



SECURI



11015830

ION

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

10/2/28

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

SEC FILE NUMBER  
8-48938

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 01/01/2010 AND ENDING 12/31/2010  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: J. Alden Associates Inc.

OFFICIAL USE ONLY  
FIRM I.D. NO.

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

261 OLD YORK ROAD SUITE 837  
JENKINTOWN PA 19046  
(No and Street) (City) (State) (Zip Code)

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

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Fox & Company PC  
(Name - if individual, state last, first, middle name)  
1200 BUSTLETON PIKE SUITE 3 FEASTERVILLE PA 19053  
(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)

MM

OATH OR AFFIRMATION

I, PETER A. ENQELBACH, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of S. ALDEN ASSOCIATES INC, as of FEBRUARY 17, 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:

[Handwritten Signature]
Signature
PRESIDENT
Title

[Handwritten Signature]
Notary Public

COMMONWEALTH OF PENNSYLVANIA
NOTARIAL SEAL
Carol Blender, Notary Public
Abington Township, Montgomery County
My commission expires May 22, 2013

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).

**J. ALDEN ASSOCIATES, INC.**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2010**

**FOX & COMPANY, P.C.**

Certified Public Accountants  
FEASTERVILLE, PENNSYLVANIA

J. ALDEN ASSOCIATES, INC.  
(AN S CORPORATION)

DECEMBER 31, 2010

INDEX

	Page
Independent Auditor's Report	1
Independent Auditor's Report on Internal Control	2 - 4
Statement of Financial Condition	5
Statement of Income	6
Statement of Changes in Stockholders' Equity	7
Statement of Changes in Liabilities Subordinated to Claims of General Creditors	8
Statement of Cash Flows	9
Notes to Financial Statements	10 - 13
Supplementary Information Schedules I, II, III, IV	14 - 17

# FOX & COMPANY, P.C.

Certified Public Accountants

1200 Bustleton Pike, Suite 3, Feasterville, PA 19053 (215) 322-2664 • Fax (215) 322-4391

MURRAY J. FOX CPA

IRA M. FOX CPA

February 10, 2011

## Independent Auditor's Report

J. Alden Associates, Inc.  
261 Old York Road  
Suite 837  
Jenkintown, Pennsylvania 19046

Board of Directors

We have audited the accompanying statement of financial condition of J. Alden Associates, Inc. (an S corporation), as of December 31, 2010, and the related statements of income, changes in stockholders' equity, changes in liabilities subordinated to claims of general creditors, 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 these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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 J. Alden Associates, Inc. as of December 31, 2010, and the results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedules I, II, III, and IV is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,  
*Fox + Company PC CPAs*

# FOX & COMPANY, P.C.

Certified Public Accountants

1200 Bustleton Pike, Suite 3, Feasterville, PA 19053 (215) 322-2664 • Fax (215) 322-4391

MURRAY J. FOX CPA

IRA M. FOX CPA

February 10, 2011

## Independent Auditor's Report on Internal Control Structure Required by SEC Rule 17a-5

J. Alden Associates, Inc.  
261 Old York Road  
Suite 837  
Jenkintown, Pennsylvania 19046

Board of Directors

In planning and performing our audit of the financial statements and supplemental schedules of J. Alden Associates, Inc. (the Company) 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.

Alden Associates, Inc.  
Board of Directors  
February 10, 2011

In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal 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 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, 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 above.

J. Alden Associates, Inc.  
Board of Directors  
February 10, 2011

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 information and use of management, the Securities and Exchange Commission, the New York Stock Exchange 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.

Respectfully submitted,

*Fox & Company PC CPAs*

J. ALDEN ASSOCIATES, INC.  
(AN S CORPORATION)

STATEMENT OF FINANCIAL CONDITION  
DECEMBER 31, 2010

ASSETS

Cash and Cash Equivalents	\$ 8,816
Brokerage Money Market	25,027
Receivables from Brokers and Dealers	84,287
Securities Owned:	
Marketable, at market value	10,451
Furniture and Equipment, at cost,	
Less Accumulated Depreciation of \$60,129	10,837
Security Deposit	2,315
Prepaid Expenses	12,996
Other Assets	600
TOTAL ASSETS	\$ 155,329

LIABILITIES AND STOCKHOLDERS' EQUITY

Accounts Payable, Accrued Expenses and Other Liabilities	\$ 78,872
Accrued Payroll Taxes	17,864
TOTAL LIABILITIES	96,736
Stockholders' Equity	
Common Stock, no par value, no stated value, authorized 2,000 shares, issued 1,303 shares, 1,073 outstanding	142,804
Retained Earnings (Deficit)	( 61,799)
Less Common Stock in Treasury, 230 shares at cost	( 22,412)
Total Stockholders' Equity	58,593
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 155,329

The accompanying notes are an integral part of these financial statements.

J. ALDEN ASSOCIATES, INC.  
(AN S CORPORATION)

STATEMENT OF INCOME  
FOR THE YEAR ENDED DECEMBER 31, 2010

Revenues

Commissions	\$	913,962
Net Dealer Inventory and Investment Losses	(	1,495)
Interest and Dividends		956
Other Income		31,122
Total Revenues		944,545

Expenses

Employee Compensation and Benefits	149,944
Clearance Fees, Commissions and Floor Brokerage	526,873
Communications	13,725
Occupancy Expense	22,835
Equipment Rental	4,904
Interest	1,550
Taxes, Other than Income Taxes	4,186
Other Operating Expenses	174,616
Total Expenses	898,633

Net Income \$ 45,912

The accompanying notes are an integral part of these financial statements.

J. ALDEN ASSOCIATES, INC.  
(AN S CORPORATION)

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2010

	Common Stock	Retained Earnings (Deficit)	Treasury Stock
Balance - January 1, 2010	\$142,804	\$ ( 55,389)	\$ (22,412)
Net Income	--	45,912	--
Distributions to Shareholders	--	( 52,322)	--
Balances - December 31, 2010	\$142,804	\$ ( 61,799)	\$ (22,412)

The accompanying notes are an integral part of these financial statements.

J. ALDEN ASSOCIATES, INC.  
(AN S CORPORATION)

STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED TO CLAIMS  
OF GENERAL CREDITORS  
FOR THE YEAR ENDED DECEMBER 31, 2010

Subordinated Borrowings at January 1, 2010	\$ - 0 -
Changes in Subordinated Borrowings	- 0 -
Subordinated Borrowings at December 31, 2010	\$ - 0 -

The accompanying notes are an integral part of these financial statements.

J. ALDEN ASSOCIATES, INC.  
(AN S CORPORATION)

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2010

Cash Flows From Operating Activities:

Net Income	\$ 45,912
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:	
Depreciation	4,718
Unrealized Loss on Marketable Securities	24,251
Realized Loss on Sale of Marketable Securities	380
Realized Gain on Sale of Marketable Securities	( 1,529)
Realized Gain on Marketable Securities	( 21,607)
Gain on Involuntary Conversion	( 1,409)
(Increase) Decrease In Assets:	
Accounts Receivable from Brokers and Dealers	( 3,959)
Brokerage Money Market	( 27)
Prepaid Expenses	( 944)
Marketable Securities Owned	132,260
Employee Advance	( 600)
Increase (Decrease) In Liabilities:	
Accounts Payable, Accrued Expenses and Other Liabilities	(107,837)
Net Cash Used By Operating Activities	69,609
Cash Flows From Investing Activities:	
Purchase of Equipment and Furniture	( 1,400)
Cash Flows From Financing Activities:	
(Decrease) in Lines of Credit	( 9,084)
Distributions to Shareholder	( 52,322)
Net Cash Used By Financing Activities	( 61,406)
Net Increase In Cash and Cash Equivalents	6,803
Cash and Cash Equivalents - January 1, 2010	2,013
Cash and Cash Equivalents - December 31, 2010	\$ 8,816
Supplemental Cash Flows Disclosures:	
Interest Paid	\$ 1,550

The accompanying notes are an integral part of these financial statements.

J. ALDEN ASSOCIATES, INC.  
(AN S CORPORATION)

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2010

Note 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

J. Alden Associates, Inc. was incorporated on November 3, 1995. The Company has been granted a license effective June 1, 1996 as a broker and dealer in securities under the Securities Exchange Act of 1934 with the Financial Industry Regulatory Authority ("FINRA").

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

ALLOWANCE FOR DOUBTFUL ACCOUNTS

The Company considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made. Bad debt expense was \$-0- for the year ended December 31, 2010.

PROPERTY, EQUIPMENT AND DEPRECIATION

Property and equipment are recorded at cost. Depreciation is computed utilizing the straight line method for financial reporting purposes. The estimated useful lives of the assets are as follows:

Furniture and Fixtures	7 Years
Office Equipment	5 Years
Computer Equipment	3 Years

Maintenance and repairs are charged to expense as incurred; major renewals and betterments are capitalized. When items of property and equipment are sold or retired, the related cost and accumulated depreciation or recovery are removed from the accounts and any gain or loss is included in income.

CASH AND CASH EQUIVALENTS

The Company considers all highly liquid investments with an original maturity of three (3) months or less as cash.

The accompanying notes are an integral part of these financial statements.

J. ALDEN ASSOCIATES, INC.  
(AN S CORPORATION)

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2010

Note 1, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

INCOME TAXES

Effective January 1, 1999, the Company has elected to be treated as a small business corporation pursuant to Section 1372(a) of the Internal Revenue Code. This election will eliminate the need to account for entity level income taxes, as the stockholders have elected to be taxed individually on their share of Company earnings.

Note 2

MARKETABLE SECURITIES

Marketable Securities are classified as trading securities and are valued at current market value. The cost of these securities is \$14,444. The total accumulated unrealized loss at December 31, 2010 is \$3,993. Changes in unrealized gains and losses are recognized currently in income.

Note 3

FURNITURE, EQUIPMENT AND DEPRECIATION

Furniture, equipment and the related accumulated depreciation at December 31, 2010 consists of the following:

Computer Equipment	\$ 11,207
Furniture	59,213
Office Equipment	546
Total	70,966
Less: Accumulated Depreciation	( 60,129)
Total Furniture, Equipment and Depreciation	\$ 10,837

Depreciation expense for the year ended December 31, 2010 was \$4,712.

The accompanying notes are an integral part of these financial statements.

J. ALDEN ASSOCIATES, INC.  
(AN S CORPORATION)

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2010

Note 4

CAPITAL STOCK

The authorized, issued, and outstanding shares of capital stock at December 31, 2010 were as follows:

Common stock, without par or stated value; authorized 2,000 shares; issued 1,303 shares (in treasury 230 shares).

Note 5

PENSION PLAN

The Company has established a cash or deferred arrangement simplified employee pension plan. This plan covers those employees who have attained the age of twenty-one years old and have provided service to the employer in one of the preceding five years. Contributions are at the discretion of the board of directors. The current liability for pension cost at December 31, 2010 was \$ - 0 -.

Note 6

COMMITMENTS AND CONTINGENT LIABILITIES

Under operating leases with remaining noncancellable terms in excess of one year at December 31, 2010, aggregate annual rentals for office space and equipment are approximately as listed below:

December 31, 2011	\$ 26,023
December 31, 2012	11,047
Total Commitments and Contingent Liabilities	\$ 37,070

Total expense for rent and equipment rental for the year ended December 31, 2010 was \$22,835 and \$4,904, respectively.

The Company has entered into a clearing agreement with Leigh Baldwin, LLC., to clear its securities transactions on a fully disclosed basis. In the event a customer or another broker is unable to fulfill its contracted obligation, the Company may be exposed to off-balance sheet risk.

The accompanying notes are an integral part of these financial statements.

J. ALDEN ASSOCIATES, INC.  
(AN S CORPORATION)

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2010

Note 6, Continued

COMMITMENTS AND CONTINGENT LIABILITIES, Continued

In order to maintain this arrangement, the Company must achieve and maintain a net capital amount, as computed under Securities and Exchange Commission Rule 15c3-1, of \$6,000. The Company was in compliance as of December 31, 2010.

Note 7

NET CAPITAL REQUIREMENTS

The Company is subject to the net capital requirements of the Financial Industry Regulatory Authority ("FINRA") and the Uniform Net Capital requirements of the Securities and Exchange Commission (SEC) under Rule 15c3-1. Pursuant to "FINRA" Rules, the Company is required to maintain a minimum of \$5,000 of net capital. At December 31, 2010, the Company had net capital of approximately \$26,670 which was \$21,670 in excess of the \$5,000 required to be maintained at that date. The Company's net capital ratio was 3.63 to 1.

The accompanying notes are an integral part of these financial statements.

SUPPLEMENTARY INFORMATION

J. ALDEN ASSOCIATES, INC.  
(AN S CORPORATION)

SCHEDULE I  
COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1 OF THE SECURITIES  
AND EXCHANGE COMMISSION  
DECEMBER 31, 2010

NET CAPITAL

Total Stockholder's Equity Qualified for Net Capital	\$	58,593
Add:		
A. Subordinated borrowings allowable in computation of net capital		- 0 -
Total Capital and Allowable Subordinated Liabilities	\$	58,593
Deductions and/or Charges		
A. Non-Allowable Assets		
Furniture and Equipment	\$	10,837
Other Assets		19,369
Total Deductions/and or Charges	\$	30,206
Net Capital Before Haircuts on Securities Positions	\$	28,387
Haircuts on Securities		
A. Trading Securities		1,717
Net Capital	\$	26,670

AGGREGATE INDEBTEDNESS

Items included in Statement of Financial Condition:		
Accounts Payable, Accrued and Other Liabilities	\$	96,736

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Minimum Net Capital Required	\$	6,000
Ratio: Aggregate Indebtedness to Net Capital		3.63 to 1

RECONCILIATION WITH COMPANY'S COMPUTATION

Net Capital, as reported in Company's Part II (Unaudited) Focus Report	\$	26,540
Net Audit Adjustments	\$	130
Net Capital per above	\$	26,670

The accompanying notes are an integral part of these financial statements.

J. ALDEN ASSOCIATES, INC.  
(AN S CORPORATION)

SCHEDULE II  
COMPUTATION OF DETERMINATION OF RESERVE REQUIREMENTS UNDER RULE  
15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION  
DECEMBER 31, 2010

The Company is exempt under Rule 15c3-3(k)(2)(ii) from preparing the Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.

The accompanying notes are an integral part of these financial statements.

J. ALDEN ASSOCIATES, INC.  
(AN S CORPORATION)

SCHEDULE III  
INFORMATION RELATING TO POSSESSION OR CONTROL REQUIREMENTS UNDER  
RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION  
DECEMBER 31, 2010

1. Customers' fully paid securities and excess margin securities not in the respondent's possession or control as of the report date (for which instructions to reduce to possession or control had been issued as of the report date but for which the required action specified under Rule 15C3-3):	\$ - 0 -
A. Number of Items	\$ <u>- 0 -</u>
2. Customers' fully paid securities and excess margin securities for which instructions to reduce to possession or control had not been issued as of the report date, excluding items arising from "temporary lags, which result from normal business operations" as permitted under Rule 15c3-3:	\$ - 0 -
A. Number of Items	\$ <u>- 0 -</u>

The accompanying notes are an integral part of these financial statements.

J. ALDEN ASSOCIATES, INC.  
(AN S CORPORATION)

SCHEDULE IV  
SCHEDULE OF SEGREGATION REQUIREMENTS AND FUNDS IN SEGREGATION FOR  
CUSTOMERS' REGULATED COMMODITY FUTURES AND OPTIONS ACCOUNTS  
DECEMBER 31, 2010

Not Applicable

The accompanying notes are an integral part of these financial statements.