

AA  
3/15

SEC  
Mail Processing  
Section



SECUR 10029141 ION  
Washington, D.C. 20549

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

MAR 11 2010

Washington, DC  
120

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

SEC FILE NUMBER  
8- 40372

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: RAVEN SECURITIES CORPORATION

OFFICIAL USE ONLY  
FIRM I.D. NO.

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

40 WALL STREET, 34TH FL  
(No. and Street)

NEW YORK  
(City)

NEW YORK  
(State)

10005  
(Zip Code)

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

RICHARD COHEN

212-668-8700

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

MANDEL, FEKETE & BLOOM, CPAs

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

30 MONTGOMERY STREET  
(Address)

JERSEY CITY  
(City)

NEW JERSEY  
(State)

07302  
(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)

## **TABLE OF CONTENTS**

**EXHIBIT A – OATH OF AFFIRMATION**

**EXHIBIT B – ACCOUNTANT’S REPORT OF  
INTERNAL CONTROL**

**EXHIBIT C – ANNUAL REPORT**

**EXHIBIT D – SCHEDULE I**

**EXHIBIT E – SCHEDULE II**

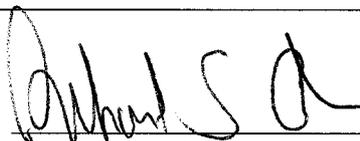
OATH OR AFFIRMATION

I, RICHARD COHEN, swear (or affirm) that, to the best of my knowledge and belief the accompany financial statement and supporting schedules pertaining to the firm of

RAVEN SECURITIES CORPORATION, as of

DECEMBER 31, 2009, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

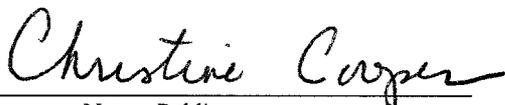
NONE



Signature

PRESIDENT - CEO

Title



Notary Public  
CHRISTINE COOPER  
Notary Public, State of New York  
No. 01CO6085064  
Qualified in Queens County  
Commission Expires Dec. 23, 2010

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 Proprietor's 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).

**MANDEL, FEKETE & BLOOM**  
CERTIFIED PUBLIC ACCOUNTANTS

MILTON E. MANDEL, (1932-1984)  
FRANK L. FEKETE  
BERNARD BLOOM, (1959-1989)  
MARK J. BANN  
DANIEL G. KAROSEN

30 MONTGOMERY STREET - SUITE 685  
JERSEY CITY, NEW JERSEY 07302-3834  
(201) 434-6875  
FAX (201) 434-8759

INDEPENDENT AUDITOR'S REPORT

Raven Securities Corporation  
40 Wall Street, 34<sup>th</sup> Floor  
New York, New York 10005

In planning and performing our audit of the financial statements of Raven Securities Corporation, 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 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-2(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

continued

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 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 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.

continued

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.

A handwritten signature in cursive script that reads "Mandel, Fekete & Bloom". The signature is written in dark ink and is centered on the page.

February 1, 2010

---oOo---

**RAVEN SECURITIES CORPORATION**

**ANNUAL REPORT**

**DECEMBER 31, 2009**

---oOo---

## C O N T E N T S

ACCOUNTANT'S REPORT

STATEMENT OF FINANCIAL CONDITION

STATEMENT OF INCOME

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

STATEMENT OF CASH FLOWS

NOTES TO FINANCIAL STATEMENTS (3 Pages)

SUPPLEMENTAL SCHEDULE:

I. COMPUTATION OF NET CAPITAL UNDER  
RULE 15c3-1 OF THE SECURITY AND EXCHANGE  
COMMISSION (4 Pages)

**MANDEL, FEKETE & BLOOM**  
CERTIFIED PUBLIC ACCOUNTANTS

MILTON E. MANDEL, (1932-1984)  
FRANK L. FEKETE  
BERNARD BLOOM, (1959-1989)  
MARK J. BANN  
DANIEL G. KAROSEN

30 MONTGOMERY STREET - SUITE 685  
JERSEY CITY, NEW JERSEY 07302-3834  
(201) 434-6875  
FAX (201) 434-8759

INDEPENDENT AUDITOR'S REPORT

Raven Securities Corporation  
40 Wall Street, 34<sup>th</sup> Floor  
New York, New York 10005

We have audited the accompanying statement of financial condition of Raven Securities Corporation as of December 31, 2009, and the related statements of income, 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 Raven Securities Corporation at December 31, 2009, and the results of their operations and their 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 Schedule I 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.



February 1, 2010

# STATEMENT OF FINANCIAL CONDITION

## Raven Securities Corporation

### ASSETS

DECEMBER 31, 2009

Current		
Cash		
Signature Bank – checking account	\$ 62,933	
Goldman Sachs – deposit account	<u>1,048,564</u>	\$1,111,497
Commissions receivable		1,287,501
Prepaid insurance		<u>1,666</u>
Total Current Assets		2,400,664
Property and equipment at cost		
Office equipment	3,345	
Accumulated depreciation	<u>335</u>	<u>3,010</u>
<b>TOTAL ASSETS</b>		<b><u>\$2,403,674</u></b>

### LIABILITIES AND STOCKHOLDERS' EQUITY

#### LIABILITIES

Accrued expenses	\$ 901,862	
Income taxes payable	<u>97,686</u>	
Total Current Liabilities		\$ 999,548
Note payable	700,000	
Deferred income tax liability	<u>175,822</u>	
Total Long-Term Liabilities		<u>875,822</u>
Total Liabilities		<u>1,875,370</u>

#### STOCKHOLDERS' EQUITY

Common stock – par value \$1,000		
Authorized – 10 shares		
Issued – 10 shares		10,000
Additional paid-in capital		150,000
Accumulated adjustments account		<u>368,304</u>
Total Stockholders' Equity		<u>528,304</u>

**\$2,403,674**

See notes to financial statements

**MANDEL, FEKETE & BLOOM**  
CERTIFIED PUBLIC ACCOUNTANTS

## STATEMENT OF INCOME

### Raven Securities Corporation

**FOR THE YEAR 2009**

#### REVENUE

Commission income		\$4,817,981
-------------------	--	-------------

#### EXPENSES

Salaries	\$2,438,280	
Health insurance	95,022	
Payroll taxes	94,221	
Clearance charges	446,277	
Error account	5,704	
Commission expense	601,880	
NYSE dues and expenses	144,896	
Office expense	33,227	
Quotation services	54,768	
SIPC assessment	9,770	
Insurance	23,932	
Travel and automobile expenses	33,541	
Meals and entertainment	36,069	
Professional fees	222,460	
Charitable contributions	1,050	
Telephone	65,084	
Dues and subscriptions	14,216	
Interest expense	14,000	
Miscellaneous	5,000	
Depreciation	335	<u>4,339,732</u>

OPERATING INCOME	478,249
------------------	---------

#### Other Income

Rebate and reimbursement	<u>151,513</u>
--------------------------	----------------

INCOME BEFORE TAXES	629,762
---------------------	---------

#### Provision for Income Taxes

Current taxes	123,798	
Deferred taxes	<u>180,391</u>	<u>304,189</u>

NET INCOME	<u>\$ 325,573</u>
------------	-------------------

# STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

## Raven Securities Corporation

**FOR THE YEAR 2009**

### CAPITAL STOCK

#### Common

Balance at beginning of year	\$ 10,000
Issuance of shares	<u>0</u>
Balance at end of year	<u>10,000</u>

### ADDITIONAL PAID-IN CAPITAL

Balance at beginning of year	\$ 50,000
Paid-in capital	<u>100,000</u>
Balance at end of year	<u>150,000</u>

### ACCUMULATED ADJUSTMENT ACCOUNT

Balance at beginning of year	\$ 47,573
Net income	325,573
(Distributions)	<u>(4,842)</u>
Balance at end of year	<u>368,304</u>

**TOTAL STOCKHOLDERS' EQUITY AT END OF YEAR** **\$ 528,304**

## STATEMENT OF CASH FLOWS

### Raven Securities Corporation

**FOR THE YEAR 2009**

#### Cash Flows from Operating Activities

Net Income \$ 325,573

#### Adjustments to Reconcile Net Income to Net Cash provided by Operating Activities

Depreciation 335  
Increase in commissions receivable ( 1,270,738)  
Decrease in prepaid expenses 6,675  
Increase in accrued liabilities 881,317  
Increase in taxes payable 273,508

Net Cash provided by Operating Activities \$ 216,670

#### Cash Flows from Investing Activities:

Purchase of property and equipment ( 3,345)

Net Cash provided by Investing Activities ( 3,345)

#### Cash Flows from Financing Activities:

Paid in capital 100,000  
Distributions ( 4,842)  
Increase in note payable 700,000

Net Cash provided by Financing Activities 795,158

**NET INCREASE IN CASH 1,008,483**

**CASH AND EQUIVALENTS AT JANUARY 1, 2009 103,014**

**CASH AND EQUIVALENTS AT DECEMBER 31, 2009 \$1,111,497**

#### Supplemental Cash Flow Disclosures:

Income tax payments \$ 25,800

Interest payments \$ 0

## **NOTES TO FINANCIAL STATEMENTS**

### **Raven Securities Corporation**

#### **1. ORGANIZATION AND NATURE OF BUSINESS**

The Company is a broker-dealer registered with the Securities and Exchange Commission (SEC). The Company was a New York S-Corporation, but was converted to a C-Corporation as of May 1, 2009.

#### **2. SIGNIFICANT ACCOUNTING POLICIES**

##### **Securities Transactions**

Customers' securities and commodities transactions are reported on a settlement date basis with related commission income and expenses reported on a trade date basis. Amounts received and payable for securities and transactions that have not reached their contractual settlement date are recorded net on the statement of financial condition. Marketable securities are valued at market value.

##### **Commissions**

Commissions and related clearing expenses are recorded on a trade-date basis as securities transactions occur.

##### **Income Taxes**

The Company has elected to be treated on the cash basis for income tax purposes. Accordingly, income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes. The amount of current and deferred federal, state and city income taxes payable is recognized as of the date of the financial statements, utilizing currently enacted laws and rates. Deferred tax expenses are recognized in the financial statements for the changes in deferred tax liabilities between years.

## **NOTES TO FINANCIAL STATEMENTS**

### **Raven Securities Corporation**

#### **Use of Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, and the reported amounts of revenues and expenses.

#### **Depreciation**

Depreciation of property and equipment is provided over the estimated useful life on a straight-line basis.

#### **Stock Sale**

On February 24, 2009, Highland Asset Management, LLC purchased all of the issued and outstanding shares of capital stock from David Henderson. Any gain or loss on the transaction was recognized by the previous shareholder, David W. Henderson.

#### **Statement of Cash Flows**

For the purposes of the Statement of Cash Flows, the Company has defined cash equivalents as highly liquid investments, with original maturities of less than ninety (90) days, which are not held for sale in the ordinary course of business.

### **3. CONCENTRATIONS OF CASH**

The Company at times during operations has cash deposits that exceed \$250,000 in one account in individual banks. The Federal Deposit Insurance Corporation (FDIC) raised its limit to \$250,000 on October 10, 2008. At December 31, 2009, the Company's uninsured cash balance totaled \$920,014. \$798,564 of the uninsured cash balance relates to cash deposits held at Goldman Sachs.

## NOTES TO FINANCIAL STATEMENTS

### Raven Securities Corporation

#### 4. RELATED PARTY – NOTE PAYABLE

On September 29, 2009, the Company obtained a \$700,000 note payable from Highland Asset Management, LLC, a related party. The note has an interest rate of 8% per annum and is due in quarterly installments. The interest expense for the year ending December 31, 2009 totaled \$14,000. The note may be prepaid at any time without incurring any penalty. The note is due in full on September 29, 2029.

#### 5. NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. At December 31, 2009, the Company had net capital of \$549,175, which was \$457,484 in excess of its required net capital of \$91,691.

#### 6. INCOME TAXES

The current and deferred portions of the income tax expense (benefit) included in the statement of operations as determined in accordance with FASB Statement No. 109, *Accounting for Income Taxes*, are as follows:

	<u>Current</u>	<u>Deferred</u>	<u>Total</u>
<b><u>December 31, 2009</u></b>			
Federal	\$ 81,782	\$106,808	\$188,590
New York State	15,465	32,284	47,749
New York City	23,251	35,371	58,622
New York MTA Surcharge	<u>3,300</u>	<u>5,928</u>	<u>9,228</u>
	<u>\$123,798</u>	<u>\$180,391</u>	<u>\$304,189</u>

See accountant's report

**MANDEL, FEKETE & BLOOM**  
CERTIFIED PUBLIC ACCOUNTANTS

## SCHEDULE I

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

As of December 31, 2009

Total ownership equity from Statement of Financial Condition	\$ 528,304
Deduct ownership equity not allowable for Net Capital	<u>0</u>
Total ownership equity qualified for Net Capital	528,304
Add:	
Liabilities subordinated to claims of general creditors allowable In computation of net capital	0
Other (deductions) or allowable credits	<u>0</u>
Total capital and allowable subordinated liabilities	528,304
Deductions and/or charges:	
Total non-allowable assets from Statement of Financial Condition (See List A)	\$ 479,129
Secured demand note deficiency	0
Commodity futures contracts and spot commodities- proprietary capital charges	0
Other deductions and/or charges	<u>0</u> ( 479,129)
Other additions and/or allowable credits	
Total non-allowable accrued liabilities from Statement of Financial Condition (See List B)	<u>500,000</u>
Net Capital before haircuts on securities positions	549,175
Haircuts on securities (computed, where applicable, pursuant to 13c301(f):	
Contractual securities commitments	0
Subordinated securities borrowings	0
Trading and investment securities:	
Exempted securities	0
Debt securities	0
Options	0
Other securities	0
Undue concentration	0
Other	<u>0</u> <u>0</u>
<b>NET CAPITAL</b>	<b><u>\$ 549,175</u></b>

See notes to financial statements

MANDEL, FEKETE & BLOOM  
CERTIFIED PUBLIC ACCOUNTANTS

## SCHEDULE I

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

As of December 31, 2009

#### COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Minimum net capital required	\$ 91,691
Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	\$ 5,000
Net capital requirement	\$ 91,691
Excess net capital	\$ 457,484
Excess net capital at 1000%	\$ 411,638

#### COMPUTATION OF AGGREGATE INDEBTEDNESS

Total A.I. liabilities from Statement of Financial Condition	\$1,375,370
Add:	
Drafts for immediate credit	\$ 0
Market value of securities borrowed for which no equivalent value is paid or credited	\$ 0
Other unrecorded indebtedness	<u>\$ 0</u> <u>0</u>
Total aggregate indebtedness	\$1,375,370
Percentage of aggregate indebtedness to net capital	250%
Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1(d)	0

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

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

**DECEMBER 31, 2009**

Net capital, as reported in company's Part II (unaudited) focus report	\$ 549,175
Audit adjustments to net capital	<u>0</u>
<b>NET CAPITAL per above</b>	<b><u>\$ 549,175</u></b>

**DECEMBER 31, 2009**

**LIST A**

Commission receivable	\$ 474,453
Prepaid insurance	1,666
Property and equipment	<u>3,010</u>
	<b><u>\$ 479,129</u></b>

**LIST B**

Accrued bonus	\$ <u>500,000</u>
	<b><u>\$ 500,000</u></b>

## **NOTES RE: OTHER SCHEDULES**

The Company claims an exemption from the Securities and Exchange Commission Rule 15c3-3 based on the following:

All customer transactions cleared through another broker-dealer/clearing organization on a fully disclosed basis. The Company does not carry securities accounts for customers nor does it perform custodial functions relating to customer securities.

Accordingly, the following schedules are not presented as part of these financial statements:

- Computation for determination of reserve requirements
- Information relating to possession or control requirements

**MANDEL, FEKETE & BLOOM**  
CERTIFIED PUBLIC ACCOUNTANTS

MILTON E. MANDEL, (1932-1984)  
FRANK L. FEKETE  
BERNARD BLOOM, (1959-1989)  
MARK J. BANN  
DANIEL G. KAROSEN

30 MONTGOMERY STREET - SUITE 685  
JERSEY CITY, NEW JERSEY 07302-3834  
(201) 434-6875  
FAX (201) 434-8759

**SCHEDULE II**

**INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors of  
Raven Securities Corporation  
40 Wall Street, 34<sup>th</sup> Floor  
New York, New York 10005

In accordance with Rule 17a-5(e)(4) under the Securities Act of 1934, we have performed the procedures enumerated below with respect to the accompanying Schedule of Assessment and Payments [Transitional Assessment Reconciliation (form SIPC-7T)] to the Securities Investor Protection Corporation (SIPC) for the year ended December 31, 2009, which were agreed to by Raven Securities Corporation and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., and SIPC, solely to assist you and other specified parties in evaluating Raven Securities Corporation's compliance with the applicable instructions of the Transitional Assessment Reconciliation (Form SIPC-7T). Raven Securities Corporation's management is responsible for Raven Securities Corporation's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Society 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 including the general ledger and bank statement noting no differences;
2. Compared the amounts reported on the audited Form X-17A-5 for the year ended December 31, 2009, as applicable, with the amounts reported in Form SIPC-7T for the year ended December 31, 2009 noting no differences:

continued

To the Board of Directors of  
Raven Securities Corporation  
Page 2

3. Compared any adjustments report in Form SIPC-7T with supporting schedules, working papers, SIPC-7 template and calculation of total assessment noting no differences;
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules, working papers, SIPC-7 template and calculation of total assessment supporting the adjustments noting no differences; and

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.

A handwritten signature in cursive script that reads "Mandel, Fekete & Bloom".

February 1, 2010

**SIPC-7T**

(29-REV 12/09)

**SECURITIES INVESTOR PROTECTION CORPORATION**  
805 15th St. N.W. Suite 800, Washington, D.C. 20005-2215  
202-371-8300

**Transitional Assessment Reconciliation**

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

**SIPC-7T**

(29-REV 12/09)

**TO BE FILED BY ALL SIPC MEMBERS WITH FISCAL YEAR ENDINGS**

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

040372 FINRA DEC  
RAVEN SECURITIES CORP 5'S  
C/O ACCOUNTING & COMPLIANCE INTL FL 34  
40 WALL ST  
NEW YORK NY 10005-1304

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

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

JAY GETTENBERG 212-668-8700  
E.F.S.

- 2. A. General Assessment [item 2e from page 2 (not less than \$150 minimum)] \$ 9,770
- B. Less payment made with SIPC-6 filed including \$150 paid with 2009 SIPC-4 (exclude interest) (2,059)  
07/27/2009  
Date Paid
- C. Less prior overpayment applied (          )
- D. Assessment balance due or (overpayment) 7,711
- E. Interest computed on late payment (see instruction E) for            days at 20% per annum
- F. Total assessment balance and interest due (or overpayment carried forward) \$ 7,711
- G. PAID WITH THIS FORM:  
Check enclosed, payable to SIPC  
Total (must be same as F above) \$ 7,711
- H. Overpayment carried forward \$(            )

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

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

RAVEN SECURITIES CORP.

(Name of Corporation, Partnership or other organization)

(Authorized Signature)

Dated the            day of           , 20           

(Title)

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

**SIPC REVIEWER**

Dates:            Postmarked            Received            Reviewed           

Calculations            Documentation            Forward Copy           

Exceptions:           

Disposition of exceptions:

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

Amounts for the fiscal period  
beginning April 1, 2009  
and ending Dec 31, 20 09  
Eliminate cents

Item No.

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

\$ 4,857,423

2b. Additions:

- (1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above.
- (2) Net loss from principal transactions in securities in trading accounts.
- (3) Net loss from principal transactions in commodities in trading accounts.
- (4) Interest and dividend expense deducted in determining item 2a.
- (5) Net loss from management of or participation in the underwriting or distribution of securities.
- (6) Expenses other than advertising, printing, registration fees and legal fees deducted in determining net profit from management of or participation in underwriting or distribution of securities.
- (7) Net loss from securities in investment accounts.

Total additions

2c. Deductions:

- (1) Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, from the business of insurance, from investment advisory services rendered to registered investment companies or insurance company separate accounts, and from transactions in security futures products.
- (2) Revenues from commodity transactions.
- (3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.
- (4) Reimbursements for postage in connection with proxy solicitation.
- (5) Net gain from securities in investment accounts.
- (6) 100% of commissions and markups earned from transactions in (i) certificates of deposit and (ii) Treasury bills, bankers acceptances or commercial paper that mature nine months or less from issuance date.
- (7) Direct expenses of printing advertising and legal fees incurred in connection with other revenue related to the securities business (revenue defined by Section 16(9)(L) of the Act).
- (8) Other revenue not related either directly or indirectly to the securities business.  
(See Instruction C):

935,563

(9) (i) Total interest and dividend expense (FOCUS Line 22/PART IIA Line 13, Code 4075 plus line 2b(4) above) but not in excess of total interest and dividend income.

\$ 14,000

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

\$ 0

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

Total deductions

14,000

949,563

2d. SIPC Net Operating Revenues

\$ 3,907,871

2e. General Assessment @ .0025

\$ 9,770

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

RAVEN SECURITIES CORP

Inputs

Amount of Payment Overdue	
Days Late	
Minimum Assesment Payment	150

Caluclation of Total Assesment and Interest Due

General Assesment Payment for the First Half of the Fiscal Year	9,770
Less payment of \$150 made with SIPC-4 in January, February or March 2009 for all Fiscal Year Ends Except January, February, or March	2,059
<b>Assesment Balance Due</b>	<b>7,711</b>
Interest computed on late payment (20% per annum for each day after 15th day past due	-
<b>Total Assesment and Interest Due</b>	<b>7,711</b>

Calculation of General Assesment Payment (Row 7)

Total Interest and Dividend Expense	14,000
Total Interest and Dividend Income	
Interest Earned on Customers Securities Accounts	

(2a)	Revenue from FOCUS Report	X	4,857,423
------	---------------------------	---	-----------

(2b) Additions:

Additional Revenues from Non-foreign Subsidiaries and Predecessors	X	
Net Loss- Principal Transactions of Securities in Trading Accounts	X	
Net Loss- Principal Transactions of Commodities in Trading Accounts	X	
Interest & Dividend Expense Deducted from FOCUS Revenue	X	
Underwriting & Distribution Charges	X	
Expenses other than: Advertising, Printing, Reistration Fees and Legal Fees Deducted in Determining Net Profit from management of or participation in underwriting or distribution of securities	X	
Loss on Securities- Investment Accounts	X	

Total Additions

(2c) Deductions:

Revenues from distribution of shares of registered open end investment company or unit investment trust, sale of variable annuities, business of insurance, IA services rendered to registered investment companies or insurance company separate accounts, and	X	
Revenues from Commodity Transactions	X	
Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions	X	935,553
Postage Reimbursements in Coonnection with Proxy Solicitation	X	
Net Gain on Securities- Investment Accounts	X	
100% of Commissions and Markups Earned from Transactions in (i) CDs and (ii) T-Bills, Bankers Acceptances of Commercial Paper with Maturity of 9 Months or Less from Issuance Date	X	
Direct Expenses of Printing, Advertising and Legal Fees Incurred in Connection with Other Revenue Related to the Securities Business	X	
Other Revenue Not Related Either Directly or Indirectly to the Securities Business	X	-
Total Interest and Dividend Expense (Capped at Total Interest and Dividend Income)	14,000	X
40% of Interest Earned on Customers Securities Accounts	-	X
Choose Greater of Two Previous Lines	X	14,000
<b>Total Deductions</b>		<b>949,553</b>

(2d)	SIPC Net Operating Revenues	3,907,871
(2e)	General Assesment @ .0025 (At Least 150)	9,770