

SEC



11016173

MISSION

SEC Mail Processing Section

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

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

FEB 22 2011

Washington, DC
110

| |
|-----------------|
| SEC FILE NUMBER |
| 8-39547 |

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: Multi-Bank Securities, Inc.

| |
|-------------------|
| OFFICIAL USE ONLY |
| FIRM I.D. NO. |

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

24280 Woodward

(No. and Street)

Pleasant Ridge
(City)

Michigan
(State)

48069
(Zip Code)

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

Jeffery Maccagnone

(248) 291-1100

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

William I. Minoletti & Co., P.C.

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

30435 Groesbeck Highway
(Address)

Roseville
(City)

Michigan
(State)

48066
(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)

OATH OR AFFIRMATION

I, Jeffery T. Maccagnone, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Multi-Bank Securities, 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:

None

Jeffery T. Maccagnone
Signature
Treasurer
Title

Stephanie M. Wood
Notary Public

STEPHANIE M. WOOD
Notary Public, Wayne County, MI
My Commission Expires April 9, 2014
Acting in the County of Oakland

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.
- (o) Independent Auditor's Report on Internal Accounting Control.

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

MULTI-BANK SECURITIES, INC.

TABLE OF CONTENTS

| | <u>Page No.</u> |
|--|-----------------|
| INDEPENDENT AUDITOR'S REPORT | 1 |
| BALANCE SHEETS | 2 |
| STATEMENTS OF STOCKHOLDER'S EQUITY | 3 |
| STATEMENTS OF INCOME | 4 |
| STATEMENTS OF CASH FLOWS | 5-6 |
| NOTES TO FINANCIAL STATEMENTS | 7-10 |
| SUPPORTING SCHEDULES: | |
| COMPUTATION OF NET CAPITAL UNDER RULE 15C3-1 OF THE SECURITIES AND EXCHANGE COMMISSION | 11-12 |
| COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS FOR BROKER-DEALER UNDER RULE 15C3-3 | 13 |

WILLIAM I. MINOLETTI & Co., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

UPTON PROFESSIONAL BUILDING

30435 GROESBECK HIGHWAY

ROSEVILLE, MICHIGAN 48066

WILLIAM I. MINOLETTI, CPA
LOUIS J. CARNAGHI, CPA

(586) 779-8010
FAX (586) 771-8970
E-MAIL: MINOLETTI@AMERITECH.NET

INDEPENDENT AUDITOR'S REPORT

Board of Directors and Stockholder
Multi-Bank Securities, Inc.

We have audited the accompanying balance sheets of Multi-Bank Securities, Inc. as of December 31, 2010 and 2009 and the related statements of stockholder's equity, income 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 audits.

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 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 audits provide 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 Multi-Bank Securities, 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 information contained in the supporting schedules on pages 11 to 13 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 of the Securities and Exchange Commission. Such information has been subjected to the auditing procedures applied in the examination 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.

William I. Minolletti & Co. P.C.

February 14, 2011

MULTI-BANK SECURITIES, INC.
BALANCE SHEETS
December 31, 2010 And 2009

ASSETS

| | 2010 | 2009 |
|--|---------------------|---------------------|
| Cash | \$ 1,587,017 | \$ 1,061,666 |
| Accounts receivable: | | |
| Brokers, dealers and clearing organization | 9,238,372 | 13,177,481 |
| Deposit - clearing organization | 2,000,000 | 1,000,000 |
| Other | 18,038 | 43,572 |
| Securities owned, at fair value | 9,954,280 | 3,353,763 |
| Prepaid Federal income taxes | 175,000 | - |
| Prepaid expenses | 96,497 | 63,893 |
| Amount due from Parent Company (Note 5) | 2,236,755 | 2,798,070 |
| | \$25,305,959 | \$21,498,445 |

LIABILITIES AND STOCKHOLDER'S EQUITY

| | | |
|--|---------------------|---------------------|
| Accounts payable: | | |
| Commissions due sales representatives | \$ 2,639,367 | \$ 2,640,209 |
| Other | 142,127 | 181,872 |
| Securities sold, not yet purchased, at fair value | 996,000 | 51,263 |
| Accrued expenses | 582,870 | 1,088,584 |
| State taxes payable | - | 156,000 |
| Total liabilities | 4,360,364 | 4,117,928 |
| Stockholder's equity: | | |
| Common stock, par value \$1.00 per share; 50,000 shares authorized; 16,000 shares issued | 16,000 | 16,000 |
| Capital in excess of par value | 733,000 | 733,000 |
| Retained earnings | 20,196,595 | 16,631,517 |
| Total stockholder's equity | 20,945,595 | 17,380,517 |
| | \$25,305,959 | \$21,498,445 |

See accompanying notes.

MULTI-BANK SECURITIES, INC.
STATEMENTS OF STOCKHOLDER'S EQUITY
For The Years Ended December 31, 2010 And 2009

| | <u>Common Stock</u> | <u>Capital In Excess Of Par Value</u> | <u>Retained Earnings</u> | <u>Total Stockholder's Equity</u> |
|--|-------------------------|---|------------------------------|---|
| Balance, December 31, 2008 | \$ 16,000 | \$ 733,000 | \$11,877,642 | \$12,626,642 |
| Dividend paid to Parent Company | - | - | (500,000) | (500,000) |
| Net income for the year ended December 31, 2009 | - | - | 5,253,875 | 5,253,875 |
| Balance, December 31, 2009 | 16,000 | 733,000 | 16,631,517 | 17,380,517 |
| Net income for the year ended December 31, 2010 | - | - | 3,565,078 | 3,565,078 |
| Balance, December 31, 2010 | <u>\$ 16,000</u> | <u>\$ 733,000</u> | <u>\$20,196,595</u> | <u>\$20,945,595</u> |

See accompanying notes.

MULTI-BANK SECURITIES, INC.
STATEMENTS OF INCOME
For The Years Ended December 31, 2010 And 2009

| | <u>2010</u> | <u>2009</u> |
|---|-------------------|-------------------|
| Revenues: | | |
| Principal transactions | \$33,794,689 | \$38,253,247 |
| Commissions and fees | 1,596,440 | 1,200,405 |
| Interest | 351,059 | 788,387 |
| Total revenues | <u>35,742,188</u> | <u>40,242,039</u> |
| Interest expense | <u>163,169</u> | <u>275,084</u> |
| Net revenues | 35,579,019 | 39,966,955 |
| Commissions and clearing fees: | | |
| Commissions paid officers and sales representatives | 16,561,953 | 16,993,028 |
| Trading, clearing, and CUSIP fees | 1,965,401 | 2,371,164 |
| Total commissions and clearing fees | <u>18,527,354</u> | <u>19,364,192</u> |
| Gross profit from operations | 17,051,665 | 20,602,763 |
| Selling, general and administrative expenses | <u>11,474,992</u> | <u>11,935,071</u> |
| Income from operations before provision for taxes | 5,576,673 | 8,667,692 |
| Provision for taxes: | | |
| Federal income tax (Note 2) | 1,890,000 | 2,779,497 |
| State taxes | 121,595 | 634,320 |
| Total provision for taxes | <u>2,011,595</u> | <u>3,413,817</u> |
| Net income | <u>3,565,078</u> | <u>5,253,875</u> |

See accompanying notes.

MULTI-BANK SECURITIES, INC.
STATEMENTS OF CASH FLOWS
For The Years Ended December 31, 2010 And 2009

| | 2010 | 2009 |
|---|--------------|--------------|
| Increase (decrease) in cash: | | |
| Cash flows from operating activities: | | |
| Principal transactions – net | \$32,294,930 | \$37,495,668 |
| Commissions and fees received | 1,596,440 | 1,200,405 |
| Interest received | 336,053 | 795,267 |
| Commissions paid officers and sales representatives | (16,562,795) | (16,382,822) |
| Trading and clearing charges | (2,167,289) | (2,398,117) |
| Interest paid | (163,169) | (275,084) |
| Selling, general and administrative expenses | (12,049,968) | (12,022,249) |
| Deposits paid – clearing organization – net | (1,000,000) | - |
| Federal taxes paid | (2,065,000) | (5,969,911) |
| State taxes paid | (277,595) | (853,320) |
| Net cash provided (used) by operating activities | (58,393) | 1,589,837 |
| Cash flows from investing activities: | | |
| Advances (to) from Parent Company, net | 561,315 | (1,168,889) |
| Advances (to) repayments from employees, net | 15,004 | 35,791 |
| Advances (to) repayments from officer, net | 7,425 | (8,969) |
| Net cash provided (used) by investing activities | 583,744 | (1,142,067) |
| Cash flows from financing activities: | | |
| Dividend paid to Parent Company | - | (500,000) |
| Net cash provided (used) by financing activities | - | (500,000) |
| Increase (decrease) in cash | 525,351 | (52,230) |
| Cash, at beginning of year | 1,061,666 | 1,113,896 |
| Cash, at end of year | \$ 1,587,017 | \$ 1,061,666 |

See accompanying notes.

MULTI-BANK SECURITIES, INC.
STATEMENTS OF CASH FLOWS
For The Years Ended December 31, 2010 And 2009
(Continued)

| | <u>2010</u> | <u>2009</u> |
|---|--------------------|---------------------|
| Reconciliation of net income to net cash provided (used) by operating activities: | | |
| Net income | \$ 3,565,078 | \$ 5,253,875 |
| Adjustments to reconcile net income to net cash provided (used) by operating activities: | | |
| (Increase) decrease in: | | |
| Accounts receivable: | | |
| Brokers, dealers and clearing organization | 3,939,109 | (14,837,214) |
| Deposit – clearing organization | (1,000,000) | - |
| Other | 3,105 | 776 |
| Securities owned | (6,600,517) | 14,058,327 |
| Prepaid expenses | (207,604) | 41,853 |
| Increase (decrease) in: | | |
| Accounts payable: | | |
| Commissions payable | (842) | 610,206 |
| Payroll taxes withheld | - | (154,146) |
| Accounts payable – other | (39,745) | 41,240 |
| Securities sold, not yet purchased | 944,737 | 1,253 |
| Accrued expenses | (505,714) | (16,919) |
| Federal income tax payable | - | (3,190,414) |
| State taxes payable | (156,000) | (219,000) |
| Total adjustments | <u>(3,623,471)</u> | <u>(3,664,038)</u> |
| Net cash provided (used) by operating activities | <u>\$ (58,393)</u> | <u>\$ 1,589,837</u> |

See accompanying notes.

MULTI-BANK SECURITIES, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2010 And 2009

Note 1 - ORGANIZATION

Multi-Bank Securities, Inc., (the "Company") is a securities broker-dealer registered with the Financial Industry Regulatory Authority (FINRA) and the U.S. Securities and Exchange Commission. The Company is a wholly owned subsidiary of Multi-Bank Services, Ltd. See Note 5 for transactions with Parent Company.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition

Securities transactions are recorded on the trade date, as if they had settled. Profits and losses arising from all securities transactions are recorded on a trade date basis.

Securities owned are recorded at fair value in accordance with FASB ASC 820, *Fair Value Measurements and Disclosures*.

Management Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Financial Instruments With Off-Balance-Sheet Risk

In the normal course of business, the Company's activities involve the execution, settlement and financing of various securities transactions. These activities may expose the Company to off-balance-sheet risk in the event the other party to the transaction is unable to fulfill its contractual obligation.

Federal Income Taxes

The Company files a consolidated federal income tax return with its Parent Company. The provision for Federal income tax for the years ended December 31, 2010 and 2009 are based on a separate return filing.

The Company recognizes and measures its unrecognized tax benefits in accordance with FASB ASC 740, Income Taxes. The primary objective of ASC 740 is to prescribe measurement and disclosure requirements for income tax provisions when uncertainty exists as to whether the reporting entity's tax positions would be sustained in the event of an examination. Company management believes that there are no material uncertainties in which tax positions taken would not be sustained upon examination.

Subsequent Events

The Company has evaluated events and transactions for potential recognition or disclosure through February 14, 2011, which is the same date the financial statements were available to be issued.

MULTI-BANK SECURITIES, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2010 And 2009
(Continued)

Note 3 – FAIR VALUE

Fair Value Measurement

FASB ASC 820 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 FASB ASC 820, 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.
- 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 should be developed based on the best information available in the circumstances and may include the Company's own data.)

The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The following table presents the Company's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of December 31, 2010.

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|------------------------------------|---------------------|----------------|----------------|---------------------|
| Assets: | | | | |
| Securities owned | <u>\$ 9,954,280</u> | <u>-</u> | <u>-</u> | <u>\$ 9,954,280</u> |
| Liabilities: | | | | |
| Securities sold, not yet purchased | <u>\$ 996,000</u> | <u>-</u> | <u>-</u> | <u>\$ 996,000</u> |

MULTI-BANK SECURITIES, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2010 And 2009
(Continued)

Note 4 - NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission's Uniform Net Capital Rule (Rule 15c3-1). Based on the provisions of this rule, the Company must maintain net capital equivalent to the greater of \$100,000 or 1/15th of aggregate indebtedness, as defined.

At December 31, 2010, the Company's net capital was \$18,109,819 and its required net capital was \$224,291. The ratio of aggregate indebtedness to net capital (which may not exceed 15 to 1) was .19 to 1.

Note 5 - TRANSACTIONS WITH PARENT COMPANY

The Parent Company, Multi-Bank Services Ltd., provides various administrative services to the Company, including furniture and fixtures. For the years ended December 31, 2010 and 2009, administrative expenses charged to the Company amounted to \$300,000 each year and are included in Selling, General and Administrative Expenses in the attached Statement of Income.

The Company also leases its operating facilities in Pleasant Ridge, Michigan from its Parent Company, see Note 7.

Multi-Bank Securities factors their financial institutions accounts receivable with its Parent Company at 100% of their face value.

During the year ended December 31, 2009 the Company paid a dividend of \$500,000 to the Parent Company.

In addition, at various times, each Company makes advances to each other. The net of all inter-company activity resulted in a receivable from the Parent Company in the amount of \$2,236,755 at December 31, 2010 and \$2,798,070 at December 31, 2009.

Note 6 - EMPLOYEES BENEFIT PLANS

The Company maintains a defined contribution benefit plan 401(k) to cover all eligible employees of the Company. Under provisions of the Plan, participating employees can elect to contribute to their account a percentage of their compensation not to exceed the limitations imposed by the Internal Revenue Service. In addition, the Company at its discretion may make a matching contribution, which percentage will be determined each year by the Company. For the years ended December 31, 2010 and 2009 the Company elected not to make a matching contribution.

MULTI-BANK SECURITIES, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2010 And 2009
(Continued)

Note 6 - EMPLOYEES BENEFIT PLANS (Continued)

In December 2010, the Board of Directors of the Company approved a Deferred Compensation Plan for eligible employees that will become effective in January 2011.

Note 7 - OPERATING LEASE COMMITMENTS

The Company leases its operating facilities in Pleasant Ridge, Michigan from its Parent Company on a year to year basis at \$15,000 per month.

The Company also leases operating facilities in Ft. Lauderdale, Florida and Newport Beach, California. The minimum lease payments on these leases outstanding at December 31, 2010 are summarized as follows:

| <u>Years Ended December 31,</u> | <u>Amount</u> |
|---------------------------------|---------------|
| 2011 | 42,500 |
| 2012 | 45,000 |
| 2013 | 31,000 |

The lease agreements include escalation clauses that increase the minimum rental payment for increased lessor taxes and operating expenses.

In addition, the Company leases other office facilities on a month-to-month basis.

For the years ended December 31, 2010 and 2009, the total lease expense pursuant to the above operating leases amounted to \$270,055 and \$264,974, respectively, and is included in Selling, General and Administrative Expenses in the attached Statement of Income.

Furniture and equipment is provided by the Parent Company, the charge for which is included in the administrative charges paid to the Parent Company, see Note 5.

MULTI-BANK SECURITIES, INC.
COMPUTATION OF NET CAPITAL UNDER RULE 15C3-1
OF THE SECURITIES AND EXCHANGE COMMISSION
December 31, 2010

| | | |
|-----|--|--------------|
| 1. | Total ownership equity | \$20,945,595 |
| 2. | Deduct ownership equity not allowable for net capital | - |
| 3. | Total ownership equity qualified for net capital | 20,945,595 |
| 4. | Add: | |
| | a. Liabilities subordinated to claims of general creditors allowable in computation of net capital | - |
| | b. Other deductions or allowable credits | - |
| 5. | Total capital and allowable subordinated liabilities | 20,945,595 |
| 6. | Deductions and/or charges: | |
| | a. Total non-allowable assets from Statement of Financial Condition | 2,526,290 |
| | c. Capital charges for commodity futures | - |
| | d. Other deductions and/or charges | - |
| 7. | Other additions and/or allowable charges | - |
| 8. | Net capital before haircuts on securities positions | 18,419,305 |
| 9. | Haircuts on securities (computed, where applicable, pursuant to Rule 15c3-1[f]): | |
| | c. Trading and investment securities: | |
| | 3. Debt securities | 308,418 |
| | 4. Other securities | 1,068 |
| | d. Undue concentration | - |
| | | 309,486 |
| 10. | Net capital | 18,109,819 |
| 13. | Net capital requirement | 224,291 |
| 14. | Excess net capital | \$17,885,528 |

MULTI-BANK SECURITIES, INC.
COMPUTATION OF NET CAPITAL UNDER RULE 15C3-1
OF THE SECURITIES AND EXCHANGE COMMISSION
December 31, 2010
(Continued)

COMPUTATION OF AGGREGATE INDEBTEDNESS

| | | |
|-----|---|---------------------------|
| 16. | Total aggregate indebtedness liabilities from balance sheet | <u>\$3,364,364</u> |
| 19. | Total aggregate indebtedness | <u><u>\$3,364,364</u></u> |
| 20. | Percentage of aggregate indebtedness to net capital | <u><u>19%</u></u> |

STATEMENT PURSUANT TO PARAGRAPH (d) (4) OF RULE 17a-5

There are no differences between this computation of net capital and the corresponding computation prepared by Multi-Bank Securities, Inc. and included in the Company's unaudited Part IIA, FOCUS Report filing as of the same date.

MULTI-BANK SECURITIES, INC.
COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS
FOR BROKER-DEALER UNDER RULE 15c3-3
December 31, 2010

Multi-Bank Securities, Inc., is exempt from the Computation for Determination of Reserve Requirements for Broker-Dealers under Rule 15c3-3 of the Securities and Exchange Commission because of exemption provided under Rule 15c3-3 (k)(ii), as a broker-dealer, “who, as an introducing broker-dealer, clears all transactions with and for customers on a fully disclosed basis with a clearing broker-dealer....” .

MULTI-BANK SECURITIES, INC.

FINANCIAL STATEMENTS

and

SUPPORTING SCHEDULES PURSUANT TO RULE 17A-5 OF THE

SECURITIES AND EXCHANGE COMMISSION

FOR THE YEAR ENDED DECEMBER 31, 2010

with

REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

WILLIAM I. MINOLETTI & Co., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

UPTON PROFESSIONAL BUILDING

30435 GROESBECK HIGHWAY

ROSEVILLE, MICHIGAN 48066

MULTI-BANK SECURITIES, INC.

FINANCIAL STATEMENTS

and

SUPPORTING SCHEDULES PURSUANT TO RULE 17A-5 OF THE

SECURITIES AND EXCHANGE COMMISSION

FOR THE YEAR ENDED DECEMBER 31, 2010

with

REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

SEC Mail Processing
Section

FEB 22 2011

Washington, DC
110

MULTI-BANK SECURITIES, INC.
SUPPLEMENTAL REPORT OF THE STATUS OF
MEMBERSHIP IN THE SIPC
PURSUANT TO RULE 17a-5 (e) (4) OF THE
SECURITIES AND EXCHANGE COMMISSION
DECEMBER 31, 2010

with

REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

WILLIAM I. MINOLETTI & Co., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

UPTON PROFESSIONAL BUILDING

30435 GROESBECK HIGHWAY

ROSEVILLE, MICHIGAN 48066

WILLIAM I. MINOLETTI, CPA
LOUIS J. CARNAGHI, CPA

(586) 779-8010
FAX (586) 771-8970
E-MAIL: MINOLETTI@AMERITECH.NET

**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES**

To Multi-Bank Securities, Inc.
Pleasant Ridge, MI

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying Schedule of Assessment and Payments [General Assessment Reconciliation (Form SIPC-7)] to the Securities Investor Protection Corporation (SIPC) for the year ended December 31, 2010, which were agreed to by Multi-Bank Securities, Inc. and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc. and SIPC, solely to assist you and the other specified parties in evaluating Multi-Bank Securities, Inc.'s compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). Multi-Bank Securities, Inc.'s management is responsible for Multi-Bank Securities, Inc.'s compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our findings are as follows:

1. Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records entries noting no differences;
2. Compared the amounts reported on the audited Form X-17A-5 for the year ended December 31, 2010 with the amounts reported in Form SIPC-7 for the year ended December 31, 2010, noting no differences;
3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers noting no differences;
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting the adjustments noting no differences; and

5. Compared the amount of any overpayment applied to the current assessment with the Form SIPC-7 on which it was originally computed noting no differences.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

William J. Minicelli & Co. P.C.

February 14, 2011

MULTI-BANK SECURITIES, INC.
SUPPLEMENTAL REPORT OF THE STATUS OF MEMBERSHIP IN THE SIPC
December 31, 2010

To the Securities and Exchange Commission:

This supplemental report of the status of membership in the SIPC is furnished in conjunction with our report as of December 31, 2010, and covers the SIPC general assessment reconciliation for the year ended December 31, 2010, pursuant to Rule 17a-5(e)(4).

The following checks were made payable to the Securities Investor Protection Corporation and were mailed to SIPC on the date indicated.

| <u>Date</u> | <u>Description</u> | <u>General Assessment Amount</u> |
|-------------|--|--|
| 7/22/10 | Assessment paid with SIPC-6 2010 general assessment form | \$ 42,447 |
| 1/25/11 | Assessment paid with SIPC-7 2010 general assessment form | 43,020 |
| | | <u>\$ 85,467</u> |
| | Total general assessment per SIPC-7 for the year ended December 31, 2010 | <u>\$ 85,467</u> |

Sincerely,

Multi-Bank Securities, Inc.


Signature

Treasurer
Title