

AB  
3/6

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

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



10029637

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

SEC FILE NUMBER  
8-53074

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 01/01/2009 AND ENDING 12/31/2009  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: ACCREDITED EQUITIES INC.

OFFICIAL USE ONLY

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

FIRM I.D. NO.

3985 Research Park Drive, Suite 8000

(No. and Street)

Ann Arbor

(City)

MI

(State)

48108

(Zip Code)

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

Steve. H. Kanzer

(734) 929-9810

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

Wade J. Boudens & Company, CPAs, P.C.

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

863 Flat Shoals Rd SE, Ste C-369 Conyers

(Address)

(City)

GA

(State)

30694

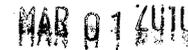
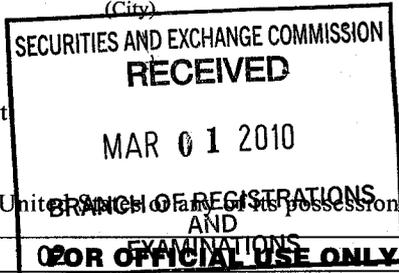
(Zip Code)

CHECK ONE:

Certified Public Accountant

Public Accountant

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



\*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)

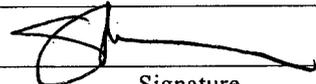
SEC 1410 (06-02)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

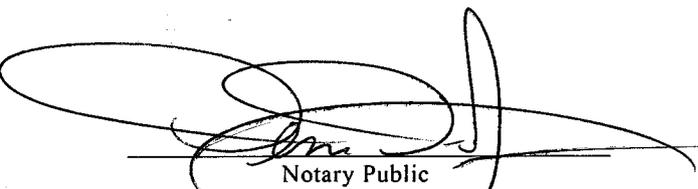
AB  
3/1/09

OATH OR AFFIRMATION

I, Steve H. Kanzer, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Accredited Equities Inc., as of February 26, 20 10, 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:

  
Signature

CEO  
Title

  
Notary Public

**DENNIS TICKNOR**  
Commission date May 8, 2007  
Commission expires May 22, 2013  
Acting and living in Washtenaw County

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

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

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

**ACCREDITED EQUITIES, INC.**

FINANCIAL STATEMENTS FOR THE YEAR ENDED  
DECEMBER 31, 2009 AND INDEPENDENT  
AUDITORS' REPORT

***Wade J Bowden & Company, P.C.***

# **ACCREDITED EQUITIES, INC.**

---

## **Table of Contents**

---

Independent Auditors' Report.....	1
Financial Statements	
Balance sheet.....	2
Statement of income .....	3
Statement of Changes in Stockholder's Equity .....	4
Statement of Cash Flows.....	5
Notes to Financial Statements.....	6
Supplementary Schedule I - Computation of Net Capital.....	8
Independent Auditors' Report on Internal Control.....	9

**WADE J BOWDEN & COMPANY**  
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

**INDEPENDENT AUDITORS' REPORT**

Board of Directors  
ACCREDITED EQUITIES, INC.

We have audited the accompanying balance sheet of Accredited Equities, Inc. as of as of December 31, 2009 and the related statements of income, changes in stockholder's 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 Accredited Equities, Inc. 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 the supplementary schedule 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.

*Wade J. Bowden & Company*

Atlanta, Georgia  
February 24, 2010

# ACCREDITED EQUITIES, INC.

## BALANCE SHEET December 31, 2009

### ASSETS

<b>CURRENT ASSETS:</b>	
Cash	\$ 27,817
Prepaid expenses	683
<b>TOTAL</b>	<b>\$ 28,500</b>

### LIABILITIES AND STOCKHOLDER'S EQUITY

<b>CURRENT LIABILITY -</b>	
Accounts payable and accrued expenses	\$ 2,382
<b>Total liabilities</b>	<b>2,382</b>
<b>STOCKHOLDER'S EQUITY:</b>	
Capital stock	1
Additional paid-in capital	148,354
Deficit	(122,237)
<b>Total stockholder's equity</b>	<b>26,118</b>
<b>TOTAL</b>	<b>\$ 28,500</b>

See Independent Auditors' Report and  
Notes to Financial Statements.

# ACCREDITED EQUITIES, INC.

## STATEMENT OF INCOME FOR THE YEAR ENDED DECEMBER 31, 2009

<b>EXPENSES:</b>	
Legal and professional fees	\$ 19,475
Rent	6,000
Dues and subscriptions	4,551
Taxes, licenses and permits	1,235
Travel	937
Insurance	514
Office	123
Postage and delivery	20
Total expenses	<b>32,855</b>
<b>NET &lt;LOSS&gt;</b>	<b>\$ (32,855)</b>

See Independent Auditors' Report and  
Notes to Financial Statements.

## **ACCREDITED EQUITIES, INC.**

### **STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY FOR THE YEAR ENDED DECEMBER 31, 2009**

STOCKHOLDER'S EQUITY, JANUARY 1	\$	38,973
Net loss		(32,855)
Stockholder contributions to additional paid in capital		20,000
<b>STOCKHOLDER'S EQUITY, DECEMBER 31</b>	<b>\$</b>	<b>26,118</b>

See Independent Auditors' Report and  
Notes to Financial Statements.

# ACCREDITED EQUITIES, INC.

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2009

<b>OPERATING ACTIVITIES:</b>	
Net loss	\$ (32,855)
Adjustments to reconcile net loss to net cash used by operating activities:	
Increase in prepaid expenses	(75)
Decrease in payables	(1,968)
Net cash used by operating activities	(34,898)
<b>FINANCING ACTIVITY - stockholder contributions</b>	20,000
<b>NET DECREASE IN CASH</b>	(14,898)
<b>CASH AT BEGINNING OF YEAR</b>	42,715
<b>CASH AT END OF YEAR</b>	\$ 27,817

See Independent Auditors' Report and  
Notes to Financial Statements.

# **ACCREDITED EQUITIES, INC.**

## **NOTES TO FINANCIAL STATEMENTS**

---

### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### Nature of Business

Accredited Equities, Inc. (the "Company") was incorporated in Delaware on November 6, 2000. The Company is a broker-dealer, which was formed for the purpose of registering as a National Association of Securities Dealers, Inc. ("NASD") broker-dealer. In 2001, the Company reached an agreement with NASD to engage only in the business set forth as follows:

"The firm will engage in the business of structuring private placements of both debt and equity securities, on the client's behalf and act as a mergers and acquisitions consultant on a fee for service basis."

#### Income Taxes

The Company is a Subchapter S Corporation for income tax reporting purposes and, as such, is not subject to income tax. Accordingly, no provision for income taxes is provided in the financial statements.

#### Estimates

The presentation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company defines cash equivalents as highly liquid investments with original maturities of less than ninety days that are not held for sale in the ordinary course of business.

#### Revenue Recognition

The Company recognizes revenue when fees are billed to clients for services rendered, and has determined the fees to be collectible.

### **2. SEC RULE 17A-5(e)(4) REQUIREMENTS RELATED TO SIPC ASSESSMENT**

The Company had gross revenues of less than \$500,000, thus, no SIPC reconciliation or agreed-upon procedures is provided in the audit.

**3. 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 (and the rule of the "applicable" exchange also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1). At December 31, 2009, the Company had net capital of \$25,435, which was \$20,435 in excess of its required net capital of \$5,000. The Company's percentage of aggregate indebtedness to net capital was 9.37%.

**4. RELATED PARTY TRANSACTIONS**

In April 2006 (updated October 1, 2008), the Company entered into an expense sharing agreement with a related company. The president and sole stockholder of the Company is the sole stockholder of the related company. The agreement provides for office services to be rendered on a month-to-month basis. The Company was charged a total of \$6,000 to operations under this agreement for the year ended December 31, 2009 and is reflected on the statement of income as rent expense.

Accrued and unpaid rent for the year-ended December 31, 2009 is \$1,005 due to the related company which is reflected on the balance sheet as accounts payable and accrued expenses.

On September 29, 2009, the shareholder contributed an additional \$20,000 which is recorded as additional paid-in capital on the balance sheet. The shareholder has no recourse to recapture or collect the paid-in capital from the Company and the Company has no obligation to repay these capital contributions to the sole shareholder or any other entity.

**5. GOING CONCERN**

The Company has incurred significant losses. The Company is dependent upon capital contributions from its Shareholder for working capital and to meet its regulatory requirements for maintaining net capital as defined in Rule 15c3-1. The Company's Shareholder has represented that the Shareholder intends to continue to make capital contributions, as needed, to insure the Company's survival and regulatory requirements through January 1, 2011.

Management expects the Company to continue as a going concern and the accompanying financial statements have been prepared on a going-concern basis without adjustments for realization in the event that the Company ceases to continue as a going concern.

**6. EXEMPTIVE PROVISION**

The Company meets all of the requirements for exemption from SEC Rule 15c3-3 with regard to the computation for determination of reserve requirements. The Company does not hold funds or securities for, or owe money or securities to, customers.

# ACCREDITED EQUITIES, INC.

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

AS OF DECEMBER 31, 2009

### SCHEDULE 1

<b>TOTAL STOCKHOLDER'S EQUITY QUALIFIED FOR NET CAPITAL</b>	\$ 26,118
<b>DEDUCTIONS AND/OR CHARGES:</b>	
Nonallowable asset - prepaid expenses	(683)
<b>NET CAPITAL</b>	25,435
<b>AGGREGATE INDEBTEDNESS:</b>	
Accounts payable and accrued liabilities	2,382
<b>COMPUTATION OF BASIC NET CAPITAL REQUIREMENT -</b>	
Minimum dollar net capital requirement	5,000
Excess net capital	20,435
Excess net capital at 1,000 percent	25,197
Percentage of aggregate indebtedness to net capital	9.37%

There is no difference in the above computation and the Company's net capital, as reported in Company's Part II (unaudited) FOCUS report as of December 31, 2009.

See Independent Auditors' Report

# WADE J BOWDEN & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

## REPORT ON INTERNAL CONTROL

---

REQUIRED BY

SECURITIES EXCHANGE COMMISSION (SEC) RULE 17A-5  
FOR A BROKER-DEALER CLAIMING AN EXEMPTION FROM  
(SEC) RULE 15C3-3

Board of Directors  
ACCREDITED EQUITIES, INC.

In planning and performing our audit of the financial statements and supplementary schedule of Accredited Equities, Inc. (the "Company"), as of and for the year ended December 31, 2009, we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on 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 tests of such practices and procedures that we considered relevant to the objectives stated in Rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under Rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of Rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons
2. 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

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 the practices and procedures referred to in the preceding paragraph, and to assess whether those practices and procedures can be expected to achieve the SEC's above mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

See Independent Auditors' Report and  
Notes to Financial Statements.

9

863 FLAT SHOALS ROAD SE, SUITE C-369  
CONYERS, GEORGIA 30094  
PH 770-500-9798  
FAX 678-868-1411  
[WBOWDEN@VOLCPA.COM](mailto:WBOWDEN@VOLCPA.COM)

Because of inherent limitations in any internal control or the practices and procedures referred to above, errors 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 the effectiveness of their design and operation may deteriorate.

Our consideration of the internal control would not necessarily disclose all matters in internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving the internal control, including control activities for safeguarding securities that we consider to be material weakness 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 were adequate as of December 31, 2009 to meet the SEC's objectives.

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

*Wade J. Bauder & Company*

Atlanta, Georgia  
February 24, 2010

See Independent Auditors' Report and  
Notes to Financial Statements.