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SECURITIES AND EXCHANGE COMMISSION  
**RECEIVED**  
 AUG 25 2011  
 SECTION 211  
 05 REGISTRATIONS BRANCH

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

SEC FILE NUMBER
8-10048

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 07/01/10 AND ENDING 06/30/11  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Doft & Co., Inc.  
 ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
55 E. 59th St., 12th Floor

OFFICIAL USE ONLY
FIRM I.D. NO.

(No. and Street)

New York

NY

10022

(City)

(State)

(Zip Code)

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

Robert Hamaoui (212)-421-5558

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

EisnerAmper LLP

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

750 Third Avenue

New York

NY

10017

(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)

BB 9/8

OATH OR AFFIRMATION

I, Alan Doft, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Doft & Co., Inc., as of June 30, 2011, 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:

JONATHAN DOFT
Notary Public, State of New York
No. 02DO5050891
Qualified in New York County
Commission Expires 10/23/13
Notary Public

Signature
Alan Doft, President
Title

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).



**DOFT & CO., INC.**

**STATEMENT OF FINANCIAL CONDITION**

**JUNE 30, 2011**



EisnerAmper LLP  
750 Third Avenue  
New York, NY 10017-2703  
T 212.949.8700  
F 212.891.4100

[www.eisneramper.com](http://www.eisneramper.com)

## INDEPENDENT AUDITORS' REPORT

To the Stockholder and Board of Directors of  
Doft & Co., Inc.

We have audited the accompanying statement of financial condition of Doft & Co., Inc. (the "Company") as of June 30, 2011, 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 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 statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 statement of financial condition referred to above presents fairly, in all material respects, the financial position of Doft & Co., Inc. as of June 30, 2011, in conformity with accounting principles generally accepted in the United States of America.

New York, New York  
August 25, 2011

## DOFT & CO., INC.

### Statement of Financial Condition June 30, 2011

#### ASSETS

Securities owned, at fair value	\$ 33,908,256
Investment company, at fair value	581,222
Cash and cash equivalents	30,946
Prepaid taxes	13,324
Furniture, fixtures and leasehold improvements (net of accumulated depreciation and amortization of \$198,361)	13,784
Other assets	<u>270,908</u>
	<u>\$ 34,818,440</u>

#### LIABILITIES

Accrued expenses and accounts payable	\$ 290,960
Due to clearing broker	498,507
Current taxes payable	3,650
Deferred tax liability	<u>1,164,808</u>
Total liabilities	<u>1,957,925</u>

Commitments and contingencies

#### STOCKHOLDER'S EQUITY

Preferred stock, \$1,000 par value; authorized, 1,000 shares; outstanding, 202 shares	202,000
Common stock, no par value; authorized, 1,000 shares; outstanding, 150 shares at stated value	141,170
Retained earnings	<u>32,517,345</u>
Total stockholder's equity	<u>32,860,515</u>
	<u>\$ 34,818,440</u>

## **DOFT & CO., INC.**

### **Notes to Statement of Financial Condition June 30, 2011**

#### **NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Doft & Co., Inc. (the "Company") is registered as a broker-dealer and clears all of its customer transactions through a correspondent broker on a fully disclosed basis.

- [1] Security transactions, commissions and related expenses are recorded on a trade-date basis.
- [2] The Company carries its investments at fair value. Fair value is an estimate of the exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants (i.e., the exit price at the measurement date). Fair value measurements are not adjusted for transaction costs. A fair value hierarchy that consists of three levels is used to prioritize inputs to fair value valuation techniques:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted market prices that are observable, either directly or indirectly, and reasonably available. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability and are developed based on market data obtained from sources independent of the Company.

Level 3 - Unobservable inputs. Unobservable inputs reflect the assumptions that management develops based on available information about what market participants would use in valuing the asset or liability.

An asset or liability's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Availability of observable inputs can vary and is affected by a variety of factors. Management uses judgment in determining fair value of assets and liabilities and Level 3 assets and liabilities involve greater judgment than Level 1 or Level 2 assets and liabilities.

Marketable securities owned, which are readily marketable, are valued at fair value on the last business day of the year at the last available reported national exchange price.

The Company's investment in the investment company is valued at fair value. The fair value represents the Company's proportionate share of the investment company's net assets. If management determines, based on its own due diligence and investment monitoring procedures, that the valuation of any investment company based on information provided by the investment companies does not represent fair value, then management estimates the fair value of the investment company in good faith based upon all available information.

- [3] The Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.
- [4] Furniture, fixtures and leasehold improvements are recorded at cost. Depreciation of furniture and fixtures is provided on the straight-line method based on the estimated useful lives of the assets. Leasehold improvements are amortized on the straight-line method over the shorter of their useful lives or the term of the lease.
- [5] Assets and liabilities denominated in foreign currencies are translated into United States dollar amounts at the period-end exchange rates. Purchases and sales of investments and income and expenses that are denominated in foreign currencies are translated into United States dollar amounts at the prevailing rates of exchange on the transaction date.

## DOFT & CO., INC.

### Notes to Statement of Financial Condition June 30, 2011

#### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[6] Income taxes are accounted for under the asset and liability approach. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and for net operating loss carrybacks. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be settled or recovered. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

The Company applied the "more-likely-than-not" recognition threshold to all tax positions taken or expected to be taken in a tax return, which resulted in no unrecognized tax benefits as of June 30, 2011.

The Company's tax year ended on June 30, and tax years 2008 through 2011 remain open to examination for most taxing authorities.

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

#### NOTE B - VALUATION OF INVESTMENTS

The following table presents the Company's assets and liabilities by level within the fair value hierarchy at June 30, 2011:

	<u>Fair Value</u>	<u>Fair Value Hierarchy</u>
Assets:		
Securities owned:		
Common stocks		
Basic materials	\$ 3,644,321	Level 1
Financial	5,989,678	Level 1
Industrial	24,678	Level 1
Consumer non-cyclical	6,283,402	Level 1
Technology	<u>10,145,292</u>	Level 1
Total common stock	26,087,371	
Money market (1)	7,720,880	Level 2
Certificate of deposit	<u>100,005</u>	Level 2
	33,908,256	
Investment company	<u>581,222</u>	Level 3
	<u>\$ 34,489,478</u>	

(1) Principally Ford floating demand note account

## DOFT & CO., INC.

### Notes to Statement of Financial Condition June 30, 2011

#### NOTE B - VALUATION OF INVESTMENTS (CONTINUED)

The following disclosures relate to the changes in fair value of the Company's Level 3 investments as of June 30, 2011:

Balance as of June 30, 2010	\$ 262,959
Purchases during the year	277,899
Total net unrealized gains in earnings	<u>40,364</u>
Balance as of June 30, 2011	<u>\$ 581,222</u>
Change in unrealized gains and losses for investments still held at June 30, 2011	\$ 40,364

#### NOTE C - STOCKHOLDER'S EQUITY

The Company's preferred stock has preference in liquidation in the amount of \$1,000 a share and may be redeemable at the option of the Company at any time, subject to the approval of the New York Stock Exchange, Inc., at \$1,000 a share. Common stock and preferred stock have the same dividend rights and dividends are paid only if and when declared by the Board of Directors.

#### NOTE D - INCOME TAXES

At June 30, 2011, the Company has a deferred tax liability of approximately \$1,165,000, principally relating to unrealized gains on securities transactions. Tax expense differs from the result which would be expected by applying the statutory tax rate because of the dividends received deduction.

#### NOTE E - RETIREMENT AND PROFIT SHARING PLAN

The Company maintains a retirement and profit sharing plan covering certain employees with at least one year of service. Contributions to the retirement and profit sharing plan are at the discretion of the Company's Board of Directors. The Company reserves the right to amend the plan at any time. The Company made no contributions in the current year in connection with this plan.

#### NOTE F - COMMITMENTS AND CONTINGENCIES

##### [1] Lease:

The Company leases office space pursuant to a seven-year and one-month lease agreement. The lease, which commenced on November 1, 2007, provided for free rent for the first two and a half months of the lease period. For financial statement purposes, rent expense is recognized based upon the total rental payments on a straight-line basis over the life of the lease.

**DOFT & CO., INC.**

**Notes to Statement of Financial Condition  
June 30, 2011**

**NOTE F - COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**[1] Lease: (continued)**

As of June 30, 2011, the Company provided a letter of credit in the amount of approximately \$126,000 pursuant to the terms of the lease, collateralized by a money market account with a balance of approximately \$126,000 as of June 30, 2011, which is included in other assets. The estimated minimum rental payments for the lease are as follows:

<u>Year Ending June 30,</u>	
2012	\$ 262,000
2013	262,000
2014	262,000
2015	<u>109,000</u>
	<u>\$ 895,000</u>

**[2] Investment company:**

In December 2009, the Company purchased an investment company interest from a related party for \$208,171. The purpose of the investment company is to provide long-term capital appreciation through the acquisition of equity, debt, equity-related and debt-related interests, predominately in unquoted companies in Western Europe and by making other selective equity and equity-related investments and debt and debt-related investments. The Company is restricted from withdrawal or transfer until termination of the investment company or at the discretion of the underlying general partner. The Company has an outstanding commitment to the investment company in the amount of \$1,190,415.

**[3] Financial instruments with off-balance-sheet risk and concentration of credit risk:**

As a non-clearing broker, the Company has its securities and customers' transactions cleared through another broker-dealer pursuant to a clearance agreement. The Company's securities positions are held with the clearing broker. Recognizing the concentration of credit risk that this implies, the Company utilizes a clearing broker that is a member of major securities exchanges. Although the Company clears its customer transactions through its clearing broker, nonperformance by its customers in fulfilling their contractual obligations pursuant to securities transactions may expose the Company to risk and potential loss.

The net asset value of an investment company does not take into account the effect of factors such as an investment company's lock-up and withdrawal policies, management, incentive and other fee structures, liquidity and current fair value of side-pocket investments, unfunded obligations and capital commitments. An investment company's funding may be subject to various conditions and/or approval rights. Under certain circumstances, withdrawals from an investment company may be limited or suspended (in whole or in part) as deemed necessary by the company's investment managers. Substantial requests for withdrawals from an investment company could cause the investment company to liquidate positions sooner than would otherwise be desirable, which could adversely affect the performance of the investment company. In addition, regardless of the period of time in which withdrawals occur, the resulting reduction in an investment company's net assets could make it more difficult for an investment company to diversify its holdings and achieve its investment objectives.

## **DOFT & CO., INC.**

### **Notes to Statement of Financial Condition June 30, 2011**

#### **NOTE F - COMMITMENTS AND CONTINGENCIES (CONTINUED)**

##### **[3] Financial instruments with off-balance-sheet risk and concentration of credit risk: (continued)**

Short selling, or the sale of securities not owned by the Company, exposes the Company to the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and in the case of equities, without effective limit. There is the risk that the securities borrowed by the Company in connection with a short sale would need to be returned to the securities lender on short notice. If such request for return of securities occurs at a time when other short sellers of the subject security are receiving similar requests, a "short squeeze" can occur, wherein the Company might be compelled, at the most disadvantageous time, to replace borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received earlier.

Market risk represents the potential loss that can be caused by increases or decreases in the fair value of investments due to market fluctuation.

Liquidity risk is the risk that the Company will not be able to raise funds to fulfill its commitments, including inability to sell investments quickly or at close to fair value.

Currency risk is the risk that the fair value of an investment will fluctuate because of changes in foreign exchange rates. Investments that are denominated in a non-U.S. currency are subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments.

#### **NOTE G - NET CAPITAL REQUIREMENTS**

The Company is subject to the Uniform Net Capital Rule of the Securities and Exchange Commission (Rule 15c-3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. At June 30, 2011, the Company had a ratio of aggregate indebtedness to net capital of .015 to 1 and its net capital was approximately \$19,660,000 compared to the minimum requirement of \$100,000.

#### **NOTE H - SUBSEQUENT EVENTS**

The Company has evaluated events through August 25, 2011, the date that this financial statement was available to be issued.

**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES  
RELATED TO AN ENTITY'S SIPC ASSESSMENT RECONCILIATION**

To the Stockholder and Board of Directors of  
Doft & Co., Inc.

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 General Assessment Reconciliation (Form SIPC-7) to the Securities Investor Protection Corporation (SIPC) for the year ended June 30, 2011, which were agreed to by Doft & Co., Inc. (the Company), the Securities and Exchange Commission (SEC), Financial Industry Regulatory Authority, Inc., and SIPC. Our procedures were performed solely to assist you and the other specified parties in evaluating the Company's compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). The Company's management is responsible for the Company'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 the 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 listed assessment payments on Form SIPC-7 with respective cash disbursement records entries noting no differences;
2. Compared amount of total revenue reported on the audited Form X-17A-5 for the year ended June 30, 2011, as applicable, with the amount reported on Form SIPC-7 for the year ended June 30, 2011 noting no differences;
3. Compared any additions and deductions reported in the accompanying Form SIPC-7 with supporting schedules and working papers noting no differences; and
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting 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 and should not be, used by anyone other than these specified parties.

*EisnerAmper LLP*

New York, New York  
August 25, 2011

**SIPC-7**

(33-REV 7/10)

SECURITIES INVESTOR PROTECTION CORPORATION  
P.O. Box 92185 Washington, D.C. 20090-2185  
202-371-8300

**General Assessment Reconciliation**

**SIPC-7**

(33-REV 7/10)

For the fiscal year ended 6/30/2011

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

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

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

010048 FINRA JUN  
DOFT & CO INC  
ATTN: ROBERT HAMAOU  
55 E 59TH ST 12TH FL  
NEW YORK NY 10022-1112

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.

ROBERT HAMAOU 212-421-5558

- 2. A. General Assessment (item 2e from page 2) \$ 1,763
- B. Less payment made with SIPC-6 filed (exclude interest) (962)  
1/24/2011  
Date Paid
- C. Less prior overpayment applied (          )
- D. Assessment balance due or (overpayment) 801
- E. Interest computed on late payment (see instruction E) for        days at 20% per annum
- F. Total assessment balance and interest due (or overpayment carried forward) \$ 801
- G. PAID WITH THIS FORM:  
Check enclosed, payable to SIPC  
Total (must be same as F above) \$ 801
- H. Overpayment carried forward \$(            )

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

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

DOFT & Co., INC.

(Name of Corporation, Partnership or other organization)

Robert Hamaou

(Authorized Signature)

Dated the 22<sup>nd</sup> day of August, 2011.

V.P. / CONTROLLER

(Title)

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

**SIPC REVIEWER**

Dates:            Postmarked            Received            Reviewed           

Calculations            Documentation            Forward Copy           

Exceptions:

Disposition of exceptions:

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

Amounts for the fiscal period  
beginning 7/1/2010  
and ending 6/30/2011  
Eliminate cents

**Item No.**

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

\$ 3,754,220

**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.

1,712

(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

1,712

**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.

23,436

(4) Reimbursements for postage in connection with proxy solicitation.

—

(5) Net gain from securities in investment accounts.

3,023,769

(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.

143

(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):

—

(Deductions in excess of \$100,000 require documentation)

(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.

\$ 3,304

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

\$ —

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

3,304

Total deductions

3,050,652

2d. SIPC Net Operating Revenues

\$ 705,280

2e. General Assessment @ .0025

\$ 1,763

(to page 1, line 2.A.)