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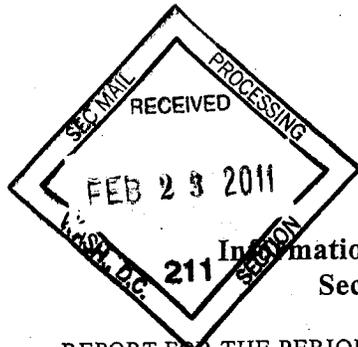
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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

APPROVAL  
Form No. 3235-0123  
Expires: April 30, 2013  
Estimated average burden  
hours per response..... 12.00



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

SEC FILE NUMBER  
8- 48995

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 JANUARY 1, 2010 AND ENDING DECEMBER 31, 2010  
MM/DD/YY MM/DD/YY

## A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: (The Logan Group Securities - DBA)  
Firm: Logan, Kevin Christopher  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
2150 DOUGLAS BLVD. #240

OFFICIAL USE ONLY  
FIRM I.D. NO.

ROSEVILLE CA 95661  
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
KEVIN LOGAN (916) 791-3200  
(Area Code - Telephone Number)

## B. ACCOUNTANT IDENTIFICATION

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

MISTRETTA ASSOCIATES  
(Name - if individual, state last, first, middle name)  
816 21ST STREET SACRAMENTO CA 95811  
(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)

kw  
3/10

# CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Placer

On 2-22-11

Date

before me,

Ann Diamondstone  
Here Insert Name and Title of the Officer

personally appeared

Kevin Logan  
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Ann Diamondstone  
Signature of Notary Public



Place Notary Seal Above

## OPTIONAL

*Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.*

### Description of Attached Document

Title or Type of Document: \_\_\_\_\_

Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

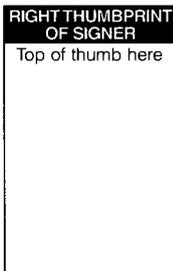
Signer(s) Other Than Named Above: \_\_\_\_\_

### Capacity(ies) Claimed by Signer(s)

Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer — Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_

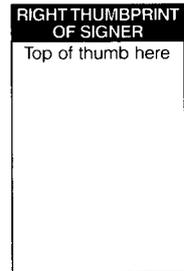
Signer Is Representing: \_\_\_\_\_



Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer — Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_

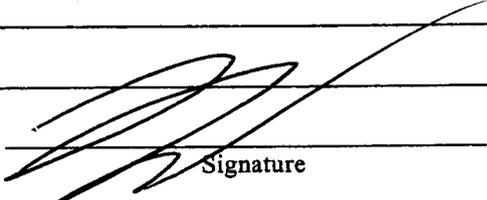
Signer Is Representing: \_\_\_\_\_



OATH OR AFFIRMATION

I, KEVIN LOGAN, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of THE LOGAN GROUP SECURITIES, 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:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

  
\_\_\_\_\_  
Signature  
**PROPRIETOR**  
\_\_\_\_\_  
Title

\_\_\_\_\_  
Notary Public

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).

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

Form  
X-17A-5

**FOCUS REPORT**  
(Financial and Operational Combined Uniform Single Report)  
**PART IIA** 12

(Please read instructions before preparing Form.)

This report is being filed pursuant to (Check Applicable Block(s)):

- 1) Rule 17a-5(a)  16      2) Rule 17a-5(b)  17      3) Rule 17a-11  18  
4) Special request by designated examining authority  19      5) Other  26

NAME OF BROKER-DEALER

SEC FILE NO.

8-48995 14

**THE LOGAN GROUP SECURITIES** 13

FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS (Do Not Use P.O. Box No.)

40259 15

2150 DOUGLAS BLVD. #240 20

FOR PERIOD BEGINNING (MM/DD/YY)

(No. and Street)

JANUARY 1, 2010 24

ROSEVILLE 21

CA 22

95661 23

AND ENDING (MM/DD/YY)

(City)

(State)

(Zip Code)

DECEMBER 31, 2010 25

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

(Area Code) — Telephone No.

KEVIN LOGAN 30

(916) 791-3200 31

NAME(S) OF SUBSIDIARIES OR AFFILIATES CONSOLIDATED IN THIS REPORT:

OFFICIAL USE

32 33

34 35

36 37

38 39

DOES RESPONDENT CARRY ITS OWN CUSTOMER ACCOUNTS? YES  40 NO  41

CHECK HERE IF RESPONDENT IS FILING AN AUDITED REPORT  42

**EXECUTION:**

The registrant/broker or dealer submitting this Form and its attachments and the person(s) by whom it is executed represent hereby that all information contained therein is true, correct and complete. It is understood that all required items, statements, and schedules are considered integral parts of this Form and that the submission of any amendment represents that all unamended items, statements and schedules remain true, correct and complete as previously submitted.

Dated the 22nd day of February 20 11  
Manual signatures of:

- 1) [Signature]  
Principal Executive Officer or Managing Partner
- 2) [Signature]  
Principal Financial Officer or Partner
- 3) [Signature]  
Principal Operations Officer or Partner

**ATTENTION** — Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C. 78:f(a))

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

**TO BE COMPLETED WITH THE ANNUAL AUDIT REPORT ONLY:**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report

NAME (If individual, state last, first, middle name)

MISTRETTA ASSOCIATES

70

ADDRESS

816 21ST STREET

71 SACRAMENTO

72 CA

73 95811

74

Number and Street

City

State

Zip Code

CHECK ONE

Certified Public Accountant

75

Public Accountant

76

Accountant not resident in United States  
or any of its possessions

77

**FOR SEC USE**

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DO NOT WRITE UNDER THIS LINE . . . FOR SEC USE ONLY

WORK LOCATION	REPORT DATE MM/DD/YY	DOC. SEQ. NO.	CARD				
50	51	52	53				

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER

THE LOGAN GROUP SECURITIES

N 3

100

### STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING AND CERTAIN OTHER BROKERS OR DEALERS

as of (MM/DD/YY) **DECEMBER 31, 2010**

SEC FILE NO. **8-48995**

Consolidated	99
Unconsolidated	98
	198
	199

	Allowable		Non-Allowable		Total
1. Cash .....	\$ 7,725	200			\$ 7,725 750
2. Receivables from brokers or dealers:					
A. Clearance account .....		295			
B. Other .....	7,052	300	550		7,052 810
3. Receivable from non-customers .....		355	600		955 830
4. Securities and spot commodities owned at market value:					
A. Exempted securities .....		418			
B. Debt securities .....		419			
C. Options .....		420			
D. Other securities .....	4,066	424			
E. Spot commodities .....		430			4,066 850
5. Securities and/or other investments not readily marketable:					
A. At cost $\frac{1}{2}$ \$ .....		130			
B. At estimated fair value .....		440	610		860
6. Securities borrowed under subordination agreements and partners' individual and capital securities accounts, at market value:					
A. Exempted securities \$ .....		150			
B. Other securities \$ .....		160			
7. Secured demand notes: .....		470	640		890
Market value of collateral:					
A. Exempted securities \$ .....		170			
B. Other securities \$ .....		180			
8. Memberships in exchanges:					
A. Owned, at market \$ .....		190			
B. Owned, at cost .....			650		
C. Contributed for use of the company, at market value .....			660		900
9. Investment in and receivables from affiliates, subsidiaries and associated partnerships .....		480	670		910
10. Property, furniture, equipment, leasehold improvements and rights under lease agreements, at cost-net of accumulated depreciation and amortization .....		490	680		920
11. Other assets .....		535	50 735		50 930
12. TOTAL ASSETS .....	\$ 18,843	540	\$ 50 740		\$ 18,893 940

OMIT PENNIES

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER

THE LOGAN GROUP SECURITIES

as of DECEMBER 31, 2010

### STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING AND CERTAIN OTHER BROKERS OR DEALERS

#### LIABILITIES AND OWNERSHIP EQUITY

<u>Liabilities</u>	A.I. <u>Liabilities</u>	Non-A.I. <u>Liabilities</u>	<u>Total</u>
13. Bank loans payable .....	\$ 1045	\$ 1255 <sup>13</sup>	\$ 1470
14. Payable to brokers or dealers:			
A. Clearance account .....	1114	1315	1560
B. Other .....	1115 <sup>10</sup>	1305	1540
15. Payable to non-customers .....	1155	1355	1610
16. Securities sold not yet purchased, at market value .....		1360	1620
17. Accounts payable, accrued liabilities, expenses and other .....	1205	1385	1685
18. Notes and mortgages payable:			
A. Unsecured .....	1210		1690
B. Secured .....	1211 <sup>12</sup>	1390 <sup>14</sup>	1700
19. E. Liabilities subordinated to claims of general creditors:			
A. Cash borrowings:			
1. from outsiders <sup>9</sup> , \$ 970			
2. includes equity subordination (15c3-1(d)) of ... \$ 980			
B. Securities borrowings, at market value from outsiders \$ 990		1410	1720
C. Pursuant to secured demand note collateral agreements:			
1. from outsiders \$ 1000			
2. includes equity subordination (15c3-1(d)) of ... \$ 1010		1420	1730
D. Exchange memberships contributed for use of company, at market value .....		1430	1740
E. Accounts and other borrowings not qualified for net capital purposes .....	1220	1440	1750
20. TOTAL LIABILITIES .....	\$ 1230	\$ 1450	\$ 1760
<b><u>Ownership Equity</u></b>			
21. Sole Proprietorship .....			18,893 <sup>15</sup>
22. Partnership (limited partners) .....	1020 <sup>11</sup>		1780
23. Corporation:			
A. Preferred stock .....			1791
B. Common stock .....			1792
C. Additional paid-in capital .....			1793
D. Retained earnings .....			1794
E. Total .....			1795
F. Less capital stock in treasury .....			1796 <sup>16</sup>
24. TOTAL OWNERSHIP EQUITY .....			\$ 18,893
25. TOTAL LIABILITIES AND OWNERSHIP EQUITY .....			\$ 18,893

OMIT PENNIES

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT PART IIA

BROKER OR DEALER

THE LOGAN GROUP SECURITIES

as of DECEMBER 31, 2010

## COMPUTATION OF NET CAPITAL

1. Total ownership equity from Statement of Financial Condition .....	\$ 18,893	3480	
2. Deduct ownership equity not allowable for Net Capital .....	( )	3490	
3. Total ownership equity qualified for Net Capital .....	18,893	3500	
4. Add:			
A. Liabilities subordinated to claims of general creditors allowable in computation of net capital .....		3520	
B. Other (deductions) or allowable credits (List) .....		3525	
5. Total capital and allowable subordinated liabilities .....		3530	
6. Deductions and/or charges:			
A. Total non-allowable assets from Statement of Financial Condition (Notes B and C) .....	17 \$ 50	3540	
B. Secured demand note delinquency .....		3590	
C. Commodity futures contracts and spot commodities - proprietary capital charges .....		3600	
D. Other deductions and/or charges .....		3610	( 50 )
7. Other additions and/or allowable credits (List) .....			3620
8. Net capital before haircuts on securities positions .....	20 \$ 18,843	3630	3640
9. Haircuts on securities (computed, where applicable, pursuant to 15c3-1(f)):			
A. Contractual securities commitments .....	\$	3660	
B. Subordinated securities borrowings .....		3670	
C. Trading and investment securities:			
1. Exempted securities .....	18	3735	
2. Debt securities .....		3733	
3. Options .....		3730	
4. Other securities <del>MM and equity mutual funds</del> .....	418	3734	
D. Undue Concentration .....		3650	
E. Other (List) .....		3736	( 418 )
10. Net Capital .....		3740	3750

OMIT PENNIES

NET CAPITAL PER FOCUS REPORT FILED  
FOR THE QUARTER ENDING DECEMBER 31, 2010

\$18,425

ADJUSTMENTS

0

NET CAPITAL PER DECEMBER 31, 2010  
AUDITED FINANCIAL STATEMENTS

\$18,425

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER

THE LOGAN GROUP SECURITIES

as of DECEMBER 31, 2010

### COMPUTATION OF NET CAPITAL REQUIREMENT

**Part A**

11. Minimum net capital required (6 $\frac{1}{2}$ % of line 19) .....	\$	0	3756
12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A) .....	\$	5,000	3758
13. Net capital requirement (greater of line 11 or 12) .....	\$	5,000	3760
14. Excess net capital (line 10 less 13) .....	\$	13,425	3770
15. Excess net capital at 1000% (line 10 less 10% of line 19) .....	\$	18,425	3780

### COMPUTATION OF AGGREGATE INDEBTEDNESS

16. Total A.I. liabilities from Statement of Financial Condition .....	\$	NONE	3790
17. Add:			
A. Drafts for immediate credit .....	\$	3800	3800
B. Market value of securities borrowed for which no equivalent value is paid or credited .....	\$	3810	3840
C. Other unrecorded amounts (List) .....	\$	3820	3830
18. Total aggregate indebtedness .....	\$		3840
19. Percentage of aggregate indebtedness to net capital (line 18 ÷ by line 10) .....	%	0.00	3850
20. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1(d) .....	%	0.00	3860

### COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT

**Part B**

21. 2% of combined aggregate debit items as shown in Formula for Reserve Requirements pursuant to Rule 15c3-3 prepared as of the date of the net capital computation including both brokers or dealers and consolidated subsidiaries' debits .....	\$		3970
22. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A) .....	\$		3880
23. Net capital requirement (greater of line 21 or 22) .....	\$		3760
24. Excess capital (line 10 less 23) .....	\$		3910
25. Net capital in excess of the greater of:			
A. 5% of combined aggregate debit items or \$120,000 .....	\$		3920

**NOTES:**

- (A) The minimum net capital requirement should be computed by adding the minimum dollar net capital requirement of the reporting broker dealer and, for each subsidiary to be consolidated, the greater of:
  - 1. Minimum dollar net capital requirement, or
  - 2. 6 $\frac{1}{2}$ % of aggregate indebtedness or 4% of aggregate debits if alternative method is used.
- (B) Do not deduct the value of securities borrowed under subordination agreements or secured demand note covered by subordination agreements not in satisfactory form and the market values of memberships in exchanges contributed for use of company (contra to item 1740) and partners' securities which were included in non-allowable assets.
- (C) For reports filed pursuant to paragraph (d) of Rule 17a-5, respondent should provide a list of material non-allowable assets.

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER **THE LOGAN GROUP SECURITIES**

For the period (MMDDYY) from 1 / 1 / 10 3932 to 12 / 31 / 10 3933  
 Number of months included in this statement 3931

### STATEMENT OF INCOME (LOSS)

#### REVENUE

1. Commissions:			
a. Commissions on transactions in exchange listed equity securities executed on an exchange .....	\$		3935
b. Commissions on listed option transactions .....	25		3938
c. All other securities commissions ..... <b>mutual funds and variable annuities</b> .....		166,811	3939
d. Total securities commissions .....		166,811	3940
2. Gains or losses on firm securities trading accounts			
a. From market making in options on a national securities exchange .....			3945
b. From all other trading .....			3949
c. Total gain (loss) .....			3950
3. Gains or losses on firm securities investment accounts .....		449	3952
4. Profit (loss) from underwriting and selling groups .....			3955
5. Revenue from sale of investment company shares .....			3970
6. Commodities revenue .....			3990
7. Fees for account supervision, investment advisory and administrative services .....			3975
8. Other revenue .....			3995
9. Total revenue .....		\$ 167,260	4030

#### EXPENSES

10. Salaries and other employment costs for general partners and voting stockholder officers .....			4120
11. Other employee compensation and benefits .....			4115
12. Commissions paid to other broker-dealers .....			4140
13. Interest expense .....			4075
a. Includes interest on accounts subject to subordination agreements .....		4070	
14. Regulatory fees and expenses .....		1,445	4195
15. Other expenses .....		5,397	4100
16. Total expenses .....		\$ 6,842	4200

#### NET INCOME

17. Income (loss) before Federal income taxes and items below (Item 9 less item 16) .....		\$ 160,418	4210
18. Provision for Federal income taxes (for parent only) .....			4220
19. Equity in earnings (losses) of unconsolidated subsidiaries not included above .....			4222
a. After Federal income taxes of .....		4338	
20. Extraordinary gains (losses) .....			4224
a. After Federal income taxes of .....		4239	
21. Cumulative effect of changes in accounting principles .....			4225
22. Net income (loss) after Federal income taxes and extraordinary items .....		\$ 160,418	4230

#### MONTHLY INCOME

23. Income (current month only) before provision for Federal income taxes and extraordinary items .....		\$ 21,515	4211
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# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER

THE LOGAN GROUP SECURITIES

as of DECEMBER 31

2010

### EXEMPTIVE PROVISION UNDER RULE 15c3-3

24. If an exemption from Rule 15c3-1 is claimed, identify below the section upon which such exemption is based (check one only)

- |   |                                     |      |
|---|-------------------------------------|------|
| A. (k)(1) — <del>\$2,500</del> capital category as per Rule 15c3-1 ..... <span style="float: right;">\$5,000</span>                                     | <input checked="" type="checkbox"/> | 4550 |
| B. (k)(2)(A) — "Special Account for the Exclusive Benefit of customers" maintained .....  | <input type="checkbox"/>            | 4560 |
| C. (k)(2)(B) — All customer transactions cleared through another broker-dealer on a fully disclosed basis.<br>Name of clearing firm <sup>30</sup> ..... | <input type="checkbox"/>            | 4570 |
| D. (k)(3) — Exempted by order of the Commission (Include copy of letter) .....  | <input type="checkbox"/>            | 4580 |

### Ownership Equity and Subordinated Liabilities maturing or proposed to be withdrawn within the next six months and accruals, (as defined below), which have not been deducted in the computation of Net Capital.

	Type of Proposed Withdrawal or Accrual (See below for code)	Name of Lender or Contributor	Insider or Outsider? (In or Out)	Amount to be Withdrawn (cash amount and/or Net Capital Value of Securities)	(MMDDYY) Withdrawal or Maturity Date	Expect to Renew (Yes or No)
31	4600	4601	4602	4603	4604	4605
32	4610	4611	4612	4613	4614	4615
33	4620	4621	4622	4623	4624	4625
34	4630	4631	4632	4633	4634	4635
35	4640	4641	4642	4643	4644	4645
Total \$ <sup>36</sup>				4699		

OMIT PENNIES

Instructions: Detail Listing must include the total of items maturing during the six month period following the report date, regardless of whether or not the capital contribution is expected to be renewed. The schedule must also include proposed capital withdrawals scheduled within the six month period following the report date including the proposed redemption of stock and anticipated accruals which would cause a reduction of Net Capital. These anticipated accruals would include amounts of bonuses, partners' drawing accounts, taxes, and interest on capital, voluntary contributions to pension or profit sharing plans, etc., which have not been deducted in the computation of Net Capital, but which you anticipate will be paid within the next six months.

WITHDRAWAL CODE:	DESCRIPTIONS
1.	Equity Capital
2.	Subordinated Liabilities
3.	Accruals

**THE LOGAN GROUP SECURITIES**

**(A PROPRIETORSHIP)**

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**FINANCIAL STATEMENTS  
AND SUPPLEMENTARY SCHEDULES**  
Year ended December 31, 2010

**MISTRETTA ASSOCIATES**

**M**

**Certified Public Accountants**

**Financial Management Consultants**

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INDEPENDENT AUDITOR'S REPORT

Kevin Logan, Proprietor  
The Logan Group Securities  
Roseville, California

I have audited the accompanying balance sheet of The Logan Group Securities (a proprietorship), as of December 31, 2010 and the related statements of income and proprietor's equity and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted the audit in accordance with generally accepted auditing standards as established by the Auditing Standards Board (United States) and in accordance with the auditing standards of the Public Company Accounting Oversight Board (United States). Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor was I engaged to perform, an audit of its internal control over financial reporting. My audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, I express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that the audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Logan Group Securities 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.

Also, I have prepared and examined the supplementary schedules (Form X-17a-5(a)) which precede the aforementioned financial statements and this report; and in my opinion, they present fairly the information included therein in conformity with the rules of the Securities and Exchange Commission.

*Mistretta Associates*

February 11, 2011

THE LOGAN GROUP SECURITIES  
(A PROPRIETORSHIP)  
BALANCE SHEET  
December 31, 2010

ASSETS

Current Assets

Cash	\$ 7,725
Commissions receivable	7,052
Prepaid expenses	50
Investments	<u>4,066</u>
Total Current Assets	<u>\$ 18,893</u>

PROPRIETOR'S EQUITY \$ 18,893

See accompanying notes and auditor's report

THE LOGAN GROUP SECURITIES  
(A PROPRIETORSHIP)  
STATEMENT OF INCOME AND PROPRIETOR'S EQUITY  
Year ended December 31, 2010

Commission Income	<u>\$ 166,811</u>
Expenses	
Licenses, regulatory fees and dues	1,445
Accounting and auditing fees	4,963
Insurance and bond premiums	364
Bank charges	<u>70</u>
Total Expenses	<u>6,842</u>
Net Income From Operations	<u>159,969</u>
Other Income	
Capital gain (loss) and dividend income	<u>449</u>
Total Other Income (Loss)	<u>449</u>
Net Income	160,418
Proprietor's Equity, December 31, 2009	21,725
Proprietor's withdrawals	<u>(163,250)</u>
Proprietor's Equity, December 31, 2010	<u>\$ 18,893</u>

See accompanying notes and auditor's report

THE LOGAN GROUP SECURITIES  
(A PROPRIETORSHIP)  
STATEMENT OF CASH FLOWS  
Year ended December 31, 2010

Increase (Decrease) in Cash and Cash Equivalents

Cash Flows From Operating Activities	
Net income	\$ 160,418
Adjustments to reconcile net income to net cash provided by operating activities:	
Changes in assets and liabilities:	
Decrease in commissions receivable	2,439
Decrease in prepaid expenses	217
Total Adjustments	<u>2,656</u>
Net Cash Provided By Operating Activities	<u>163,074</u>
Cash Flows From Investing Activities	
Increase in investments	<u>(448)</u>
Net Cash Used By Investing Activities	<u>(448)</u>
Cash Flows From Financing Activities	
Proprietor's withdrawals	<u>(163,250)</u>
Net Cash Used By Financing Activities	<u>(163,250)</u>
Net Decrease in Cash and Cash Equivalents	(624)
Cash and Cash Equivalents, December 31, 2009	<u>8,349</u>
Cash and Cash Equivalents, December 31, 2010	<u>\$ 7,725</u>

Supplementary Disclosure of Cash Flow Information

There was no interest paid during the period.

Disclosure of Accounting Policy

For purposes of the Statement of Cash Flows, the Company considers all highly-liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

See accompanying notes and auditor's report

THE LOGAN GROUP SECURITIES  
(A PROPRIETORSHIP)  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2010

Note 1: Summary of Significant Accounting Policies

The following items comprise the significant accounting policies of the Company. The policies reflect industry practices and conform to generally accepted accounting principles.

Company's Activities

The Company is engaged in the sale of variable annuities and mutual funds to individuals, organizations and businesses in California and Colorado. Commissions are paid by the issuing companies to The Logan Group Securities.

Operations

The Company's operations are conducted from the same offices as another proprietorship owned by the same proprietor. The related proprietorship incurs the burden of substantially all common general and administrative expenses thereby reducing the expenses of The Logan Group Securities.

Proprietor's Salary

No provision has been made for a salary for the sole proprietor.

Income Taxes

No provision has been made for income taxes as the liability, if any, is that of the sole proprietor.

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, 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.

Date of Management's Review

Management has evaluated subsequent events through February 11, 2011, the date on which the financial statements were available to be issued.

THE LOGAN GROUP SECURITIES  
(A PROPRIETORSHIP)  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2010

Note 2: Investments

The balance is comprised of investments in equity securities mutual funds, at market value.

Note 3: Net Capital Requirement

Pursuant to the net capital provisions of Rule 15c3-1 of the Securities Exchange Act of 1934, the Company is required to maintain net capital of not less than \$5,000. At December 31, 2010, the Company had net capital of \$18,425.

THE LOGAN GROUP SECURITIES  
(A PROPRIETORSHIP)  
December 31, 2010

THE LOGAN GROUP SECURITIES does not retain customer funds or customer securities. The following schedules are inapplicable and thus have not been prepared:

- Computation for Determination of Reserve Requirements pursuant to Rule 15c3-3
- Information Relating to the Possession or Control Requirements pursuant to Rule 15c3-3
- A Reconciliation pursuant to Rule 17a-5(d)(4)

## SUPPLEMENTARY REPORT ON INTERNAL ACCOUNTING CONTROL

Kevin Logan, Proprietor  
The Logan Group Securities  
Sacramento, California

I have examined the financial statements of The Logan Group Securities for the year ended December 31, 2010 and have issued my report thereon dated February 11, 2011. As part of my examination, I made a study and evaluation of the system of internal accounting control to the extent I considered necessary to evaluate the system as required by generally accepted auditing standards and Rule 17a-5 of the Securities and Exchange Commission. This study and evaluation included the accounting system. The Company is exempt from compliance with Rule 15c3-3. No facts came to my attention indicating that the conditions of the exemption had not been complied with during the period. Rule 17a-5 states that the scope of the study and evaluation should be sufficient to provide reasonable assurance that any material weakness existing at the date of my examination would be disclosed. Under generally accepted auditing standards and rule 17a-5, the purposes of such study and evaluation are to establish a basis for reliance thereon in determining the nature, timing, and extent of other auditing procedures necessary for expressing an opinion on the financial statements and to provide a basis for reporting material weaknesses in internal accounting control.

The objective of internal accounting control is to provide reasonable, but not absolute, assurance concerning the safeguarding of assets against loss from unauthorized use or disposition and concerning the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a system of internal accounting control should not exceed the benefits derived and also recognizes that the evaluation of these factors necessarily requires estimates and judgment by Management. However, for the purposes of this report under Rule 17a-5, the determination of weaknesses to be reported was made without considering the practicability of corrective action by Management within the framework of a cost/benefit relationship.

There are inherent limitations that should be recognized in considering the potential effectiveness of any system of internal accounting control. In the performance of most control procedures, errors can result from misunderstanding instructions, mistakes of judgment, carelessness, or other personnel factors. Control procedures whose effectiveness depends on segregation of duties can be circumvented by collusion. Similarly, control procedures can be circumvented intentionally by Management either with respect to the execution and recording of transactions or with respect to the estimates and judgments required in the preparation of financial statements. Further, projection of any evaluation of internal accounting control to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

My study and evaluation of the system of internal accounting control for the year ended December 31, 2010, which was made for the purposes set forth in the first paragraph above, and would not necessarily disclose all weaknesses in the system that may have existed during the period, disclosed no weakness that I believe to be material except that substantially all accounting functions are performed by or supervised by one individual, respectively. This lack of segregation of duties allows opportunity for accounting improprieties to occur without collusion. Although not a formal control, the proprietor has full access to all accounting records and is extremely familiar with the transactions and business activities of the Company.

*Mistata Associates*

February 11, 2011