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SEC  
Commission  
B. Branch of Registrations and Examinations  
JAN 31 2011



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

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 12/1/09 AND ENDING 11/30/10  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER DEALER:

W. H. Reaves & Co., Inc.

OFFICIAL USE ONLY  
FIRM ID. NO.

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

10 Exchange Place

(No. and Street)

Jersey City

(City)

New Jersey

(State)

07302

(Zip Code)

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

David M. Pass

(201) 793-2364

(Area Code — Telephone No.)

B. ACCOUNTANT IDENTIFICATION

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

BDO USA, LLP

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

100 Park Avenue

(Address)

New York

(City)

New York

Securities and Exchange Commission (State)

10017

(Zip Code)

CHECK ONE:

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

RECEIVED

JAN 31 2011

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Branch of Registrations and Examinations

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

pls 2/11

OATH OR AFFIRMATION

I, David M. Pass, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of W. H. Reaves & Co., Inc., as of November 30, 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:

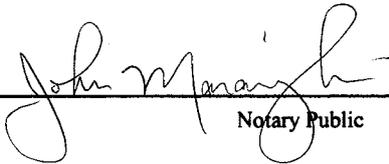
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Signature

Chief Financial Officer

Title



Notary Public

**JOHN S. MARAVIGLIA**  
**ID # 2340634**  
**NOTARY PUBLIC OF NEW JERSEY**  
**Commission Expires 6/8/2011**

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

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Cash Flows.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital.
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.
- (o) Independent Auditors' Report on internal accounting control required by SEC Rule 17a-5.

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



## Independent Auditors' Report

The Board of Directors and Stockholders  
W.H. Reaves & Co., Inc.  
Jersey City, New Jersey

We have audited the accompanying statement of financial condition of W.H. Reaves & Co., Inc. (the "Company") at November 30, 2010. 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 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 statement of financial condition is 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 statement of financial condition, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement of financial condition presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the statement of financial condition referred to above presents fairly, in all material respects, the financial position of W.H. Reaves & Co., Inc. at November 30, 2010, in conformity with accounting principles generally accepted in the United States of America.

BDO USA, LLP

January 25, 2011

**W.H. Reaves & Co., Inc.**  
**Statement of Financial Condition**

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*November 30, 2010*

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**Assets**

Cash and cash equivalents	\$4,744,092
Deposits with clearing organizations and depository	179,102
Advisory fees receivable	1,521,378
Receivables from clearing agent	183,324
Exchange memberships, at cost (last reported sales price \$30,000)	2,200
Fixed assets, net	25,542
Other assets	332,782
	<hr/>
	<b>\$6,988,420</b>

**Liabilities and Stockholders' Equity**

**Liabilities:**

Accounts payable and accrued expenses, primarily compensation	\$4,334,615
Deferred rent	71,770
Deferred advisory fees	53,389
Payable to broker-dealers and clearing organizations	145
	<hr/>
<b>Total Liabilities</b>	<b>4,459,919</b>

**Commitments (Notes 3 and 6)**

**Stockholders' Equity:**

Common stock, \$1.00 par value - shares authorized 20,000; issued and outstanding 159	159
Additional paid-in capital	2,097,248
Retained earnings	431,094
	<hr/>
<b>Total Stockholders' Equity</b>	<b>2,528,501</b>
	<hr/>
	<b>\$6,988,420</b>

*See accompanying notes to statement of financial condition.*

# W.H. Reaves & Co., Inc.

## Notes to Statement of Financial Condition

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### 1. Business

W.H. Reaves & Co., Inc. (the "Company"), a C corporation, is registered as a broker/dealer in securities under the Securities Exchange Act of 1934 and maintains a license with the New York Stock Exchange (the "Exchange"). The Company acts as an investment advisor primarily on a discretionary basis and trades mostly in equity securities for its officers and directors and customer accounts.

### 2. Significant Accounting Policies

#### *Cash and Cash Equivalents*

The Company considers all highly liquid investments, with original maturities of less than ninety days that are not held for sale in the ordinary course of business, as cash and cash equivalents. All cash and cash equivalents held at financial institutions, at times, may exceed the amount of \$250,000 insured by the Federal Deposit Insurance Corporation.

#### *Fixed Assets*

Fixed assets are depreciated over the estimated useful lives of the assets using the straight-line method. Leasehold improvements are amortized over the lesser of the economic useful life of the improvement or the term of the respective lease, using the straight-line method.

#### *Income Taxes*

The Company accounts for income taxes using the liability method. Deferred income taxes, if any, are provided on the differences between the financial reporting and income tax bases of assets and liabilities based upon statutory tax rates. There were no deferred income taxes as of November 30, 2010.

#### *Deferred Rent*

The Company has a long-term operating lease under which rent expense is recognized on a straight-line basis over the lease term. Deferred rent represents the difference between rent on a straight-line basis compared to annual rent paid.

#### *Use of Estimates*

The preparation of a statement of financial condition in conformity with accounting principles generally accepted in the United States of America requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the statement of financial condition. Actual results could differ from those estimates.

# W.H. Reaves & Co., Inc.

## Notes to Statement of Financial Condition

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### 3. Regulatory Net Capital Requirement

The Company is subject to the SEC's Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum net capital. The Company has elected to use the alternative method, permitted by the Rule, which requires that the Company maintain minimum regulatory net capital, as defined, equal to the greater of \$50,000 or 6-2/3% of aggregate indebtedness, as defined.

At November 30, 2010, the Company had regulatory net capital of \$646,098 and a required minimum regulatory net capital of \$297,328.

The Company operates pursuant to the exemption in SEC Rule 15c3-3(k)(2)(ii).

### 4. Profit Sharing Plan

The Company has a Profit Sharing Plan ("Plan") covering substantially all of its employees. Only full-time employees are eligible to participate in the Plan. Contributions to the Plan, included in employee compensation and benefits, are at the discretion of the Board of Directors.

### 5. Fixed Assets, Net

Fixed assets, net at November 30, 2010 consist of the following:

	Estimated Useful Lives	Amount
Computers	3 years	\$ 128,294
Furniture and fixtures	5 years	11,525
Leasehold improvements	10 years	55,961
		195,780
Less: Accumulated depreciation		(170,238)
Fixed assets, net		\$ 25,542

### 6. Lease Commitments

The Company leases its premises under a noncancellable operating lease expiring during the fiscal year ending 2015.

The Company maintains a license with the New York Stock Exchange ("NYSE").

# W.H. Reaves & Co., Inc.

## Notes to Statement of Financial Condition

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Net approximate minimum rental payments attributable to the leases are as follows:

*Fiscal year ending November 30,*

2011	\$ 284,000
2012	284,000
2013	284,000
2014	284,000
2015	236,000
	<hr/>
	\$1,372,000

### 7. Major Customer

Approximately 36% of the Company's advisory fees receivable at November 30, 2010 was from one customer.



## **Independent Auditors' Report on Internal Control Required by Securities and Exchange Commission Rule 17a-5(g)(1) for a Broker-Dealer Claiming an Exemption From SEC Rule 15c3-3**

The Board of Directors and Stockholders  
W.H. Reaves & Co., Inc.  
Jersey City, New Jersey

In planning and performing our audit of the financial statements of W.H. Reaves & Co., Inc. (the "Company"), as of and for the year ended November 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 (the "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), making the periodic computations of aggregate indebtedness 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 the quarterly securities examinations, counts, verifications, and comparisons, and the recordation of differences required by Rule 17a-13
2. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls, and of the practices and 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.



Because of inherent limitations in internal control and the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities for safeguarding securities that we consider to be material weaknesses, as defined previously.

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 to this report, were adequate at November 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.

BDO USA, LLP

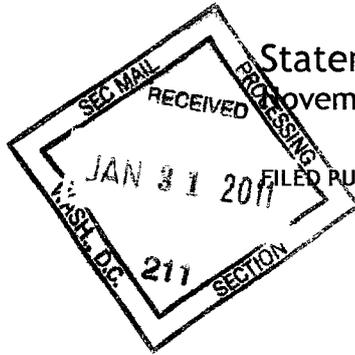
Certified Public Accountants

New York, New York

January 25, 2011

**W.H. Reaves & Co., Inc.**

**Statement of Financial Condition**  
November 30, 2010



FILED PURSUANT TO RULE 17a-5(e)(3) AS A PUBLIC DOCUMENT.

**W.H. Reaves & Co., Inc.**

Statement of Financial Condition  
November 30, 2010

FILED PURSUANT TO RULE 17a-5(e)(3) AS A PUBLIC DOCUMENT.

W.H. Reaves & Co., Inc.

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