

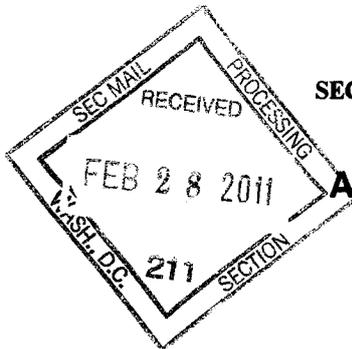
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SECURITY \_\_\_\_\_ ON

Washington, D.C. 20549



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

**OMB APPROVAL**  
OMB Number: 3235-0123  
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hours per response..... 12.00

**SEC FILE NUMBER**

8- 40524

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: Carter Capital Corporation

**OFFICIAL USE ONLY**

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

**FIRM I.D. NO.**

167 Old Post Road

(No. and Street)

Southport

CT

06890

(City)

(State)

(Zip Code)

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

Michael Carter

203-254-3333

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Dworken, Hillman, LaMorte & Sterczala, P.C.

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

4 Corporate Drive, Suite 488

Shelton

CT

06484

(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)

SEC 1410 (06-02)

Potential persons who are to 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.

JD  
3/11/2011

*Financial Statements*

**CARTER CAPITAL CORPORATION**

*Report Pursuant to Rule 17a-5(d) of  
the Securities and Exchange Commission*

Years Ended December 31, 2010 and 2009

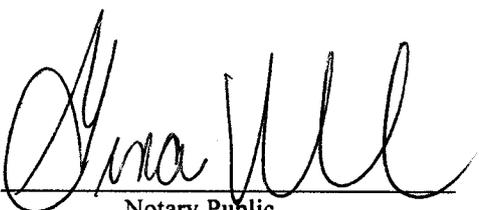
OATH OR AFFIRMATION

I, Michael Carter, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Carter Capital Corporation, 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

PRESIDENT  
Title

  
Notary Public

**GINA VOLPACCHIO**  
Notary Public  
My Commission Expires Feb. 28, 2011

2-17-11

- 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).

# CARTER CAPITAL CORPORATION

Years Ended December 31, 2010 and 2009

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DWORKEN, HILLMAN, LAMORTE & STERCZALA, P.C.  
*Certified Public Accountants / Business Consultants*

JENNIFER S. BULL, CPA  
JAMES G. COSGROVE, CPA  
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PAUL M. STERCZALA, CPA  
JOSEPH A. VERRILLI, CPA

### Independent Auditors' Report

Shareholder  
Carter Capital Corporation  
Southport, Connecticut

We have audited the accompanying statements of financial condition of Carter Capital Corporation as of December 31, 2010 and 2009, and the related statements of income, changes in shareholder's equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the 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 Carter Capital Corporation 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 audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying information on page 9 is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplemental information required by Rule 17a-5 of the Securities and Exchange Commission. 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 and in conformity with the rules of the Securities and Exchange Commission.

Shelton, Connecticut  
February 18, 2011

*Dworken, Hillman, LaMorte & Sterczala, P.C.*



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A world-wide organization of accounting firms and business advisers

**CARTER CAPITAL CORPORATION**  
**STATEMENTS OF FINANCIAL CONDITION**

	<b>December 31,</b>	
	<b><u>2010</u></b>	<b><u>2009</u></b>
<b>Assets</b>		
Current assets:		
Cash	\$26,809	\$20,925
Accounts receivable (Note 3)	<u>25,808</u>	<u>30,000</u>
<b>Total Assets</b>	<b><u>\$52,617</u></b>	<b><u>\$50,925</u></b>
 <b>Liabilities and Shareholder's Equity</b>		
Current liabilities:		
Accrued expenses (Note 2)	<u>          </u>	<u>\$15,140</u>
<b>Shareholder's equity:</b>		
Common stock, no par value; 10,000 shares authorized, 1,000 shares issued and outstanding	\$21,000	\$21,000
Retained earnings	<u>31,617</u>	<u>14,785</u>
<b>Total shareholder's equity</b>	<b><u>52,617</u></b>	<b><u>35,785</u></b>
<b>Total Liabilities and Shareholder's Equity</b>	<b><u>\$52,617</u></b>	<b><u>\$50,925</u></b>

*See notes to financial statements.*

CARTER CAPITAL CORPORATION

STATEMENTS OF INCOME

	Year Ended December 31,	
	<u>2010</u>	<u>2009</u>
<b>Revenues: (Note 3)</b>		
Fees and valuations	\$172,500	\$140,881
Expense reimbursements	<u>10,762</u>	<u>8,697</u>
	<u>\$183,262</u>	<u>\$149,578</u>
<b>Operating expenses:</b>		
Investment banking (Note 2)	157,000	97,000
Professional fees	4,345	17,950
Dues and licenses	2,685	1,803
Compliance	2,400	2,400
Bad debt		<u>19,380</u>
	<u>166,430</u>	<u>138,533</u>
<b>Net income</b>	<u>\$ 16,832</u>	<u>\$ 11,045</u>

*See notes to financial statements.*

CARTER CAPITAL CORPORATION

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

	<u>Common Stock</u>	<u>Retained Earnings</u>	<u>Total</u>
<b>Balance, January 1, 2009</b>	\$21,000	\$ 3,740	\$24,740
Net income	_____	<u>11,045</u>	<u>11,045</u>
<b>Balance, December 31, 2009</b>	\$21,000	\$14,785	\$35,785
Net income	_____	<u>16,832</u>	<u>16,832</u>
<b>Balance, December 31, 2010</b>	<u>\$21,000</u>	<u>\$31,617</u>	<u>\$52,617</u>

*See notes to financial statements.*

CARTER CAPITAL CORPORATION

STATEMENTS OF CASH FLOWS

	Year Ended December 31,	
	<u>2010</u>	<u>2009</u>
<b>Cash flows from operating activities:</b>		
Net income	\$16,832	\$11,045
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Changes in operating assets and liabilities:		
Accounts receivable	4,192	( 30,000)
Accrued expenses	( 15,140)	<u>14,890</u>
Net cash provided by (used in) operating activities and net change in cash	5,884	( 4,065)
Cash, beginning	<u>20,925</u>	<u>24,990</u>
<b>Cash, ending</b>	<u>\$26,809</u>	<u>\$20,925</u>

**CARTER CAPITAL CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**

Years Ended December 31, 2010 and 2009

**1. Description of the Company and summary of significant accounting policies:**

**Description of Company:**

Carter Capital Corporation (the Company) is a broker – dealer registered with the Securities and Exchange Commission (SEC) and the Financial Industry Regulatory Authority (FINRA). The Company was incorporated under the statutes of the State of Connecticut in 1987. The Company was formed to handle specific transactions subject to SEC oversight referred to them by a related party, Carter Morse Mathias & Company. The Company also shares office space and employees with Carter Morse Mathias & Company, which is partially owned by the Company's sole shareholder. Carter Morse Mathias & Company paid all basic operating expenses of the Company during 2010 and 2009.

**Significant accounting policies:**

**Method of accounting:**

The Company utilizes the accrual method of accounting for financial reporting.

**Revenue recognition:**

The Company recognizes capital placement fees upon the closing of the financing arrangement. All other fees are recognized when earned.

**Accounts receivable:**

Accounts receivable are shown net of an allowance for doubtful accounts, when applicable. Based on management's assessment of the credit history with customers having outstanding balances and their current relationships with them, it has concluded that no reserve was deemed necessary at December 31, 2010 and 2009. Accounts receivable balances are written-off when management has concluded that all reasonable methods of collection have been exhausted.

**Income taxes:**

The Company has elected to be taxed under the provisions of subchapter "S" of the Internal Revenue Code. Accordingly, items of income, loss, credits and deductions are not taxed within the Corporation but are reported on the income tax returns of the shareholder for federal and state tax purposes.

CARTER CAPITAL CORPORATION  
NOTES TO FINANCIAL STATEMENTS

Years Ended December 31, 2010 and 2009

1. **Description of the Company and summary of significant policies (continued):**

**Significant accounting policies (continued):**

**Estimates and assumptions:**

Management uses estimates and assumptions in preparing financial statements in conformity with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect certain reported amounts and disclosures. Accordingly, actual results could vary from the estimates used.

2. **Related party transactions:**

The Company pays fees for investment banking services to an affiliate, Carter Morse Mathias & Company. The fees totaled \$157,000 and \$97,000 for 2010 and 2009, respectively. Included in accrued expenses at December 31, 2009 is \$10,435 due to Carter Morse Mathias & Company.

3. **Concentrations:**

All of the Company's revenues were from four clients in 2010 and three clients in 2009.

4. **Rule 15c3-3:**

The Company is exempt from the provisions of Rule 15c3-3 under paragraph (k)(2)(A) in that the Company carries no margin accounts, promptly transmits all customer funds and delivers all securities received, does not otherwise hold funds or securities for or owe money or securities to customers and effectuates all financial transactions on behalf of customers on a fully disclosed basis.

5. **Vulnerability due to regulatory environment:**

The Company operates in a heavily regulated environment. The operations of the Company are subject to the rules and regulations of federal, state and local regulatory agencies, including, but not limited to, the SEC and FINRA, and are subject to change at any time.

CARTER CAPITAL CORPORATION  
NOTES TO FINANCIAL STATEMENTS

Years Ended December 31, 2010 and 2009

6. **Net capital requirements:**

The Company is subject to the SEC's Net Capital Rule 15c3-1, which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1.

The following is a summary of the Company's net capital position at December 31, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Net capital	<u>\$26,809</u>	<u>\$ 5,785</u>
Excess of net capital over the requirement	<u>\$21,809</u>	<u>\$ 785</u>
Aggregate indebtedness to net capital	<u>0 to 1</u>	<u>2.62 to 1</u>

7. **Subsequent events:**

Management has evaluated subsequent events through February 18, 2011, the date which the financial statements were available for issue.

CARTER CAPITAL CORPORATION

**COMPUTATION OF NET CAPITAL PURSUANT TO THE  
UNIFORM NET CAPITAL RULE 15c3-1**

	<b>December 31,</b>	
	<u><b>2010</b></u>	<u><b>2009</b></u>
<b>Credits:</b>		
Shareholder's equity	\$52,617	\$35,785
<b>Less non-allowable assets:</b>		
Accounts receivable	<u>25,808</u>	<u>30,000</u>
 Net capital	 26,809	 5,785
Minimum net capital requirement (greater of 6.67% of aggregate indebtedness or \$5,000)	<u>5,000</u>	<u>5,000</u>
<b>Excess of net capital over minimum requirements</b>	<u><b>\$21,809</b></u>	<u><b>\$ 785</b></u>
<b>Aggregate indebtedness:</b>		
Accrued expenses	<u>0</u>	<u>15,140</u>
<b>Ratio of total aggregate indebtedness to net capital</b>	<u><b>0 to 1</b></u>	<u><b>2.62 to 1</b></u>

Note: There are no differences between the above calculation of net capital pursuant to Rule 15c3-1 included in this report and the computation included in the Company's unaudited Form X-17a-5 Part II A filing as of December 31, 2010.



DWORKEN, HILLMAN, LAMORTE & STERCZALA, P.C.  
*Certified Public Accountants / Business Consultants*

JENNIFER S. BULL, CPA  
JAMES G. COSGROVE, CPA  
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ALBERTO C. MARTINS, CPA  
PAUL M. STERCZALA, CPA  
JOSEPH A. VERRILLI, CPA

**Report of Independent Auditors on  
Internal Controls Required by SEC Rule 17a-5**

Shareholder  
Carter Capital Corporation  
Southport, Connecticut

In planning and performing our audit of the financial statements of Carter Capital Corporation (the Company) as of and for the year ended December 31, 2010, in accordance with auditing standards generally accepted in the United States of America, we considered 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 making the quarterly securities examinations, counts, verifications and comparisons, and the recordation of differences required by Rule 17a-13 or in 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. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of 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 the 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.



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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 *deficiency* in internal control over financial reporting 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 *material weakness* is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's financial statements will not be prevented or detected and corrected on a timely basis.

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.

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, as described in the second paragraph, were adequate as of December 31, 2010 to meet the SEC's objectives.

This report is intended solely for the use of management, the SEC, The Financial Industry Regulatory Authority and other regulatory agencies that 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.

Shelton, Connecticut  
February 18, 2011

*Darter, Hillman, Lambete & Steccato, P.C.*



DWORKEN, HILLMAN, LAMORTE & STERCZALA, P.C.  
*Certified Public Accountants / Business Consultants*

JENNIFER S. BULL, CPA  
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JOSEPH A. VERRILLI, CPA

**Independent Accountants' Report on Applying Agreed-Upon Procedures  
Related to an Entity's SIPC Assessment Reconciliation**

Shareholder  
Carter Capital Corporation  
Southport, Connecticut

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 Carter Capital Corporation, and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., and SIPC, solely to assist you and the other specified parties in evaluating Carter Capital Corporation's compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). Carter Capital Corporation's management is responsible for Carter Capital Corporation'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 (\$161 payment on January 5, 2011 (check number 2566) and \$308 payment on January 19, 2011 (check number 2568)), noting no differences;
2. Compared the amounts reported on the audited Form X-17A-5 for the year ended December 31, 2010, as applicable, 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 (Focus filings and general ledger) supporting the adjustments, noting no differences;



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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.

February 18, 2011 *Dwight, Hillman, LaMotte & Sterczala, P.C.*

**SIPC-7**

(33-REV 7/10)

SECURITIES INVESTOR PROTECTION CORPORATION  
P.O. Box 92185 Washington, D.C. 20090-2185  
202-371-8300

**General Assessment Reconciliation**

**SIPC-7**

(33-REV 7/10)

For the fiscal year ended December 31, 20 10  
(Read carefully the instructions in your Working Copy before completing this Form)

**TO BE FILED BY ALL SIPC MEMBERS WITH FISCAL YEAR ENDINGS**

1. Name of Member, address, Designated Examining Authority, 1934 Act registration no. and month in which fiscal year ends for purposes of the audit requirement of SEC Rule 17a-5:

040524 FINRA DEC  
CARTER CAPITAL CORPORATION 575  
167 OLD POST RD  
SOUTHPORT CT 06890-1395

Note: If any of the information shown on the mailing label requires correction, please e-mail any corrections to form@sipc.org and so indicate on the form filed.

Name and telephone number of person to contact respecting this form.

2. A. General Assessment (item 2e from page 2) \$ 0
- B. Less payment made with SIPC-6 filed (exclude interest) (0)
- C. Less prior overpayment applied (0)
- D. Assessment balance due or (overpayment) 458<sup>16</sup> ~~150<sup>00</sup>~~
- E. Interest computed on late payment (see instruction E) for 135 days at 20% per annum 11<sup>10</sup>
- F. Total assessment balance and interest due (or overpayment carried forward) 469<sup>26</sup> \$ 161<sup>10</sup>
- G. PAID WITH THIS FORM:  
Check enclosed, payable to SIPC  
Total (must be same as F above) \$ 161<sup>10</sup> + 308<sup>16</sup>
- H. Overpayment carried forward \$( — )

3. Subsidiaries (S) and predecessors (P) included in this form (give name and 1934 Act registration number):

The SIPC member submitting this form and the person by whom it is executed represent thereby that all information contained herein is true, correct and complete.

CARTER CAPITAL CORPORATION  
(Name of Corporation, Partnership or other organization)  
[Signature]  
(Authorized Signature)  
RESIDENT  
(Title)

Dated the 5 day of January, 20 11.

This form and the assessment payment is due 60 days after the end of the fiscal year. Retain the Working Copy of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.

SIPC REVIEWER

Dates: Postmarked \_\_\_\_\_ Received \_\_\_\_\_ Reviewed \_\_\_\_\_

Calculations \_\_\_\_\_ Documentation \_\_\_\_\_ Forward Copy \_\_\_\_\_

Exceptions: \_\_\_\_\_

Disposition of exceptions: \_\_\_\_\_

# DETERMINATION OF "SIPC NET OPERATING REVENUES" AND GENERAL ASSESSMENT

Amounts for the fiscal period  
beginning Jan 1, 2010  
and ending Dec 31, 2010  
Eliminate cents

**No.**  
2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)

\$ 183,262<sup>49</sup>

**2b. Additions:**

- (1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above.
- (2) Net loss from principal transactions in securities in trading accounts.
- (3) Net loss from principal transactions in commodities in trading accounts.
- (4) Interest and dividend expense deducted in determining item 2a.
- (5) Net loss from management of or participation in the underwriting or distribution of securities.
- (6) Expenses other than advertising, printing, registration fees and legal fees deducted in determining net profit from management of or participation in underwriting or distribution of securities.
- (7) Net loss from securities in investment accounts.

0  
0  
0  
0  
0  
0  
0

Total additions

**2c. Deductions:**

- (1) Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, from the business of insurance, from investment advisory services rendered to registered investment companies or insurance company separate accounts, and from transactions in security futures products.
- (2) Revenues from commodity transactions.
- (3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.
- (4) Reimbursements for postage in connection with proxy solicitation.
- (5) Net gain from securities in investment accounts.
- (6) 100% of commissions and markups earned from transactions in (i) certificates of deposit and (ii) Treasury bills, bankers acceptances or commercial paper that mature nine months or less from issuance date.
- (7) Direct expenses of printing advertising and legal fees incurred in connection with other revenue related to the securities business (revenue defined by Section 16(9)(L) of the Act).
- (8) Other revenue not related either directly or indirectly to the securities business. (See Instruction C):

0  
0  
0  
0  
0  
0  
0

183,262<sup>49</sup>

(9) (i) Total interest and dividend expense (FOCUS Line 22/PART IIA Line 13, Code 4075 plus line 2b(4) above) but not in excess of total interest and dividend income.

\$ 0

(ii) 40% of margin interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960).

\$ 0

Enter the greater of line (i) or (ii)

Total deductions

0  
183,262<sup>49</sup>  
↓   ↓

2d. SIPC Net Operating Revenues

\$ 0

2e. General Assessment @ .0025

\$ 0