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

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

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Washington, DC  
110

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 05/07/2010 AND ENDING 12/31/2010  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER:

Gulf South Securities Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

5500 Street Court, Suite 1050

(No. and Street)

(City) NY (State) 98115 (Zip Code)

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

Daniel Braton

413-379-2178

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Walter Bailey LLP

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

(Address) 100 Broadway Lane, Suite 1003 (City) New York (State) NY (Zip Code) 10078

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).

SEC 1410 (06-02) Potential persons who are to respond to the

CONFIDENTIAL TREATMENT REQUESTED

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

### OATH OR AFFIRMATION

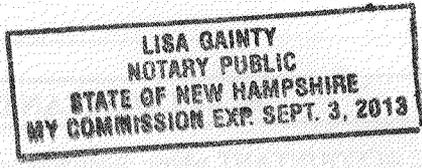
I, Daniel Weston, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Gulf South Securities, Inc., as of December 31, 20 10, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

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

[Signature]  
Signature

\_\_\_\_\_  
Title

[Signature]  
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 Proprietor's 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).

**GULF SOUTH SECURITIES, INC.**

Statement of Financial Condition

December 31, 2010

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INDEPENDENT AUDITORS' REPORT

Board of Directors and Stockholder  
Gulf South Securities, Inc.  
Gig Harbor, WA

We have audited the accompanying statement of assets, liabilities and stockholders' equity of Gulf South Securities, Inc. (the "Company") as of December 31, 2010. 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 statement of assets, liabilities and stockholders' equity presents fairly, in all material respects, the financial position of Gulf South Securities, Inc. at December 31, 2010 in conformity with accounting principles generally accepted in the United States of America.

February 28, 2011

**GULF SOUTH SECURITIES, INC**

**STATEMENT OF ASSETS, LIABILITIES AND STOCKHOLDERS' EQUITY**

**December 31, 2010**

**ASSETS**

Cash and cash equivalents	\$	242,425
Commissions receivable, related party		130,630
Prepaid expenses		195
Other current assets		<u>13,346</u>
<b>TOTAL ASSETS</b>	<b>\$</b>	<b><u>386,596</u></b>

**LIABILITIES AND STOCKHOLDERS' EQUITY**

Accounts payable	\$	90,960
Accounts payable, related party		<u>74,944</u>
<b>TOTAL LIABILITIES</b>		<b>165,904</b>
Commitments and Contingent Liabilities		-
Common stock, par value \$0.01, 1,000,000 shares authorized, 100,000 issued and outstanding		1,000
Additional paid-in capital		49,000
Retained earnings		<u>170,692</u>
Total Stockholders' Equity		<u>220,692</u>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$</b>	<b><u>386,596</u></b>

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

GULF SOUTH SECURITIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

NOTE 1 – ORGANIZATION AND NATURE OF BUSINESS

Organization

Gulf South Securities, Inc. (the "Company" or "GSS") was organized to be active in various aspects of the securities industry and is registered to be a broker-dealer with the Financial Industry Regulatory Authority ("FINRA") and the Securities and Exchange Commission ("SEC").

Nature of Business

GSS was formed to serve as a FINRA limited broker dealer for the purpose of acting as a managing broker dealer to distribute the oil and gas drilling limited partnership offering; Gulf South Energy Partners.

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition

Commission fee income is recognized when services are provided and the fee is realizable.

Cash and Cash Equivalents

All short-term investments with an original maturity of three months or less are considered to be cash equivalents.

Concentration of Credit Risk

The Company is engaged in various trading and brokerage activities in which counterparties primarily include broker-dealers, banks, and other financial institutions. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counterparty. During the year, 100% of the Company's revenue earned came from one Company, a related party. See Note 5.

GULF SOUTH SECURITIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Company's 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Recent Accounting Pronouncements

The Company does not expect any recent accounting pronouncements to have any material impact on its financial condition or results of operations.

NOTE 3 - NET CAPITAL REQUIREMENTS

As a registered broker-dealer and member of FINRA, the Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule 15c3-1. Net Capital is defined as at least, the greater of \$5,000 or 6 2/3% of aggregate indebtedness (12.5% for the first year), as defined. Net Capital and aggregate indebtedness change daily. The Company had net capital of \$76,521 at December 31, 2010 which exceeded 12.5% of aggregate indebtedness or \$20,738 by \$55,783. The ratio of aggregate indebtedness to net capital was 2.17 to 1 at December 31, 2010.

NOTE 4 - INCOME TAXES

The Company is owned 100% by Gulf South Holdings, Inc. (GSH) (see Note 5) and is included in the consolidated tax return filed by GSH. For the year ended December 31, 2010, GSH is expected to have taxable losses and therefore the Company has not recorded a provision for income taxes in its financial statements.

GULF SOUTH SECURITIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

**NOTE 5- RELATED PARTY TRANSACTIONS**

The Company is 100% owned by Gulf South Holdings, Inc. During 2010, the Company billed GSH \$571,083 for commissions related to placement agent transactions. These related party transactions are not necessarily indicative of the transactions that would have been entered into had comparable transactions been entered into with independent parties.

As of December 31, 2010, the Company had a receivable from GSH of \$130,630 and a payable to GSH of \$74,944.

**NOTE 6 – SUBSEQUENT EVENTS**

The Company has evaluated subsequent events through February 28, 2011, the date that these financial statements were issued. The Company believes that there are no subsequent events requiring further disclosure.