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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION 112
Washington, D.C. 20549

OMB APPROVAL
OMB Number: 3235-0123
Expires: February 28, 2010
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Annual Audited Report	Information Required of Brokers and Dealers	Sec File No.
Form X-17A-5	Pursuant to Section 17 of the Securities	
Part III	Exchange Act of 1934 and Rule 17a-5 Thereunder	8 - 28568

REPORT FOR THE PERIOD BEGINNING	<u>01/01/09</u>	AND ENDING	<u>12/31/09</u>
	MM/DD/YY		MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: _____ Official Use Only

Associated Securities Corp.

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

One Beacon Street, 22 Floor

(No. and Street)

Boston

(City)

MA

(State)

02108

(Zip Code)

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

Phillip Valtairo

858-450-9606

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT (Whose opinion is contained in this Report*)

Deloitte & Touche LLP

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

695 Town Center Dr.

(Address)

Costa Mesa

City

CA

State

92626

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).

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OATH OR AFFIRMATION

I, Phillip Valtairo, affirm that, to the best of my knowledge and belief, the accompanying financial statements and supplemental schedules pertaining to Associated Securities Corp. (the "Company") as of December 31, 2009, and for the year then ended are true and correct. I further affirm that neither the Company nor any member, officer, or director has any proprietary interest in any account classified solely as that of a client.



Signature

Chief Financial Officer
Title



Notary Public

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This report contains (check all applicable boxes):

- (x) Independent Auditors' Report.
- (x) (a) Facing Page.
- (x) (b) Statement of Financial Condition.
- (x) (c) Statement of Operations.
- (x) (d) Statement of Cash Flows.
- (x) (e) Statement of Changes in Stockholder's Equity.
- () (f) Statement of Changes in Liabilities Subordinated to the Claims of General Creditors. (Not Applicable)
- (x) Notes to Financial Statements.
- (x) (g) Schedule I: Computation of Net Capital for Brokers and Dealers Pursuant to Rule 15c3-1 under the Securities Exchange Act of 1934.
- (x) (h) Schedule II: Computation for Determination of Reserve Requirements for Brokers and Dealers Pursuant to Rule 15c3-3 under the Securities Exchange Act of 1934.
- (x) (i) Schedule III: Information Relating to the Possession or Control Requirements Pursuant to Rule 15c3-3 under the Securities Exchange Act of 1934.
- () (j) A Reconciliation, Including Appropriate Explanations, of the Computation of Net Capital under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements under Rule 15c3-3. (Not Applicable)
- () (k) A Reconciliation between the Audited and Unaudited Statements of Financial Condition with Respect to Methods of Consolidation. (Not Applicable)
- (x) (l) An Oath or Affirmation.
- (x) (m) A Copy of the SIPC Supplemental Report. (Filed Separately)
- (x) (n) A Report describing any material inadequacies found to exist or found to have existed since the date of the previous audit. (Supplemental Report on Internal Control)
- () (o) Segregation Requirements and Funds in Segregation for Clients Trading on U.S. Commodity Exchanges Pursuant to Section 4d(2) under the Commodity Exchange Act. (Not Applicable)

ACKNOWLEDGMENT

State of California
County of San Diego)

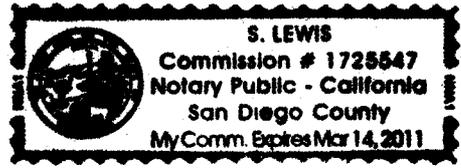
On FEBRUARY 24, 2010 before me, S. Lewis, Notary Public
(insert name and title of the officer)

personally appeared Phillip Valtairo
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in
his/~~her/their~~ authorized capacity(ies), and that by his/~~her/their~~ signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature  (Seal)



Associated Securities Corp.

(SEC I.D. No. 8-28568)

Statement of Financial Condition as of December 31, 2009, and
Independent Auditors' Report and Supplemental Report on Internal
Control

Filed pursuant to Rule 17a-5(e)(3) under the Securities Exchange Act of 1934 as a **Public Document**.

INDEPENDENT AUDITORS' REPORT

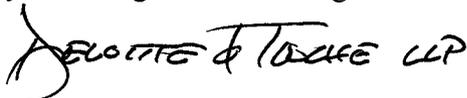
To the Board of Directors and Stockholder of
Associated Securities Corp.
Boston, Massachusetts

We have audited the accompanying statement of financial condition of Associated Securities Corp. (the "Company") (an indirect wholly owned subsidiary of LPL Investment Holdings Inc.) 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 generally accepted auditing standards as established by the Auditing Standards Board (United States) and in accordance with the auditing standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement, 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, such statement of financial condition presents fairly, in all material respects, the financial position of Associated Securities Corp. at December 31, 2009, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1, the Company ceased operations as an active broker-dealer on September 14, 2009, but continues to collect certain residual revenues. The Company expects to withdraw its registration with the Financial Industry Regulatory Authority, Inc. and has maintained sufficient capital to carry out any remaining activities during the interim.



February 24, 2010

ASSOCIATED SECURITIES CORP.
STATEMENT OF FINANCIAL CONDITION
AS OF DECEMBER 31, 2009
(Dollars in thousands, except par and stated value)

ASSETS

Cash and cash equivalents	\$ 8,280
Restricted cash	4,034
Receivables from:	
Product sponsors and clearing organizations	121
Others	289
Due from affiliates	6,916
Fixed assets, net of accumulated depreciation and amortization of \$37	4
Prepaid expenses	61
Other assets	<u>105</u>
 Total assets	 <u>\$ 19,810</u>

LIABILITIES AND STOCKHOLDER'S EQUITY

LIABILITIES:

Accrued commissions and advisory fees payable	\$ 3
Accounts payable and accrued liabilities	<u>815</u>
 Total liabilities	 <u>818</u>

COMMITMENTS AND CONTINGENCIES (Notes 5 and 8)

STOCKHOLDER'S EQUITY:

Common stock, no par value, \$1 stated value; 1,484 shares authorized; 100 shares issued and outstanding	630
Additional paid-in capital	21,285
Accumulated deficit	<u>(2,923)</u>
 Total stockholder's equity	 <u>18,992</u>
 Total liabilities and stockholder's equity	 <u>\$ 19,810</u>

See notes to statement of financial condition.

ASSOCIATED SECURITIES CORP.
NOTES TO STATEMENT OF FINANCIAL CONDITION
AS OF DECEMBER 31, 2009

1. ORGANIZATION AND DESCRIPTION OF THE COMPANY

Associated Securities Corp. (the "Company") was formed to operate as an introducing broker-dealer registered with Financial Industry Regulatory Authority, Inc. ("FINRA") and the Securities and Exchange Commission ("SEC"). The Company uses other brokers as clearing brokers on a fully disclosed basis. The Company is a subsidiary of Associated Financial Group, Inc. ("AFG"). AFG is wholly owned by LPL Independent Advisor Services Group LLC ("IASG"). IASG's direct parent is LPL Holdings, Inc. ("LPLH"), which is wholly owned by LPL Investment Holdings Inc. ("LPLIH").

As an introducing broker-dealer, the Company provided products and services to a broad range of independent financial advisors ("customers"), which enabled them to offer independent financial advice to retail investors ("clients") throughout the United States of America. This business was introduced by the Company to another non-affiliated clearing broker-dealer on a fully-disclosed basis.

On July 10, 2009, LPLIH committed to a corporate restructuring plan that consolidated the operations of the Company and several other affiliated broker-dealers with those of LPL Financial Corporation ("LPL Financial"), another subsidiary of LPLIH. Additionally, the Company vacated the majority of office space at its former headquarters facility in December 2009 and recorded impairment charges for fixed assets residing at the location.

On September 1, 2009, the Company entered into an Asset Purchase Agreement (the "Agreement") with LPL Financial. Pursuant to this Agreement, the securities licenses of customers associated with the Company who chose to transfer, as well as their respective client accounts which had previously cleared through a third-party platform, were transferred to LPL Financial, a clearing broker-dealer. Following the completion of these transfer activities, the customers and client accounts that transferred are now associated with LPL Financial. As a condition for the regulatory approval of the transfer of customers and their client accounts, the Company was required to deposit \$4.0 million into an escrow account pending the resolution of certain matters. The adequacy of the escrow account is evaluated quarterly and in January 2010, the Company deposited \$0.9 million of additional funds. The Company has classified the escrow account as restricted cash within the statement of financial condition.

The Agreement occurred between entities under common control and accordingly, certain assets and liabilities have been transferred from the Company to LPL Financial at their carrying value, as follows:

Transfer of assets and liabilities:	
Receivables from others	\$ 5,194
Securities owned	1,724
Prepaid expenses	406
Accounts payable and accrued liabilities	<u>(207)</u>
Total net assets transferred	<u>\$ 7,117</u>

The Company ceased operations as an active broker-dealer on September 14, 2009 and expects to withdraw its registration with FINRA and has maintained sufficient capital to carry out any remaining activities during the interim.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation—This statement of financial condition is prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"), which require the Company to make estimates and assumptions regarding the valuation of certain financial instruments, allowance for doubtful

accounts, accruals for liabilities, income taxes and other matters that affect the statement of financial condition and related disclosures. Actual results could vary from these estimates under different assumptions or conditions and the difference may be material to the statement of financial condition. Subsequent events for the Company have been evaluated up to and including February 24, 2010, which is the date this statement of financial condition was issued.

Cash and Cash Equivalents—Cash and cash equivalents are composed of interest and non-interest-bearing deposits and money market mutual funds that meet the definition of a cash equivalent. Cash equivalents are highly liquid investments with original maturities of less than 90 days, which are not required to be segregated under federal or other regulations.

Receivables From Product Sponsors and Clearing Organizations—Receivables from product sponsors and clearing organizations primarily consist of commission and transaction-related receivables.

Receivables From Others—Receivables from others primarily consist of indemnification receivables due from the indemnifying party for legal costs related to proceedings, claims and settlements on certain matters that were incurred by the Company. Management evaluates the allowance on uncollectible amounts based on its historical experience of collection from the indemnifying party. Receivables from others also consist of other accrued fees from customers. Prior to the consolidation, the Company periodically extended credit to its customers in the form of commission advances and other loans. The decisions to extend credit to customers were generally based on either the customer's credit history, their ability to generate future commissions or both. Management evaluates the allowance on uncollectible amounts based on its best estimate that takes into account the customer's registration status and the specific type of receivable. Management monitors the adequacy of these estimates through periodic evaluations against actual trends experienced and accordingly, no reserve has been established at December 31, 2009.

Fixed Assets—Prior to the consolidation, computers and purchased software were recorded at cost, net of accumulated depreciation. Depreciation was recognized using the straight-line method over the estimated useful lives of the assets. Computers and purchased software were depreciated over a period of three years. In December 2009, and in connection with the consolidation, the Company abandoned certain fixed assets at the time it partially vacated its lease facility. The Company plans to abandon its remaining fixed assets at the time the facility is fully vacated. See Note 3 for further discussion.

Securities Transactions—Securities transactions for the accounts of the Company or its clients were executed and cleared by a non-affiliated clearing broker on a fully disclosed basis. As of December 31, 2009, the Company held no securities other than those reflected as cash equivalents.

Legal Reserves—The Company records reserves for legal proceedings in accounts payable and accrued liabilities in the statement of financial condition.

Income Taxes—The Company has an income tax allocation agreement (the "Tax Agreement") with LPLH and LPLIH and is included in the consolidated federal and certain state income tax returns filed by LPLIH. In accordance with the terms of the Tax Agreement, the Company shall pay to or receive from LPLH an amount equal to the total provision for income taxes that the Company discloses on its financial statements, less the amount of certain income tax benefits that are excluded from the calculation of the total provision for income taxes in accordance with GAAP. Since the Tax Agreement calls for a cash settlement based on the total income tax provision, the Company does not reflect a separate deferred income tax provision and corresponding deferred tax assets or liabilities.

Additionally, the Company accounts for uncertain tax positions by recognizing the tax effects of a position in the financial statements only if it is "more-likely-than-not" to be sustained based solely on its technical merits, otherwise no benefits of the position are to be recognized. The more-likely-than-not threshold must continue to be met in each reporting period to support continued recognition of a benefit. Moreover, each tax position meeting the recognition threshold is required to be measured as the largest amount that is greater than 50 percent likely to be realized upon ultimate settlement with a taxing authority that has full knowledge of all relevant information.

Fair Value of Financial Instruments—The Company’s financial assets and liabilities are carried at fair value or at amounts that, because of their short-term nature, approximate current fair value.

Commitments and Contingencies—The Company recognizes liabilities for contingencies when analysis indicates it is both probable that a liability had been incurred and the amount of loss can be reasonably estimated. When a range of probable loss can be estimated, the Company accrues the most likely amount.

Recently Issued Accounting Pronouncements—In June 2009, the Financial Accounting Standards Board (“FASB”) issued guidance now codified as Accounting Standards Codification (the “Codification” or “ASC”) Topic 105, *Generally Accepted Accounting Principles*, which established a single source of authoritative, non-governmental GAAP, except for rules and interpretive releases of the SEC, which are sources of authoritative GAAP for SEC registrants. All other non-grandfathered, non-SEC accounting literature that was not included in the Codification became non-authoritative. The Codification is effective for financial statements for interim or annual reporting periods ending after September 15, 2009. The Company adopted the new guidelines and numbering system prescribed by the Codification when referring to GAAP. As the Codification was not intended to change or alter existing GAAP, it did not have a material impact on the Company’s statement of financial condition.

In April 2009, the FASB issued three staff positions intended to provide additional application guidance and enhance the disclosures regarding fair value measurements and impairments of securities. This guidance is now codified within ASC Topic 820, *Financial Measurements and Disclosures* (“ASC Topic 820”), ASC Topic 825, *Financial Instruments* (“ASC Topic 825”) and ASC Topic 320, *Investments—Debt and Equity Securities* (“ASC Topic 320”). ASC Topic 820 provides guidance on determining fair value when market activity has decreased. Updates contained within ASC Topic 825 enhance consistency in financial reporting by increasing the frequency of fair value disclosures. ASC Topic 320 provides additional guidance designed to create greater clarity and consistency in accounting for and presenting impairment losses on debt securities. Except for the addition of required disclosures, the adoption of the provisions contained in these topics did not have a material impact on the Company’s statement of financial condition.

In May 2009, the FASB issued guidance now codified as ASC Topic 855, *Subsequent Events* (“ASC Topic 855”), which established a general standard of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. The Company adopted the provisions of ASC Topic 855, which did not have a material impact on the Company’s statement of financial condition.

In August 2009, the FASB issued Accounting Standards Update (“ASU”) No. 2009-05, *Fair Value Measurements and Disclosures (Topic 820)—Measuring Liabilities at Fair Value* (“ASU 2009-05”). ASU 2009-05 provides clarification in measuring the fair value of liabilities in circumstances in which a quoted price in an active market for the identical liability is not available and in circumstances in which a liability is restricted from being transferred. This ASU also clarifies that both a quoted price in an active market for the identical liability at the measurement date and the quoted price for the identical liability when traded as an asset in an active market when no adjustments to the quoted price of the asset are required for Level 1 fair value measurements. The Company adopted ASU 2009-05, which did not have a material impact on the Company’s statement of financial condition.

3. RESTRUCTURING

Consolidation Initiative

The corporate restructuring plan to consolidate the Company’s operations with LPL Financial was affected to enhance service offerings to customers while also generating efficiencies. The Company has accrued for costs associated with the conversion and transfer of its customers and their client accounts, early termination costs associated with certain contracts held by the Company and severance costs associated with the elimination of 38 positions. The Company has recorded severance and one-time involuntary termination benefits in accordance with ASC Topic 420, *Accounting for Costs Associated with Exit or Disposal Activities*, and will recognize the accrual ratably over the employees’ remaining service period.

4. FAIR VALUE MEASUREMENTS

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Inputs used to measure fair value are prioritized within a three-level fair value hierarchy. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

- Level 1—Quoted prices in active markets for identical assets or liabilities.
- Level 2—Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- 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. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

The Company's fair value measurements are evaluated within the fair value hierarchy, based on the nature of inputs used to determine the fair value at the measurement date. At December 31, 2009, the Company had no recurring fair value measurements.

5. COMMITMENTS AND CONTINGENCIES

Leases—The Company leases certain office equipment under various operating leases that are generally subject to scheduled base rent and maintenance costs. In addition, the Company makes payments to AFG on a month-to-month basis for its pro rata allocation of lease expense for the Company's headquarters facility. The facility was partially abandoned in 2009, and the Company expects to fully abandon the facility in 2010 at which time it will cease making payments. As of December 31, 2009, the Company had no operating lease commitments with remaining terms greater than one year

Service Contracts—The Company is party to certain long-term contracts for systems and services that enable its back office trade processing and clearing for its product and service offerings. One agreement, for clearing services, contains no minimum annual purchase commitment, but the agreement provides for certain penalties should the Company fail to maintain a certain threshold of client accounts.

Guarantees—The Company occasionally enters into certain types of contracts that contingently require it to indemnify certain parties against third-party claims. The terms of these obligations vary and, because a maximum obligation is not explicitly stated, the Company has determined that it is not possible to make an estimate of the amount that it could be obligated to pay under such contracts.

The Company provides guarantees to securities clearing houses and exchanges under their standard membership agreements, which require a member to guarantee the performance of other members. Under these agreements, if a member becomes unable to satisfy its obligations to the clearing houses and exchanges, all other members would be required to meet any shortfall. The Company's liability under these arrangements is not quantifiable and may exceed the cash and securities it has posted as collateral. However, the potential requirement for the Company to make payments under these agreements is remote. Accordingly, no liability has been recognized for these transactions.

Litigation—The Company has been named as a defendant in various legal actions, including arbitrations. In view of the inherent difficulty of predicting the outcome of such matters, particularly in cases in which claimants seek substantial or indeterminate damages, the Company cannot predict with certainty what the eventual loss or range of loss related to such matters will be. The Company recognizes a legal liability when it believes it is probable that a liability has occurred and the amount can be reasonably estimated.

The Company has received third-party indemnification for legal costs related to proceedings, claims and settlements on certain matters. The indemnifying party has defended claims and paid for related legal costs directly as well as reimbursed the Company for legal costs related to claims which the Company has defended and paid related to these matters. As of December 31, 2009, the Company had \$0.2 million in indemnification receivables due from the indemnifying party, which is included in receivables from others in the statement of financial condition.

On October 1, 2009, written notice was received by LPLH on behalf of the Company and other affiliated broker-dealers from a third-party indemnitor under a certain purchase and sale agreement asserting that it is no longer obligated to indemnify the Company for certain claims under the provisions of the purchase and sale agreement. The Company believes that this assertion is without merit and intends to vigorously dispute it. On November 20, 2009, the Company, along with LPLH and other affiliated broker-dealers, filed suit to enforce the indemnitor's performance pursuant to the provisions of the contract.

In the event that the Company does not prevail in its dispute with a specific indemnitor, the impact to the statement of financial condition could be material. At December 31, 2009, the Company has determined the range of probable loss with respect to these matters, without considering indemnification provided by a third-party indemnitor, to be from zero to \$4.0 million. However, the Company believes, based on the information available at this time, after consultation with counsel, consideration of insurance, if any, and the indemnifications provided by the third-party indemnitors, notwithstanding the assertions by an indemnifying party noted in the preceding paragraph, that the outcome of such matters will not have a material adverse impact on the Company's statement of financial condition. Accordingly, the Company has not recognized a liability for such matters.

6. RELATED-PARTY TRANSACTIONS

At December 31, 2009, the Company had a receivable of \$0.5 million due from AFG for certain tax benefits, which has been included in due from affiliates in the statement of financial condition.

7. NET CAPITAL AND REGULATORY REQUIREMENTS

The Company is subject to the SEC Uniform Net Capital Rule 15c3-1, which requires the maintenance of minimum net capital. The Company uses the alternative method, permitted by the rule, which requires that it maintain minimum net capital, as defined, equal to the greater of \$250,000 or 2% of aggregate debit items arising from client transactions, as defined. At December 31, 2009, the Company had net capital of \$7.6 million, which was \$7.4 million in excess of its required net capital.

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 an introducing broker or dealer that carries no clients' accounts, promptly transmits any client funds and client securities to the clearing broker or dealer, and does not otherwise hold funds or securities of clients. Operating under such exemption, the Company is not required to prepare a Determination of Reserve Requirements and the Company is not subject to the provisions of Rule 15c3-3 pertaining to the possession or control requirements for Brokers or Dealers under Rule 15c3-3.

The Company operates in a highly regulated industry. Applicable laws and regulation restrict permissible activities and investments. These policies require compliance with various financial and client-related regulations. The consequences of noncompliance can include substantial monetary and nonmonetary sanctions. In addition, the Company is also subjected to comprehensive examinations and supervision by various governmental and self-regulatory agencies. These regulatory agencies generally have broad discretion to prescribe greater limitations on the operations of a regulated entity for the protection of investors or public interest. Furthermore, where the agencies determine that such operations are unsafe or unsound, fail to comply with applicable law, or are otherwise inconsistent with the laws and regulations or with the supervisory policies, greater restrictions may be imposed.

8. FINANCIAL INSTRUMENTS WITH OFF-BALANCE-SHEET CREDIT RISK

The Company was engaged in buying and selling securities and other financial instruments for clients of customers. As a result of the cessation of continued operations, the Company no longer conducts such activities. The Company's customers and their client accounts have transitioned to LPL Financial or to new firms.

* * * * *



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Costa Mesa, CA 92626
USA
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Fax: +1 714 436 7200
www.deloitte.com

February 24, 2010

To the Board of Directors and Stockholder of
Associated Securities Corp.
Boston, Massachusetts

In planning and performing our audit of the financial statements of Associated Securities Corp. (the "Company") as of and for the year ended December 31, 2009 (on which we issued our report dated February 24, 2010 and such report expressed an unqualified opinion on those financial statements and included an explanatory paragraph regarding the cessation of operations as an active broker-dealer on September 14, 2009), in accordance with generally accepted auditing standards as established by the Auditing Standards Board (United States) and in accordance with the auditing standards of the Public Company Accounting Oversight Board (United States), 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 an 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 making the periodic computations of aggregate debits and net capital under Rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of Rule 15c3-3. We did not review the practices and procedures followed by the Company in making the quarterly securities examinations, counts, verifications, and comparisons, and the recordation of differences required by Rule 17a-13 or in complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System, because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities.

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 *deficiency* in internal control 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 and correct 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.

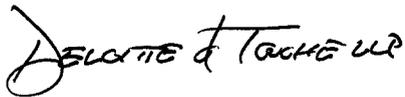
A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Yours truly,

A handwritten signature in black ink that reads "DELOITTE & TOUCHE LLP". The signature is written in a cursive, stylized font.

MAR 01 2010
Washington, DC
112

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors and Stockholder of
Associated Securities Corporation
Boston, Massachusetts

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying Transitional Assessment Reconciliation (Form SIPC-7T) to the Securities Investor Protection Corporation (SIPC) for the period from April 1, 2009 to December 31, 2009, which were agreed to by Associated Securities Corporation and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., and SIPC solely to assist you and the other specified parties in evaluating Associated Securities Corporation's compliance with the applicable instructions of the Form SIPC-7T. Associated Securities Corporation's management is responsible for Associated Securities Corporation's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our findings are as follows:

1. Compared the listed assessment payments in Form SIPC-7T with respective cash disbursement records (bank disbursement account statements) noting no differences.
2. Compared the total revenue amounts of the audited Form X-17A-5 for the year ended December 31, 2009, less revenues reported on the Financial and Operational Combined Uniform Single (FOCUS) reports for the period from January 1, 2009 to March 31, 2009, FOCUS Income Statement, as applicable, with the amounts reported in Form SIPC-7T for the period from April 1, 2009 to December 31, 2009 noting no differences.
3. Compared any adjustments reported in Form SIPC-7T with supporting schedules and working papers (for the time period of April 1, 2009 to December 31, 2009) noting no differences.
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7T and in the related schedules and working papers (for the time period of April 1, 2009 to December 31, 2009) supporting the adjustments noting no differences.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

DELOITTE & TOUCHE LLP

February 24, 2010

DATE: 19-FEB-10

VENDOR: SECURITIES INVESTOR

VENDOR NO.: 2929

591622

INV. NO.	INVOICE DATE	COMMENT	DISCOUNT	NET AMOUNT
7186	17-FEB-10	SIPC-7T ASSESSMENT	0.00	3,273.00
TOTAL			0.00	3,273.00

The Face of This Document Has a Colored Background on White Paper. Paper Includes: Fluorescent Fiber, Bleach Reactive Void, Black Dye Blue Stain and An Artificial Watermark on the Back



Associated Securities Corp.
222 N. Sepulveda Blvd. Suite 1800
El Segundo, CA 90245

Bank of America
Controlled Disbursement
Bank of America, N.A.
Atlanta, Dekalb County, Georgia

64-1278
611

591622

CHECK DATE	CHECK AMOUNT
19-FEB-10	\$ \$3,273.00

VOID AFTER 6 MONTHS FROM DATE OF ISSUE
TWO SIGNATURES REQUIRED IF \$10,000 OR MORE

PAY Three Thousand Two Hundred Seventy-Three Dollars And 00 Cents

TO THE ORDER OF SECURITIES INVESTOR PROTECTION CORP.
805 15TH STREET N.W., STE 800
WASHINGTON, D.C. 20005-2215

[Handwritten Signature]
[Handwritten Signature]

AUTHORIZED SIGNATURE

⑈591622⑈ ⑆061112788⑆ 329 905 8893⑈

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)

**SEC Mail Processing
Section**

TO BE FILED BY ALL SIPC MEMBERS WITH FISCAL YEAR ENDINGS

MAR 01 2010
Washington, DC

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:

ASSOCIATED SECURITIES CORP.
9785 TOWNE CENTRE DRIVE
SAN DIEGO, CA 92121

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.

PHILLIP VALTAIRO (858) 450-9606

WORKING COPY

2. A. General Assessment [item 2e from page 2 (not less than \$150 minimum)]	\$	<u>5,476</u>
B. Less payment made with SIPC-6 filed including \$150 paid with 2009 SIPC-4 (exclude interest)	(<u>2,203</u>)
<u>JULY 30, 2009</u>		
Date Paid		
C. Less prior overpayment applied	(<u> </u>)
D. Assessment balance due or (overpayment)		<u>3,273</u>
E. Interest computed on late payment (see instruction E) for _____ days at 20% per annum		<u> </u>
F. Total assessment balance and interest due (or overpayment carried forward)	\$	<u>3,273</u>
G. PAID WITH THIS FORM: Check enclosed, payable to SIPC Total (must be same as F above)	\$	<u>3,273</u>
H. Overpayment carried forward	\$(<u> </u>)

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

N/A

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.

ASSOCIATED SECURITIES CORP.

(Name of Corporation, Partnership or other organization)

X [Signature]

(Authorized Signature)

VP, CONTROLLER

(Title)

Dated the 19 day of FEBRUARY, 2010.

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:	<u> </u>	<u> </u>	<u> </u>
		Postmarked	Received	Reviewed
	Calculations	<u> </u>	Documentation	<u> </u>
	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, 2009
Eliminate cents

Item No.

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

\$ 20,364,275

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

9,431,453

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.

146,709

(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):

8,545,629

(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.

\$ _____

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

\$ 50,140

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

50,140

Total deductions

18,173,931

2d. SIPC Net Operating Revenues

\$ 2,190,344

2e. General Assessment @ .0025

\$ 5,476

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