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

SEC FILE NUMBER  
8-30266

**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 07/01/09 AND ENDING 06/30/10  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Accumulation Planning, Inc.

OFFICIAL USE ONLY  
FIRM I.D. NO.

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

6172 North 28th Place

(No. and Street)

Phoenix

Arizona

85106

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
William J. Fairbank (602) 468 1800

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Semple, Marchal & Cooper, LLP

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

2700 North Central Ave., Suite 900 Phoenix, Arizona 85004

(Address)

(City)

(State)

(Zip Code)

**CHECK ONE:**

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

**FOR OFFICIAL USE ONLY**

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

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OATH OR AFFIRMATION

I, William J. Fairbank, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Accumulation Planning, Inc., as of August 25, 2010, 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:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

W. J. Fairbank

Signature

Comp. J. Fairbank

Title

Terri L. Mason  
Notary Public



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

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

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

**ACCUMULATION PLANNING, INC.**

**FINANCIAL STATEMENTS**

**For The Year Ended  
June 30, 2010**

Independent Auditors' Report



To the Board of Directors of  
Accumulation Planning, Inc.

We have audited the accompanying statement of financial condition of Accumulation Planning, Inc. as of June 30, 2010, and the related statements of operations, changes in stockholder's equity, and cash flows for the year then ended that are being filed 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 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 statements, 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 Accumulation Planning, Inc. at June 30, 2010, and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedules I and II 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 of 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.

*Semple, Marchal & Cooper, LLP*

Certified Public Accountants

Phoenix, Arizona  
August 25, 2010

**ACCUMULATION PLANNING, INC.**  
**STATEMENT OF FINANCIAL CONDITION**  
**June 30, 2010**

**ASSETS**

Cash and cash equivalents	\$ 11,199
Commissions receivable	85
Notes receivable - related party	6,825
Securities owned	181,068
Prepaid expenses - related party	2,840
Deferred tax asset	5,563
Furniture and equipment, net of accumulated depreciation	<u>-</u>
<b>Total Assets</b>	<b><u><u>\$ 207,580</u></u></b>

**LIABILITIES AND STOCKHOLDER'S EQUITY**

<b>Total Liabilities</b>	<b><u>\$ -</u></b>
Commitments and contingencies	-
Stockholder's Equity:	
Common stock - no par value	
100,000 shares authorized - 20,000 shares issued and outstanding	20,000
Retained earnings	<u>187,580</u>
<b>Total Stockholder's Equity</b>	<b><u>207,580</u></b>
<b>Total Liabilities and Stockholder's Equity</b>	<b><u><u>\$ 207,580</u></u></b>

The Accompanying Notes are an Integral Part  
of the Financial Statements

**ACCUMULATION PLANNING, INC.**  
**STATEMENT OF OPERATIONS**  
**For The Year Ended June 30, 2010**

**Revenues:**

Commissions	\$ 25,842
Dividend and other investment income	17,859
Realized gain on securities sold	20,122
Unrealized gain on securities owned	<u>29,916</u>

Total Revenues 93,739

**Expenses:**

General and administrative expenses	53,945
Interest expense	<u>1,317</u>

Total costs and expenses 55,262

**Income before income taxes** 38,477

**Income tax benefit (expense):**

Current	-
Deferred	<u>-</u>

-

**Net Income** 38,477

The Accompanying Notes are an Integral Part  
of the Financial Statements

**ACCUMULATION PLANNING, INC.**  
**STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY**  
**For The Year Ended June 30, 2010**

	Common Stock		Retained Earnings	Total
	Shares	Amount		
Balance at June 30, 2009	20,000	\$ 20,000	\$ 149,103	\$ 169,103
Net income	-	-	38,477	38,477
Balance at June 30, 2010	20,000	\$ 20,000	\$ 187,580	\$ 207,580

The Accompanying Notes are an Integral Part  
of the Financial Statements

**ACCUMULATION PLANNING, INC.**  
**STATEMENT OF CASH FLOWS**  
**For The Year Ended June 30, 2010**

Adjustments to reconcile net income to net cash provided by operating activities:	
Reinvestment of dividend income	(6,908)
Realized loss on sale of securities owned	(20,122)
Unrealized gain on securities owned	(29,916)
Changes in Assets and Liabilities:	
Commissions receivable	(85)
Proceeds from sale of marketable securities	77,728
Payments for purchase of marketable securities	(477)
Prepaid expenses - related party	(2,840)
Accounts payable	(2,884)
Accounts payable - related parties	(31,132)
Accrued interest	(323)
Advances from related party	(3,233)
Income taxes payable	<u>(7,753)</u>
<b>Net cash provided by operating activities</b>	<u>10,532</u>
<b>Cash flows from investing activities:</b>	
Cash issued for note receivable - related party	<u>(6,825)</u>
<b>Net cash used by investing activities</b>	<u>(6,825)</u>
Net increase in cash and cash equivalents	3,707
Cash and cash equivalents at beginning of year	<u>7,492</u>
Cash and cash equivalents at end of year	<u><u>\$ 11,199</u></u>
<b>Supplemental disclosures of cash flow information:</b>	
<b>Cash paid during the year for:</b>	
Interest	\$ 1,640
Income taxes	<u><u>\$ 7,753</u></u>

The Accompanying Notes are an Integral Part  
of the Financial Statements

**ACCUMULATION PLANNING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note 1**

**Summary of Significant Accounting Policies, Use of Estimates and Nature of Operations**

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**Operations**

Accumulation Planning, Inc. (the "Company") was incorporated under the laws of the State of Arizona on July 21, 1983. On August 23, 1983, the Company registered with the Securities and Exchange Commission as a broker-dealer under the requirements of Section 15(b) of the Securities Exchange Act of 1934. The Company acts as an introducing broker-dealer and forwards client transactions to direct participation plans, real estate limited partnerships and mutual funds, that carry such accounts; therefore, no customer accounts are reflected in the financial statements. The Company is exempt from the provisions of Rule 15c3-3.

**Revenues**

Commission revenue consists of commissions earned through the sale of units in mutual fund shares and interest in direct participation plans. Commission revenue is recognized on a trade-date basis as securities transactions occur.

Dividend and other investment income are recognized when received.

**Commissions Paid**

Commissions are recorded as an expense to registered representatives on a trade-date basis as securities transactions occur.

**Basis of Presentation**

These statements have been prepared in accordance with established standards for securities broker-dealers and accounting principles generally accepted in the United States of America.

**Use of Estimates**

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

**Securities Transactions**

The Company accounts for securities transactions under Accounting Standards Codification ("ASC") 940-320 "*Financial Services – Broker and Dealers; Investments - Debt and Equity Securities.*" In accordance with ASC 940 investments in proprietary securities are recognized at fair value. Net unrealized gains and losses are recognized in earnings during the period in which they are incurred. Realized gains and losses are calculated using the average cost at the date of disposal.

**ACCUMULATION PLANNING, INC.**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**Note 1**  
**Summary of Significant Accounting Policies, Use of Estimates and Nature of Operations**  
**(Continued)**

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**Fair Value Measurements**

The Company adopted ASC 820 “*Fair Value Measurements and Disclosures*” for financial assets and liabilities measured on a recurring basis. ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal or most advantageous market at the measurement date.

This statement also establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three levels as follows: (Level 1) observable inputs such as quoted prices in active markets; (Level 2) inputs other than the quoted prices in active markets that are observable either directly or indirectly in active markets; and (Level 3) unobservable inputs in which there is little or no market.

The Company’s assets carried at fair value measured on a recurring basis are as follows at June 30, 2010:

Marketable securities	\$ 181,068
Quoted prices in an active market for indentical securities (Level 1)	<u>\$ 181,068</u>
Significant other observable inputs (Level 2)	<u>\$ -</u>
Significant unobservable inputs (Level 3)	<u>\$ -</u>
Total gains attributable to unrealized gains	<u>\$ 38,354</u>

**Cash and Cash Equivalents**

Cash and cash equivalents are considered to be all highly liquid investments purchased with an initial maturity of three (3) months or less.

**Property and Equipment**

Property and equipment are recorded at cost and depreciated over their estimated useful lives of 5 to 7 years, using accelerated methods used for income tax purposes, which management believes is not materially different than methods used in accordance with generally accepted accounting principles. Maintenance and repairs that neither materially add to the value of the property nor appreciably prolong its life are charged to expense as incurred. Betterments or renewals are capitalized when incurred. As the Company’s assets are fully depreciated, no depreciation expense was recorded for the year ended June 30, 2010.

**ACCUMULATION PLANNING, INC.**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**Note 1**  
**Summary of Significant Accounting Policies, Use of Estimates and Nature of Operations**  
**(Continued)**

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**Income Taxes**

The Company accounts for income taxes in accordance ASC 740 "Income Taxes." ASC 740 requires the Company to recognize deferred tax assets and liabilities for the expected future tax consequences of events that have been recognized in the Company's financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial statement carrying amounts and tax basis of assets and liabilities using enacted tax rates in effect in the years in which the differences are expected to reverse. Deferred income taxes include the estimated income taxes relating to unrealized gains on marketable securities. Interest and penalties, if any, are classified as additional income taxes in the statement of operations and other comprehensive income.

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**Note 2**  
**Securities Owned**

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At June 30, 2010, the Company had several investments, including mutual funds and common stock, carried as securities owned. Securities owned are equity securities purchased and held for the purpose of selling over an undetermined period, and are reported at fair value, with unrealized gains and losses reported in earnings.

As of June 30, 2010, the Company had securities owned, as follows:

	Cost	Gross Unrealized Gains	Fair Value
Mutual Funds	\$ 122,989	\$ 37,479	\$ 160,468
Common Stock	19,725	875	20,600
	<u>\$ 142,714</u>	<u>\$ 38,354</u>	<u>\$ 181,068</u>

During the year ended June 30, 2010, the mutual funds earned \$14,758 in dividend income. During the year ended June 30, 2010, the common stock earned \$3,101 in dividend income. The Company had \$20,224 in realized gains on sales of securities during the year ended June 30, 2010.

**ACCUMULATION PLANNING, INC.**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**Note 3**  
**Property and Equipment**

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As of June 30, 2010, property and equipment consists of the following:

Computer equipment	\$ 9,740
Furniture and fixtures	<u>5,000</u>
	14,740
Less: accumulated depreciation	<u>(14,740)</u>
	<u><u>\$ -</u></u>

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**Note 4**  
**Net Capital Requirements**

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As a registered broker/dealer, the Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital shall not exceed 15 to 1. At June 30, 2010, the Company's computed net capital of \$147,264 exceeded required net capital of \$5,000 by \$142,264. At June 30, 2010, the Company had no aggregate indebtedness.

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**Note 5**  
**Provision for Income Taxes**

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At June 30, 2010, the deferred tax asset consists of the following:

Operating loss carryforwards	\$ 10,115
Capital loss carryforwards	3,885
Unrealized gain on securities owned	<u>(8,437)</u>
	<u><u>\$ 5,563</u></u>

For the year ended June 30, 2010, the Company's effective income tax rate is lower than what would be expected if the Federal and State statutory rates were applied to income from operations, primarily because of Federal exclusions for dividends received from domestic corporations and, unrealized gains on securities owned, and the utilization of loss carryforwards.

The Company's net operating loss carryforwards of approximately \$47,000 expire through June 30, 2030 for federal income tax purposes and June 30, 2015 for state income tax purposes. The Company's capital loss carryforwards of approximately \$18,000 expire on June 30, 2014 for both state and federal tax purposes.

**ACCUMULATION PLANNING, INC.**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**Note 5**  
**Provision for Income Taxes (Continued)**

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The Company adopted the provisions of ASC 740, Accounting for Uncertainty in Income Taxes, on July 1, 2007. The implementation of ASC 740, did not have any effect on the Company's financial position or results of operations. The Company believes it has no tax positions for which the ultimate deductibility is highly uncertain.

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**Note 6**  
**Commitments and Contingencies**

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**Deferred Compensation**

An affiliate of the Company pays a retirement benefit to the president and sole stockholder of its Company for present and past services. The retirement benefit is allocated to several companies owned by the Company's president/sole stockholder, including Accumulation Planning, Inc. The related entity is reimbursed by Accumulation Planning, Inc. for one-half of the total amount of deferred compensation paid by the affiliate to the president/sole stockholder. The Company paid similar retirement benefits to a former employee of the Company through September 2009. However, these payments were voluntary and were discontinued subsequent to September 2009.

Through September 2009 the affiliate paid \$900 per month for the former employee.

Currently, the affiliate pays \$1,300 per month for the president/sole stockholder. There is no formal retirement plan or obligation for the past years of service by the president/sole stockholder. All agreed upon payments have been made through June 30, 2010 related to the retirement plan.

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**Note 7**  
**Concentrations and Credit Risks**

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**Concentrations and Credit Risks**

The Company has a concentration of risk related to its reliance upon the sales of securities. Downturns in the market could severely impact revenues.

Commissions are earned primarily through the personal efforts of the Company's principal stockholder.

The Company is engaged in various trading and brokerage activities in which counter-parties primarily include broker-dealers, banks, and other financial institutions. In the event the counter-parties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counter-party or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counter-party.

**ACCUMULATION PLANNING, INC.**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**Note 7**  
**Concentrations and Credit Risks (Continued)**

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As part of its normal brokerage activities, the Company may sell securities not yet purchased for its own account. The establishment of short positions exposes the Company to off-balance sheet market risk in the event prices increase, as the Company may be obligated to acquire the securities at prevailing market prices. As of June 30, 2010, the Company had no exposure to loss in this area as it had no short positions.

The Company does not maintain bank accounts with balances in excess of federally insured limits.

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**Note 8**  
**Related Party Transactions**

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**Related Party**

The Company is wholly-owned by the William J. Fairbank, Jr., Trust. Mr. Fairbank is the Trustee and is also the President and Treasurer of the Company. Mr. Fairbank acts as a registered representative of the Company and executes transactions on behalf of customers for which the Company is paid commissions. During the year, Mr. Fairbank controlled and operated other affiliated businesses. The existence of that control could result in operating results or financial position of the Company significantly different from those that would have been obtained if the entities were autonomous.

**Note Receivable – Related Party**

During the year ended June 30, 2010 the Company paid for charitable contributions of Mr. Fairbank which he wishes to report personally. The amount paid of \$6,825 has been recorded as a note receivable – related party. The note bears interest at 5% per annum. Principal and unpaid interest is due on September 15, 2010.

**Prepaid Expenses - Related Party**

At June 30, 2010, the Company has prepaid expenses totaling \$2,840 to an affiliate.

**Advances From Related Party**

During the year ended June 30, 2010 the Company paid back \$5,196 in principal and accrued interest on an advance from Mr. Fairbank. At June 30, 2010, the principal and accrued interest has been paid in full.

**ACCUMULATION PLANNING, INC.**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**Note 8**  
**Related Party Transactions (Continued)**

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**Accounts Payable – Related Parties**

The Company's operations are conducted from the premises of Mr. Fairbank for which no rental expense is recorded. However, the majority of other incrementally incurred business costs and expenses of the Company incurred by him are recorded, such as telephone, travel, business meals, and automobile. The Company also reimbursed Mr. Fairbank for medical insurance premiums and uninsured medical expenses. Mr. Fairbank was not paid any commissions or other compensation by the Company during the current fiscal year. During the year ended June 30, 2010 the Company made payments to one of the affiliated businesses totaling \$40,747 for the payment of current year expenses. In addition, the Company paid a total of \$31,132 for prior year related party payables. At June 30, 2010 there are no amounts payable to affiliates.

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**Note 9**  
**Subsequent Events**

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The Company has evaluated subsequent events through August 25, 2010, which is the date the financial statements were available to be issued. No material events have occurred since the balance sheet date of June 30, 2010.

## **SUPPLEMENTAL INFORMATION**

**SCHEDULE I**

**ACCUMULATION PLANNING, INC.  
COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1 OF THE  
SECURITIES AND EXCHANGE COMMISSION  
June 30, 2010**

	Per Audited Financial Statements	Per Unaudited X-17A-5 Part IIA
<b>Net Capital:</b>		
Total Stockholder's Equity	\$ 207,580	\$ 252,936
<b>Non-Allowable Assets</b>	<u>(15,313)</u>	<u>(6,438)</u>
<b>Net Capital Before Haircuts on Securities Position</b>	<u>192,267</u>	<u>246,498</u>
<b>Haircuts Computed Pursuant to Rule 15c3-1</b>		
Mutual funds and common stock	27,160	35,216
Undue concentration	<u>17,843</u>	<u>28,214</u>
<b>Total Haircuts on Securities</b>	<u>45,003</u>	<u>63,430</u>
<b>Net Capital</b>	<u>\$ 147,264</u>	<u>\$ 183,068</u>
<b>Aggregate Indebtedness</b>		
Items included in statement of financial condition:		
Accounts payable	-	\$ 1,262
<b>Total Aggregate Indebtedness</b>	<u>\$ -</u>	<u>\$ 1,262</u>
<b>Minimum Net Capital Requirement</b>		
(6 2/3% of Aggregate Indebtedness)	\$ -	\$ 84
<b>Minimum Dollar Net Capital Requirement</b>	<u>\$ 5,000</u>	<u>\$ 5,000</u>
<b>Net Capital Requirement (Greater of Above)</b>	<u>\$ 5,000</u>	<u>\$ 5,000</u>
<b>Net Capital in Excess of Requirement</b>	<u>\$ 142,264</u>	<u>\$ 178,068</u>
<b>Amount in Excess of Minimum Net Capital at 1000%</b>	<u>\$ 141,264</u>	<u>\$ 177,068</u>
<b>Ratio: Aggregate Indebtedness to Net Capital</b>	<u>-</u>	<u>.10 to 1</u>

**SCHEDULE I (Continued)**

**ACCUMULATION PLANNING, INC.  
COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1 OF THE  
SECURITIES AND EXCHANGE COMMISSION (Continued)  
June 30, 2010**

**Reconciliation of the computation of net capital with the computations included in Part II  
of X-17A-5 as of June 30, 2010**

<b>Net Capital Per Focus Report</b>	<b>\$ 183,068</b>
<b>Changes resulting from audit adjustments:</b>	
Decrease in cash and cash equivalents	(1,700)
Decrease in marketable securities	(53,707)
Increase in other assets	8,789
Decrease in accounts payable	1,262
Decrease in haircuts for undue concentrations	10,371
Decrease in haircuts for marketable securities	8,056
Increase in non-allowable assets	<u>(8,875)</u>
<b>Total audit adjustments</b>	<u>(35,804)</u>
<b>Net Capital Per Audit Report</b>	<u><u>\$ 147,264</u></u>

## **SCHEDULE II**

### **ACCUMULATION PLANNING, INC. COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS UNDER RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION June 30, 2010**

The Company's transactions with clients consist exclusively of acting as an introducing broker-dealer to a clearing broker-dealer on a fully disclosed basis. The Company transmits all customer funds and securities to the clearing broker-dealer who, in turn, carries all the accounts of such customers. The Company therefore meets the requirements of paragraph (k)(2)(ii) of Rule 15c3-3 and is exempt from the computation of cash reserve requirements for brokers and dealers.

## **Independent Auditors' Supplementary Report on Internal Control**

To the Board of Directors  
Accumulation Planning, Inc.

In planning and performing our audit of the financial statements and the supplemental schedules of Accumulation Planning, Inc. (the "Company") as of and for the year ended June 30, 2010, 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 and net capital under rule 17a-3(a)(11) and for determining compliance with 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 the differences required by rule 17a-13
2. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with 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 or 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 its 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. However, we identified the following deficiencies in internal control that we consider to be material weaknesses, as defined above. These conditions were considered in determining the nature, timing, and extent of the procedures performed in our audit of the financial statements of Accumulation Planning, Inc. as of and for the year ended June 30, 2010, and this report does not affect our report thereon dated August 25, 2010. The material weaknesses noted during our audit consisted of various accounts not being adjusted on a monthly basis, and therefore the financial statements were not properly prepared in accordance with generally accepted accounting principles. Accordingly, the quarterly FOCUS Reports submitted to the Financial Industry Regulatory Authority (FINRA) are also inaccurate. Based on our audit we also noted that unrealized gains and losses on marketable securities, accounts payable and accrued income taxes were not properly reconciled on a monthly basis in the financial statements.

We understand that practices and procedures that accomplish 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 June 30, 2010, to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, the Financial Industry Regulatory Authority and other regulatory agencies 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.

*Simple, Marchal & Cooper, LLP*

Certified Public Accountants

Phoenix, Arizona  
August 25, 2010

