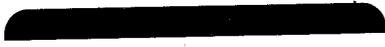


AB  
2/24

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

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	April 30, 2013
Estimated average burden hours per response.....	12.00



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

SEC Mail Processing  
Section

FEB 15 2011

Washington, DC  
110

SEC FILE NUMBER
8-45531

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

KH 2/18

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: Atlantic Financial Services of ME, INC

OFFICIAL USE ONLY
FIRM I.D. NO.

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

45 Exchange Street

(No. and Street)

Portland

Maine

04101

(City)

(State)

(Zip Code)

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

Derek Blackburn

207-775-2354

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Runyon Kersteen Ouellette

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

20 Long Creek Drive

South Portland

ME

04101

(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)

KH  
2/28

OATH OR AFFIRMATION

I, John P.M. Higgins, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Atlantic Financial Services of ME, Inc., as of December 31, 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:



CAROLYN L. HAYNES  
Notary Public, Maine  
My Commission Expires August 6, 2017

Carolyn L. Haynes  
Notary Public

John P.M. Higgins  
Signature  
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).

**SEC Mail Processing  
Section**

**FEB 15 2011**

**Washington, DC  
110**

**ATLANTIC FINANCIAL SERVICES OF MAINE, INC.  
(A SUBSIDIARY OF RAM TRUST COMPANY)**

**Financial Statements  
and  
Independent Auditor's Report on Internal Control**

**December 31, 2010 and 2009**

Runyon  
Kersteen  
Ouellette



Certified Public Accountants and Business Consultants

## Independent Auditor's Report

To the Stockholder  
Atlantic Financial Services of Maine, Inc.

We have audited the accompanying balance sheets of Atlantic Financial Services of Maine, Inc. a subsidiary of Ram Trust Company as of December 31, 2010 and 2009 and the related statements of income, changes in stockholder's equity and cash flows for the years then ended. 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 audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform our 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 our audits provide a reasonable basis for our opinion.

The financial statements present only Atlantic Financial Services of Maine, Inc. and are not intended to present fairly the balance sheet and statements of income and changes in stockholder's equity for Ram Trust Company in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Atlantic Financial Services of Maine, Inc. as of December 31, 2010 and 2009, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying additional information included in Supplemental Schedules 1 through 3 is presented for the purpose of additional analysis and is not a required part of the basic financial statements of Atlantic Financial Services of Maine, Inc., but is supplementary information required by Rule 17a-5 of the Securities and Exchange Commission. Such information has been subjected to the auditing procedures applied in our 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.

*Runyon Kersteen Ouellette*

February 2, 2011  
South Portland, Maine

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**ATLANTIC FINANCIAL SERVICES OF MAINE, INC.**  
**(A SUBSIDIARY OF RAM TRUST COMPANY)**

**Balance Sheets**

**December 31, 2010 and 2009**

	2010	2009
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 36,078	42,070
Accounts receivable	17,057	5,332
Prepaid expenses	662	643
Total current assets	53,797	48,045
<b>Total assets</b>	<b>\$ 53,797</b>	<b>48,045</b>
<b>LIABILITIES AND STOCKHOLDER'S EQUITY</b>		
Current liabilities:		
Accounts payable	13,796	822
Total current liabilities	13,796	822
Stockholder's equity:		
Common stock, \$0.01 stated value; authorized 10,000 shares, issued and outstanding 100 shares	1	1
Additional paid-in capital	36,576	36,576
Retained earnings	3,424	10,646
Total stockholder's equity	40,001	47,223
<b>Total liabilities and stockholder's equity</b>	<b>\$ 53,797</b>	<b>48,045</b>

*See accompanying notes to financial statements.*

**ATLANTIC FINANCIAL SERVICES OF MAINE, INC.**  
**(A SUBSIDIARY OF RAM TRUST COMPANY)**  
**Statements of Income**  
**Years ended December 31, 2010 and 2009**

	2010	2009
<b>Revenue:</b>		
Commission revenue	\$ 92,003	153,256
Other income	388	14,302
<b>Total revenue</b>	<b>92,391</b>	<b>167,558</b>
<b>Expenses:</b>		
Salaries, wages and commissions	35,544	21,604
Payroll taxes and benefits	8,961	3,842
Professional fees	17,367	14,070
NASD fees	2,966	16,087
Clearing broker charges	-	24,104
Other expenses	3,775	2,829
<b>Total expenses</b>	<b>68,613</b>	<b>82,536</b>
<b>Net income</b>	<b>\$ 23,778</b>	<b>85,022</b>

*See accompanying notes to financial statements.*

**ATLANTIC FINANCIAL SERVICES OF MAINE, INC.**  
**(A SUBSIDIARY OF RAM TRUST COMPANY)**  
**Statements of Changes in Stockholder's Equity**  
**Years ended December 31, 2010 and 2009**

		Common stock	Additional paid-in capital	Retained earnings	Total stockholder's equity
Balance, December 31, 2008	\$	1	36,576	65,624	102,201
Dividends paid to parent Company		-	-	(140,000)	(140,000)
Net income		-	-	85,022	85,022
Balance, December 31, 2009		1	36,576	10,646	47,223
Dividends paid to parent Company		-	-	(31,000)	(31,000)
Net income		-	-	23,778	23,778
<b>Balance, December 31, 2010</b>	<b>\$</b>	<b>1</b>	<b>36,576</b>	<b>3,424</b>	<b>40,001</b>

*See accompanying notes to financial statements.*

**ATLANTIC FINANCIAL SERVICES OF MAINE, INC.**  
**(A SUBSIDIARY OF RAM TRUST COMPANY)**  
**Statements of Cash Flows**  
**Years ended December 31, 2010 and 2009**

	2010	2009
Cash flows from operating activities:		
Net income	\$ 23,778	85,022
Changes in operating assets and liabilities:		
Accounts receivable	(11,725)	20,088
Prepaid expenses	(19)	-
Receivable from brokers/dealers	-	15,011
Accounts payable	12,974	(3,259)
Net cash provided by operating activities	25,008	116,862
Cash flows from financing activities:		
Dividends paid	(31,000)	(140,000)
Net cash used in financing activities	(31,000)	(140,000)
Decrease in cash and cash equivalents	(5,992)	(23,138)
Cash and cash equivalents at beginning of year	42,070	65,208
Cash and cash equivalents at end of year	\$ 36,078	42,070

*See accompanying notes to financial statements.*

**ATLANTIC FINANCIAL SERVICES OF MAINE, INC.**  
**(A SUBSIDIARY OF RAM TRUST COMPANY)**  
**Notes to Financial Statements**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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**Nature of Business** - Atlantic Financial Services of Maine, Inc. (AFS), a wholly owned subsidiary of Ram Trust Company was incorporated to engage in the business of performing securities transactions as a nonclearing broker. The Company's office is located in Portland, Maine. The Company's customers consist primarily of its parent's investment management clients.

The Company is registered as a broker/dealer under the Securities Exchange Act of 1934 with the Financial Industry Regulatory Authority (FINRA), and is a member of SIPC (Securities Investors Protection Corporation).

The Company is an introducing broker and introduces customers to independent clearing brokers on a fully-disclosed basis. Customer accounts are held and maintained by the clearing brokers. During 2009 the Company established a commission sharing arrangement with an independent broker.

**Income Taxes** - During 2007, the operations of the former parent company Ram Trust Services, Inc. combined with Ram Trust Company. Ram Trust Company is an S-corporation. Accordingly, in 2010 and 2009, no income taxes are payable by the parent company and therefore not allocated.

Effective January 1, 2010, the Company adopted the provisions of *Accounting for Uncertainty in Income Taxes* as provided for in the *Income Taxes* topic of the FASB Accounting Standards Codification. This statement clarifies the criteria that an individual tax position must satisfy for some or all of the benefits of that position to be recognized in an entity's financial statements. It also prescribes a recognition threshold of more likely-than-not, and a measurement attribute for all tax positions taken or expected to be taken on a tax return, in order for those tax positions to be recognized in the financial statements. There was no cumulative effect on the Company's financial statements related to adoption of these provisions, and no interest or penalties related to uncertain tax positions were accrued. The Company is currently open to audit under the statute of limitations by the Internal Revenue Services and state taxing authorities for the years ended December 31, 2007 through 2010.

**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 statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Revenue Recognition and Commissions Receivable** - Revenue is recognized on the accrual method when trades for customers are executed or when account maintenance or other services are performed.

Commissions receivable represent commission revenue earned but not yet received. Accounts are charged off to expense if deemed uncollectible by management. No allowance for uncollectible amounts is considered necessary.

**Cash and Cash Equivalents** - Includes deposits with a maturity of one year or less.

**ATLANTIC FINANCIAL SERVICES OF MAINE, INC.**  
**(A SUBSIDIARY OF RAM TRUST COMPANY)**  
**Notes to Financial Statements, Continued**

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**CONCENTRATIONS OF CREDIT RISK**

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The Company maintains its bank accounts at one financial institution. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Company had \$0 of uninsured cash balances at December 31, 2010 and 2009, respectively.

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**RELATED PARTY TRANSACTIONS**

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Due to common ownership and/or control, the Company is related to certain entities and it may enter into economic transactions with such entities that affect its financial condition and operations.

Substantially all revenues are from customers of the parent company; many of those customers are related parties to the parent company.

The parent company has periodically provided certain administrative services to the Company. For the years ending December 31, 2010 and 2009, the Company was charged \$56,950 and \$39,132, respectively, for such services by the parent, and the costs are reflected in the statements of income. For the years ending December 31, 2010 and 2009, accounts payable include \$13,796 and \$822, respectively, owed to the parent.

During the years ended December 31, 2010 and 2009, the Company paid dividends to the parent Company totaling \$31,000 and \$140,000, respectively.

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**NET CAPITAL REQUIREMENTS**

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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 of \$5,000 and a ratio of Aggregate Indebtedness to Net Capital, as defined, not to exceed 1500%. At December 31, 2010, the Company's ratio of Aggregate Indebtedness to Net Capital was 35.4% and its Net Capital, Minimum Net Capital and Excess Net Capital were as follows:

Net Capital	\$ 38,981
<u>Minimum Net Capital</u>	<u>5,000</u>
<u>Excess Net Capital</u>	<u>\$ 33,981</u>

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**SUBSEQUENT EVENT**

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In accordance with *Subsequent Events* topic of the FASB Accounting Standards Codification, management has evaluated subsequent events for possible recognition or disclosure through February 2, 2011, which is the date these financial statements were issued.

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**ATLANTIC FINANCIAL SERVICES OF MAINE, INC.**  
**(A SUBSIDIARY OF RAM TRUST COMPANY)**  
**Computation of Net Capital Under Rule 15c3-1**  
**of the Securities and Exchange Commission**  
**December 31, 2010**

Net Capital	
Total stockholder's equity:	
Common stock	\$ 1
Additional paid-in capital	36,576
Retained earnings	3,424
<b>Total stockholder's equity qualified for Net Capital</b>	<b>40,001</b>
Deductions:	
Nonallowable assets:	
Prepaid expenses	662
<b>Total nonallowable assets</b>	<b>662</b>
Haircuts on securities	358
<b>Total deductions</b>	<b>1,020</b>
<b>Net Capital</b>	<b>38,981</b>
<b>Minimum Net Capital</b>	<b>5,000</b>
<b>Excess Net Capital</b>	<b>\$ 33,981</b>
Aggregate Indebtedness:	
Accounts payable	13,796
	13,796
<b>Ratio of Aggregate Indebtedness to Net Capital</b>	<b>35.4%</b>
Reconciliation with Company's computation (included in Part II of Form X-17A-5 as of December 31, 2010):	
Net capital, as reported in Company's Part II (Unaudited) Focus Report	38,981
Audit adjustments, net	-
Adjustments, net	-
<b>Net Capital per above</b>	<b>\$ 38,981</b>
	<i>See auditor's report.</i>

**ATLANTIC FINANCIAL SERVICES OF MAINE, INC.**  
**(A SUBSIDIARY OF RAM TRUST COMPANY)**  
**Computation for Determination of Reserve**  
**Requirement Pursuant to Rule 15c3-3**  
**December 31, 2010**

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The provisions of this rule are not applicable to Atlantic Financial Services of Maine, Inc. pursuant to Rule 15c3-3, paragraph (k)(2)(ii). Atlantic Financial Services of Maine, Inc. is an introducing broker/dealer which neither receives nor holds customer funds or securities and clears all transactions with and for customers on a fully-disclosed basis with a clearing broker/dealer.

**ATLANTIC FINANCIAL SERVICES OF MAINE, INC.**  
**(A SUBSIDIARY OF RAM TRUST COMPANY)**  
**Information Relating to the Possession or Control**  
**Requirements Pursuant to Rule 15c3-3**  
**December 31, 2010**

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The provisions of this rule are not applicable to Atlantic Financial Services of Maine, Inc. pursuant to Rule 15c3-3, paragraph (k)(2)(ii). Atlantic Financial Services of Maine, Inc. is an introducing broker/dealer which neither receives nor holds customer funds or securities and clears all transactions with and for customers on a fully-disclosed basis with a clearing broker/dealer.



Certified Public Accountants and Business Consultants

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL

The Stockholder  
Atlantic Financial Services of Maine, Inc.

In planning and performing our audit of the financial statements of Atlantic Financial Services of Maine, Inc. (a subsidiary of Ram Trust 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 Atlantic Financial Services of Maine, Inc.'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 (including tests of compliance with such practices and procedures) followed by Atlantic Financial Services of Maine, Inc. 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 the procedures for determining compliance with the exemptive provisions of Rule 15c3-3. Because the Company does not carry security accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in making the quarterly securities examinations, counts, verifications and comparisons, the recordation of differences required by Rule 17a-13, or in complying with the requirements for prompt payment for securities under Section 8 of Regulation T of the Board of Governors of the Federal Reserve System.

The management of the Company is responsible for establishing and maintaining internal controls 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 internal control policies and procedures 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 no 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 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.

## INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL, CONTINUED

Because of inherent limitations in any internal controls or the practices and procedures referred to above, errors or irregularities 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a deficiency in internal control that we consider to be a significant deficiency.

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 a 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.

### Segregation of Duties (Repeat)

Segregation of duties involves the assignment of responsibilities in such a way that different employees handle different parts of the same transaction. Anyone who records transactions or has access to assets ordinarily is in a position to perpetrate errors or irregularities. Appropriate segregation of duties helps to detect errors in a timely manner and deter improper activities. For example, having an employee with no cash receipts or disbursements responsibility perform the bank reconciliation is considerably more effective in meeting the applicable specific internal accounting control objectives. Similarly, internal accounting control is enhanced when the employee who handles the accounting for an asset, such as cash, is denied access to the asset; for example, the employee who maintains cash records should not be authorized to sign checks without a responsible co-signer.

One of the most critical areas of separation is cash, where we noted that the bookkeeper handles the posting of cash receipts and disbursements, prepares and signs checks, inputs payroll data and receives and reconciles the monthly bank statements. Although the small size of the Company's office staff limits the extent of separation of duties, we believe certain steps continue to be taken to separate incompatible duties. The basic premise is that no one employee should have access to both physical assets and the related accounting records or to all phases of a transaction.

The result is the danger that intentional or unintentional errors could be made and not detected. We recommend that the company president or treasurer continue to receive the monthly bank statements and review them and the cancelled checks prior to mailing to the bookkeeper for preparation of the monthly bank reconciliation. The company treasurer should also continue to review the reconciliations after they are prepared.

In addition to reviewing the monthly bank statements and reconciliation, we would also recommend that the company president or treasurer continue to approve payment of invoices prior to the submission of payment by the bookkeeper.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL, CONTINUED**

We believe this reconciliation process is critical and recommend that it continue to be performed monthly to ensure errors are identified and corrected in a timely manner.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes.

Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2010 to meet the SEC's objectives.

This report is intended solely for the use of management, the SEC and other regulatory agencies which 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.

*Remyon Kristen Ouellette*

February 2, 2011  
South Portland, Maine