



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

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

SEC FILE NUMBER
8-46650

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 01/01/10 AND ENDING 12/31/10
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: HODIN ASSOCIATES, INC.
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
40 MALL ROAD, SUITE 206

OFFICIAL USE ONLY
FIRM I.D. NO.

(No. and Street)

BURLINGTON
(City)

MA
(State)

01803
(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Mr. MORTON L. HODIN (781) 221-8421
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

KAHN, LITWIN, RENZA & CO., LTD.

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

800 SOUTH STREET, SUITE 300, WALTHAM, MA 02453
(Address) (City) (State) (Zip Code)

CHECK ONE:

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



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*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, MORTON L. HODIN, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of HODIN ASSOCIATES, INC., as of DECEMBER 31, 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:

Morton L. Hodin
Signature

PRESIDENT
Title

[Signature]
Notary Public
exp. 9/29/2015

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

- X (a) Facing Page.
- X (b) Statement of Financial Condition.
- X (c) Statement of Income (Loss).
- X (d) Statement of Changes in Cash Flows.
- X (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- X (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- X (g) Computation of Net Capital.
- X (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.
- X (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.
- X (o) Independent Auditors report on internal accounting control.
- (p) Schedule of segregation requirements and funds in segregation – customers' regulated commodity futures account pursuant to Rule 171-5.

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

HODIN ASSOCIATES, INC.

**Financial Statements
and Supplementary Information**

Year Ended December 31, 2010

(With Independent Auditors' Report Thereon)

HODIN ASSOCIATES, INC.
**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**
Year Ended December 31, 2010

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Email: TrustedAdvisors@KahnLitwin.com • www.KahnLitwin.com

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholder of
Hodin Associates, Inc.

We have audited the accompanying statement of financial condition of Hodin Associates, Inc. (the Company) as of December 31, 2010, 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 the 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 Hodin Associates, Inc. as of December 31, 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 supplementary schedules 1 and 2 are presented for the purposes of additional analysis and are not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 under the Securities and 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.

Kahn, Litwin, Renza & Co., Ltd.

January 30, 2011

HODIN ASSOCIATES, INC.
STATEMENT OF FINANCIAL CONDITION
December 31, 2010

Assets

Cash	\$ 5,667
Securities owned - marketable	35,595
Prepaid expenses	657
Equipment, at cost, less accumulated depreciation of \$20,275	-

Total Assets \$ 41,919

Liability and Stockholder's Equity

Accounts payable and accrued expenses \$ 753

Stockholder's equity:

Common stock	117,972
Accumulated deficit	<u>(76,806)</u>
Total stockholder's equity	<u>41,166</u>

Total Liabilities and Stockholder's Equity \$ 41,919

HODIN ASSOCIATES, INC.
STATEMENT OF INCOME
Year Ended December 31, 2010

Commissions and fee income	\$ 15,000
Unrealized gain on securities owned	5,865
Operating expenses	<u>(17,246)</u>
Net Income	<u>\$ 3,619</u>

HODIN ASSOCIATES, INC.
STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY
Year Ended December 31, 2010

	Common Stock	Accumulated Deficit	Total
Balance at December 31, 2009	\$ 117,972	\$ (80,425)	\$ 37,547
Net income	-	3,619	3,619
Balance at December 31, 2010	\$ 117,972	\$ (76,806)	\$ 41,166

See accompanying notes to financial statements and independent auditors' report.

HODIN ASSOCIATES, INC.
STATEMENT OF CASH FLOWS
Year Ended December 31, 2010

Cash Flows from Operating Activities:	
Net income	\$ 3,619
Adjustments to reconcile net income to net cash used by operating activities:	
Unrealized gain on securities owned	(5,865)
Changes in operating assets and liabilities:	
Prepaid expenses	297
Net cash used by operating activities	<u>(1,949)</u>
Cash, beginning of year	<u>7,616</u>
Cash, end of year	<u><u>\$ 5,667</u></u>

HODIN ASSOCIATES, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2010

1. Nature of Operations

Hodin Associates, Inc. (the Company) is a broker-dealer registered with the Securities and Exchange Commission and is a member of the Financial Industry Regulatory Authority. It provides investment advisory services and does not hold funds or securities for the accounts of its customers.

2. Summary of Significant Accounting Policies

This summary of significant accounting policies of the Company is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management, who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Equipment

Equipment is stated at cost and consists primarily of office and computer equipment. Depreciation is provided over the estimated useful lives of the assets using the straight-line method. The estimated useful lives of these assets are five to seven years.

Securities Owned

Marketable securities, with a cost of \$24,000 are carried at fair value. Unrealized gains or losses as a result of changes in market value are included in income. Securities transactions and related income and expenses are recognized on a settlement date basis.

Authoritative guidance defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy which prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified by authoritative guidance, are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Company has the ability to access.

HODIN ASSOCIATES, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2010

Level 2 inputs are inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly or indirectly.

Level 3 are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. (The unobservable inputs would be developed based on the best information available in the circumstances and may include the Company's own data.)

The following presents the Company's fair value hierarchy for its securities, measured at fair value on a recurring basis:

Securities owned	Level 1
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Income Taxes

The Company has elected to be treated as an S Corporation for both federal and state income tax purposes whereby the stockholder reports all income and losses on his individual tax return. Accordingly, no taxes on income have been provided. The federal income tax returns of the Company for 2007, 2008 and 2009 are subject to examination by the Internal Revenue Service, generally for three years after they were filed.

Use of Estimates

The preparation of financial statements 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 disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through January 30, 2011, which is the date these financial statements were available to be issued.

3. Subordinated Liabilities

The Company did not have any subordinated liabilities at any time during the year.

HODIN ASSOCIATES, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2010

4. Common Stock

At December 31, 2010, there were 1,000 shares of common stock, no par value, of which 100 were issued and outstanding.

5. Net Capital Requirement

As a broker-dealer, the Company is subject to the Securities and Exchange Commission's regulations and operating guidelines which require the Company to maintain a specified minimum net capital, as defined, and a ratio of aggregate indebtedness to net capital, as defined, not exceeding 15 to 1. The Company's net capital as computed under Rule 15c3-1 was \$31,588 at December 31, 2010, which exceeded required net capital of \$5,000 by \$26,588. The Company's ratio of aggregate indebtedness to net capital was 0.02 to 1.

6. Related Party Transactions

During 2010, the Company received \$15,000 in commissions and fee income from an affiliated entity.

In accordance with a written agreement, the Company utilizes office space and services provided by an affiliated company without charge. The agreement is based upon an annual evaluation of the resources utilized by the Company. Historically, the evaluation has resulted in a determination that actual use of resources is insignificant. The agreement is renewable annually.

7. Supplemental Cash Flow Information

During 2010, \$456 was expended on taxes.

HODIN ASSOCIATES, INC.
COMPUTATION OF NET CAPITAL PURSUANT TO RULE 15C3-1
December 31, 2010

Aggregate indebtedness:	
Accounts payable and accrued expenses	\$ 753
	<hr/>
Net capital:	
Common stock	\$ 117,972
Accumulated deficit	(76,806)
	<hr/>
	41,166
Adjustments to net capital:	
Prepaid expenses	(657)
Haircuts:	
Marketable securities	(5,361)
Undue concentration	(3,560)
	<hr/>
Net capital, as defined	\$ 31,588
	<hr/>
Net capital requirement	\$ 5,000
Net capital in excess of requirement	\$ 26,588
Ratio of aggregate indebtedness to net capital	0.02 to 1
Following is a reconciliation of the Company's December 31, 2010 unaudited Part IIA of Form X-17A-5 filed previously to the Company's net capital as calculated above:	
Net capital as reported on Part IIA of Form X-17A-5	\$ 32,044
Net audit adjustments	(455)
Recalculation of haircuts	(1)
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Net capital as above	\$ 31,588
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HODIN ASSOCIATES, INC.
COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS
December 31, 2010

Hodin Associates, Inc. is exempt from the requirements of Securities and Exchange Commission Rule 15c3-3 because it does not hold funds or securities for the accounts of its customers, accordingly, the computation for determination of reserve requirements pursuant to Rule 15c3-3 and information relating to the possession or control requirement pursuant to Rule 15c3-3 are not applicable.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL

To the Board of Directors and Stockholder of
Hodin Associates, Inc.

In planning and performing our audit of the financial statements of Hodin Associates, Inc. (the Company) as of and for the year ended December 31, 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 (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 and 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 previously mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control and the practices and procedures referred to above, 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 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 deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities for safeguarding securities that we consider to be material weaknesses, as defined 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 purpose in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures, as described in the second paragraph of this report, were adequate at December 31, 2010, to meet the SEC's objectives.

This report is intended solely for information and use of the Board of Directors, management, the SEC, FINRA, 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.

Kelley Litwin, Kenya + Co., Ltd.

January 30, 2011