOTE 3 – RELATED PARTY TRANSACTIONS

The Company leases its office space from its shareholder on an annual renewable basis and pays for the shareholder's vehicle lease (see Note 4). As of December 31, 2009, the Company also had an amount payable to the shareholder of \$1,962 for reimbursement of various business expenses.

NOTE 4 – COMMITMENTS

Operating Leases

The Company pays for a shareholder vehicle lease under a non-cancelable operating lease expiring through February 2011. The Company also pays 30% of a non-cancelable shareholder facility lease for its office space, expiring through June 2010. Approximate annual future minimum rental payments are as follows:

R. HOBMAN SECURITIES, INC.

NOTES TO STATEMENT OF FINANCIAL CONDITION

As of December 31, 2009

NOTE 4 – COMMITMENTS, continued

<u>Years Ending December 31,</u>	
2010	\$ 12,021
2011	<u>1,494</u>
	<u>\$ 13,515</u>

Indemnities and Guarantees

During the normal course of business, the Company has made certain indemnities and guarantees under which it may be required to make payments in relation to certain transactions. These indemnities include certain agreements with the Company's officer, under which the Company may be required to indemnify such person for liabilities arising out of their employment relationship. The duration of these indemnities and guarantees varies and, in certain cases, is indefinite. The majority of these indemnities and guarantees do not provide for any limitation of the maximum potential future payments the Company could be obligated to make. Historically, the Company has not been obligated to make any payments for these obligations and no liabilities have been recorded for these indemnities and guarantees in the accompanying statement of financial condition.

NOTE 5 – RETIREMENT PLAN

The Company adopted a SEP IRA retirement plan (the "Plan") effective January 1, 1999. The Plan covers all employees who are at least 21 years of age with three years of service. The Company's contribution is based on 15% of eligible salary for each eligible employee. During the year ended December 31, 2009 the Company did not make any contributions to the Plan because the sole employee has reached the age where he is required to take withdrawals.

NOTE 6 – NET CAPITAL REQUIREMENTS

As a registered broker-dealer, the Company is subject to the Securities and Exchange Commission's Uniform Net Capital Rule (Rule 15c3-1), which requires that the Company maintain a minimum net capital, as defined, and may not permit its aggregate indebtedness, as defined, to exceed fifteen times its net capital. At December 31, 2009, under the most restrictive requirement, the Company had net capital of \$32,037 which was \$27,037 in excess of its minimum required net capital of \$5,000. The Company's ratio of aggregate indebtedness to net capital was 0.77 to 1.

R. HOBMAN SECURITIES, INC.

NOTES TO STATEMENT OF FINANCIAL CONDITION

As of December 31, 2009

NOTE 7 – RESERVE REQUIREMENTS AND POSSESSION AND CONTROL STATEMENT FOR BROKERS OR DEALERS

The Company is exempt from the provisions of Rule 15c3-3 (pursuant to paragraph k(2)(ii) of such Rule) under the Securities Exchange Act of 1934, as the Company engages in consulting activities, it does not carry customer accounts and it does not hold customer securities or cash. Because of such exemption, the Company is not required to prepare a determination of reserve requirements or possession and control statement for brokers and dealers required by Rule 17a-13 and Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

NOTE 8 – SUBSEQUENT EVENTS

In February 2010, a major customer of the Company closed its business. There is no outstanding balance due from the customer as of December 31, 2009.

R. HOBMAN SECURITIES, INC.

SCHEDULE I - COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1
OF THE SECURITIES AND EXCHANGE COMMISSION

As of December 31, 2009

	Unaudited Amount per Amended FOCUS Report	Amounts Based on Annual Report	Difference Increase (Decrease)
Net capital -			
Total shareholder's equity from statement of financial condition	\$ <u>77,850</u>	\$ <u>77,850</u>	\$ -
Deductions and/or charges:			
Nonallowable assets included in the following statement of financial condition captions:			
Cash and cash equivalents	21	21	-
Prepaid expenses and other	15,458	15,458	-
Equipment, net	29,734	29,734	-
Deposit	<u>600</u>	<u>600</u>	-
Total deductions and/or charges	<u>45,813</u>	<u>45,813</u>	-
Net capital	32,037	32,037	-
Minimum net capital required	<u>5,000</u>	<u>5,000</u>	-
Excess net capital	\$ <u>27,037</u>	\$ <u>27,037</u>	\$ -
Total aggregate indebtedness	\$ <u>24,608</u>	\$ <u>24,608</u>	\$ -
Ratio of aggregate indebtedness to net capital	<u>0.77 to 1</u>	<u>0.77 to 1</u>	

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

Board of Directors
R. Hobman Securities, Inc.

In planning and performing our audit of the statement of financial condition of R. Hobman Securities, Inc. (the "Company") as of December 31, 2009, in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting ("internal control") as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statement, 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 tests of 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 (or aggregate debits) and net capital under Rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of Rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons and recordation of differences required by Rule 17a-13.
2. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls, and of the practices and procedures referred to in the preceding paragraph, and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance

that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

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 deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that a material misstatement of the Company's financial statement will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. 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 December 31, 2009, to meet the SEC's objectives.

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

KMJ Corbin & Company LLP
KMJ | Corbin & Company LLP

Costa Mesa, California
February 25, 2010