

3/9

SEC Mail Processing
Section

FEB 26 2010

Washington, DC
110

SEC



MISSION

AN

10029121

PORT

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	February 28, 2010
Estimated average burden hours per response.....	12.00

**FORM X-17A-5
PART III**

SEC FILE NUMBER
8-40024

FACING PAGE

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

REPORT FOR THE PERIOD BEGINNING 1/1/09 AND ENDING 12/31/09
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: **Slavic Investment Corporation**

OFFICIAL USE ONLY
FIRM I.D. NO.

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

1075 Broken Sound Parkway, N.W. Suite 100

(No. and Street)

Boca Raton

Florida

33487

(City)

(State)

(Zip Code)

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

John Slavic

561-241-9244

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Goldstein, Zugman, Weinstein & Poole, LLC

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

4875 North Federal Highway, Fourth Floor, Fort Lauderdale, Florida

33308-4610

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



[Handwritten Signature]

JOHN J. SLAVIC

PRESIDENT

Title

[Handwritten Signature]

Notary Public

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

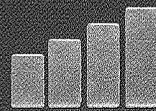
- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Changes in Financial Condition.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims 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.
- (o) Independent auditors' report on Internal Control.

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

SLAVIC INVESTMENT CORPORATION

DECEMBER 31, 2009

Financial Statements



**GOLDSTEIN, ZUGMAN,
WEINSTEIN & POOLE, LLC**
Certified Public Accountants and Consultants

SLAVIC INVESTMENT CORPORATION
FINANCIAL STATEMENTS
DECEMBER 31, 2009
AND INDEPENDENT AUDITORS' REPORT

SLAVIC INVESTMENT CORPORATION
TABLE OF CONTENTS
FINANCIAL STATEMENTS AS OF DECEMBER 31, 2009
AND FOR THE YEAR THEN ENDED

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENT OF FINANCIAL CONDITION	2
STATEMENT OF INCOME/(LOSS)	3
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY	4
STATEMENT OF CASH FLOWS	5
NOTES TO FINANCIAL STATEMENTS	6 - 7
SUPPLEMENTARY INFORMATION	
SCHEDULE I - Computation of Net Capital Under Rule 15c3-1 of the Securities and Exchange Commission	8
SCHEDULE II - Statement Pursuant to Rule 17a-5(d)(2) of the Securities and Exchange Commission	9
SCHEDULE III - Statement Pursuant to Information Relating to the Possession and Control Requirements Under Rule 15c3-3 of the Securities and Exchange Commission	10
SCHEDULE IV - Computation for Determination of Reserve Requirements Under Rule 15c3-3 of the Securities and Exchange Commission	11
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL REQUIRED BY SEC RULE 17a-5(g)(1)	12 - 13

Certified Public Accountants and Consultants

Irving L. Goldstein, C.P.A., P.A.
David B. Zugman, C.P.A., P.A.
Frederick S. Weinstein, C.P.A., P.A.
Keenan L. Poole, C.P.A., P.A.
David B. Black, C.P.A., P.A.
Steven M. Borisman, C.P.A., P.A.

Howard E. Hammer, C.P.A., P.A.
George F. Horvath, C.P.A., P.A.
Geraldine (Dee Dee) Rinaldi, C.P.A.
Christopher Parsotan, C.P.A.
Adele R. Shea, C.P.A.
Barbara Gayle, C.P.A.

Fourth Floor
4875 North Federal Highway
Fort Lauderdale, FL 33308
Broward 954.351.9000
Palm Beach 561.393.0411
Miami-Dade 305.947.7717
Fax 954.351.9011
admin@gzwpcca.com

February 17, 2010

INDEPENDENT AUDITORS' REPORT

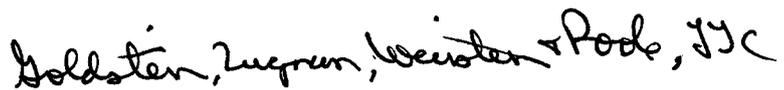
Board of Directors
Slavic Investment Corporation
Boca Raton, Florida

We have audited the accompanying statement of financial condition of Slavic Investment Corporation as of December 31, 2009 and the related statements of income/(loss), changes in stockholders' 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 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 statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit 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 Slavic Investment Corporation as of December 31, 2009, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedules I, II, III and IV 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 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.


GOLDSTEIN, ZUGMAN,
WEINSTEIN & POOLE, LLC

SLAVIC INVESTMENT CORPORATION
STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2009

ASSETS

CURRENT ASSETS

Cash	\$366,073
Cash reserved for the exclusive benefit of customers	100,492
Concessions receivable	3,174
Due from affiliate	5,141
Prepaid expenses	<u>59</u>

TOTAL ASSETS \$474,939

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES

Payable to customers	\$ 93,496
Commissions payable	<u>643</u>

Total Liabilities 94,139

STOCKHOLDERS' EQUITY

Common stock, \$.01 par value; 300,000 shares authorized, 297,000 shares issued and outstanding	2,970
Additional paid-in capital	259,870
Retained earnings	<u>117,960</u>

Total Stockholders' Equity 380,800

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY \$474,939

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

SLAVIC INVESTMENT CORPORATION
STATEMENT OF INCOME/(LOSS)
FOR THE YEAR ENDED DECEMBER 31, 2009

REVENUES		
Concessions	\$ 99,096	
Service fee income – related party	135,510	
Other income	<u>765</u>	
Total Revenues		\$235,371
EXPENSES		
Commissions	9,558	
Consulting fees	48,000	
Office services – related party	145,382	
Interest	1,638	
Licenses, taxes and registration fees	22,049	
Professional fees	10,888	
Office expenses	<u>3,230</u>	
Total Expenses		<u>240,745</u>
NET LOSS		<u>\$ (5,374)</u>

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

SLAVIC INVESTMENT CORPORATION
 STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Common Stock</u>	<u>Additional Paid-In Capital</u>	<u>Retained Earnings</u>	<u>Total</u>
BALANCES - January 1, 2009	\$2,970	\$259,870	\$123,334	\$386,174
Net Loss	_____	_____	<u>(5,374)</u>	<u>(5,374)</u>
BALANCES - DECEMBER 31, 2009	<u>\$2,970</u>	<u>\$259,870</u>	<u>\$117,960</u>	<u>\$380,800</u>

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

SLAVIC INVESTMENT CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2009

CASH FLOWS FROM OPERATING ACTIVITIES

Net loss \$ (5,374)

Adjustments to reconcile net loss to
net cash used in operating activities:

Increase in cash reserved for the exclusive benefit of customers	\$(53,659)
Decrease in concessions receivable	58,578
Decrease in prepaid expenses	11
Decrease in accounts payable and accrued expenses	(7,761)
Increase in payable to customers	53,308
Increase in commissions payable	<u>419</u>

Total Adjustments 50,896

NET CASH PROVIDED BY OPERATING ACTIVITIES 45,522

CASH FLOWS FROM FINANCING ACTIVITIES

Net payments to affiliated companies (5,141)

NET INCREASE IN CASH 40,381

Cash - Beginning of Year 325,692

Cash - End of Year \$366,073

SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION

Cash paid during the year for interest \$ 1,638

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

SLAVIC INVESTMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

NOTE 1 - NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

Slavic Investment Corporation (the "Company") is a registered general securities broker/dealer. The Company's business consists of executing mutual fund transactions and life insurance annuities on an application way method for its customers. In addition, for certain customers, the Company is a fully disclosed introducing broker/dealer.

REVENUE RECOGNITION

Revenues and the related commission expense generated from customers purchasing of mutual funds, life insurance contracts and cash net lease limited partnerships are recorded on the settlement date.

ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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.

NOTE 2 - CASH RESERVED FOR THE EXCLUSIVE BENEFIT OF CUSTOMERS

Cash of \$100,492 has been segregated in a special reserve bank account for the benefit of customers under Rule 15c3-3 of the Securities and Exchange Commission.

NOTE 3 - RELATED PARTY TRANSACTIONS

The stockholders of the Company are also stockholders of Slavic Mutual Funds Management Corporation ("SMF"), a registered investment advisor. Substantially all concession revenues result from the purchase of mutual funds on behalf of the clients of SMF.

The stockholders of the Company are also stockholders of Slavic Integrated Administration, Inc. ("SIA"), a retirement plan administrator. The clients of SIA utilize the services of the Company to purchase mutual funds for their participants and also at times utilize the investment advisor services of SMF.

The Company has an agreement with SIA to pay them for various overhead expenses including rent and general and administrative expenses, which totaled \$145,382 in 2009.

The Company, through a service agreement, compensates SIA for the back-office processing of 12b-1 and Sub-TA fees paid by the mutual fund companies and credited back to the plan participants. For the year ended December 31, 2009, the Company received \$135,510 from SIA for these services.

SLAVIC INVESTMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

NOTE 4 - NET CAPITAL REQUIREMENT

Pursuant to the net capital provisions of Rule 15c3-1 of the Securities Exchange Act of 1934, the Company is required to maintain a minimum net capital as defined in such Rule. At December 31, 2009, the Company's net capital was \$375,600, compared with the required minimum net capital of \$250,000. Under the Rule, aggregate indebtedness may not exceed 1500% of net capital. At December 31, 2009, the Company had no aggregate indebtedness.

NOTE 5 - CLEARING ARRANGEMENTS

The Company acts as a broker of record for receipt and reimbursement of 12b-1 fees to the SIA 401(k) Plan platform and therefore no clearing agreement or clearing deposit is required.

NOTE 6 - CONCENTRATION OF CREDIT RISK

The Company maintains its cash balances in a financial institution in Boca Raton, Florida. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000 in each institution. At December 31, 2009, the Company had an uninsured cash balance of \$51,904.

The Company maintains a cash balance of \$1,715 in an account with its clearing broker. The amount is insured by the Securities Investor Protection Corporation (SIPC).

NOTE 7 - RETIREMENT PLAN

In accordance with Section 414 of the Internal Revenue Code, the Company is considered part of a controlled group for 401(k) Plan purposes. Therefore, the Company adopted the Slavic Mutual Funds Management Corporation 401(k) Savings Plan. Participants may contribute 1% to 15% of their compensation. The Company, at its discretion, may make contributions to the plan based on a percentage of the employee's salary contribution. The Company, as part of the controlled group matches 50% of the elected employee deferrals up to 6% of compensation. For the year ended December 31, 2009, the Company contributed \$198 to the Plan.

NOTE 8 - INCOME TAXES

At December 31, 2009, the Company had an available net operating loss carryforward of approximately \$6,400, which will expire in 2029.

NOTE 9 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through February 17, 2010, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

SLAVIC INVESTMENT CORPORATION
SCHEDULE I
COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1 OF THE
SECURITIES AND EXCHANGE COMMISSION
DECEMBER 31, 2009

NET CAPITAL

Total stockholders' equity qualified for net capital	\$380,800
Allowable liabilities subordinated to claims of general creditors	<u>0</u>

TOTAL EQUITY CAPITAL AND ALLOWABLE SUBORDINATED LIABILITIES	<u>380,800</u>
--	----------------

DEDUCTIONS AND/OR CHARGES

Non-allowable assets	
Due from affiliate	5,141
Prepaid expenses	<u>59</u>
Total Non-Allowable Assets	<u>5,200</u>

NET CAPITAL BEFORE HAIRCUTS ON SECURITIES POSITION	375,600
--	---------

HAIRCUTS ON SECURITIES	<u>0</u>
------------------------	----------

NET CAPITAL	375,600
-------------	---------

COMPUTATION OF BASIC NET CAPITAL REQUIREMENTS:

Minimum dollar net capital requirement of reporting broker or dealer	<u>250,000</u>
--	----------------

EXCESS NET CAPITAL	<u>\$125,600</u>
--------------------	------------------

AGGREGATE INDEBTEDNESS:

Liabilities from statement of financial condition	\$ 94,139
Deduct: adjustments based on deposits in special reserve bank accounts (15c3-1(c)(1)(vii))	<u>(94,139)</u>

Total Aggregate Indebtedness	<u>\$ 0</u>
------------------------------	-------------

RATIO OF AGGREGATE INDEBTEDNESS TO NET CAPITAL	<u>0.00 to 1</u>
--	------------------

RECONCILIATION WITH COMPANY'S COMPUTATION (INCLUDED
IN PART II OF FORM X-17A-5 AS OF DECEMBER 31, 2009)

Net capital, as reported in Company's Part II (unaudited) FOCUS report	\$375,714
Net audit adjustments	<u>(114)</u>

NET CAPITAL PER ABOVE	<u>\$375,600</u>
-----------------------	------------------

SLAVIC INVESTMENT CORPORATION
SCHEDULE II
STATEMENT PURSUANT TO RULE 17a-5(d)(2)
OF THE SECURITIES AND EXCHANGE COMMISSION
DECEMBER 31, 2009

The Company had no liability subordinated to claims of general creditors as of January 1, 2009. In addition, there were none in existence during the year ended December 31, 2009 and, accordingly, there are no changes to report.

SLAVIC INVESTMENT CORPORATION
SCHEDULE III
STATEMENT PURSUANT TO INFORMATION RELATING TO THE
POSSESSION AND CONTROL REQUIREMENTS UNDER RULE 15c3-3
OF THE SECURITIES AND EXCHANGE COMMISSION
DECEMBER 31, 2009

During the year, the Company did not hold customer securities. The funds are held in a reserve bank account for the exclusive benefit of customers. The Company reimburses 12b-1 fees to customers.

SLAVIC INVESTMENT CORPORATION
SCHEDULE IV
COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS
UNDER RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION
DECEMBER 31, 2009

CREDIT BALANCES	
Payable to customers – 12b-1 fee reimbursements	\$ 93,496
DEBIT BALANCES	<u> 0</u>
RESERVE COMPUTATION	
Excess of total credits over total debits	<u>\$ 93,496</u>
Computation permitted on a monthly basis, 105% of excess of total credits over total debits	<u>\$ 98,171</u>
Amount held on deposit in reserve bank account for the exclusive benefit of customers	<u>\$100,492</u>

Certified Public Accountants and Consultants

Irving L. Goldstein, C.P.A., P.A.
David B. Zugman, C.P.A., P.A.
Frederick S. Weinstein, C.P.A., P.A.
Keenan L. Poole, C.P.A., P.A.
David B. Black, C.P.A., P.A.
Steven M. Borisman, C.P.A., P.A.

Howard E. Hammer, C.P.A., P.A.
George F. Horvath, C.P.A., P.A.
Geraldine (Dee Dee) Rinaldi, C.P.A.
Christopher Parsotan, C.P.A.
Adele R. Shea, C.P.A.
Barbara Gayle, C.P.A.

Fourth Floor
4875 North Federal Highway
Fort Lauderdale, FL 33308
Broward 954.351.9000
Palm Beach 561.393.0411
Miami-Dade 305.947.7717
Fax 954.351.9011
admin@gzwpcca.com

February 17, 2010

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
REQUIRED BY SEC RULE 17a-5(g)(1)**

Board of Directors
Slavic Investment Corporation
Boca Raton, Florida

In planning and performing our audit of the financial statements of Slavic Investment Corporation (the "Company"), as of and for the year ended December 31, 2009, in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. 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 compliance with such practices and procedures that we considered relevant to the objectives stated in Rule 17a-5(g), in the following:

1. Making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under Rule 17a-3(a)(11) and the reserve required by Rule 15c3-3(e).
2. Making the quarterly securities examinations, counts, verifications, and comparisons, and the recordation of differences required by Rule 17a-13.
3. 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.
4. Obtaining and maintaining physical possession or control of all fully paid and excess margin securities of customers as required by Rule 15c3-3.

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 generally accepted accounting principles. 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 a 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 there is a reasonable possibility that a material misstatement of the company's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of the 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, the Financial Industry Regulatory Authority, and other regulatory agencies which rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

Goldstein, Zugman, Weinstein & Poole, LLC
GOLDSTEIN, ZUGMAN,
WEINSTEIN & POOLE, LLC