

04c
3/7/11



SECURITIES



11017239

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

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

SEC FILE NUMBER
8- 66308

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 01/01/10 AND ENDING 12/31/10
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER RADNOR RESEARCH & TRADING COMPANY, LLC

OFFICIAL USE ONLY
FIRM I.D. NO.

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

290 KING OF PRUSSIA ROAD

(No. and Street)

RADNOR

PA

19087

(City)

(State)

(Zip Code)

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

WILLIAM R. JAMES

610-293-2000

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

STEPHANO SLACK LLC

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

125 STRAFFORD AVE

WAYNE

PA

19087

(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.

3/9/2011

OATH OR AFFIRMATION

I, _____, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of RADNOR RESEARCH & TRADING COMPANY, LLC, 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

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).

INDEX

	<u>Page No.</u>
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENT OF FINANCIAL CONDITION	2
STATEMENT OF OPERATIONS	3
STATEMENT OF CHANGES IN MEMBERS' EQUITY	4
STATEMENT OF CASH FLOWS	5
NOTES TO FINANCIAL STATEMENTS	6 - 9
SUPPLEMENTARY INFORMATION	
INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION REQUIRED BY RULE 17a-5 OF THE SECURITIES AND EXCHANGE COMMISSION	10
SCHEDULE I - COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1 OF THE SECURITIES AND EXCHANGE COMMISSIONS	11 - 12
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL REQUIRED BY SEC RULE 17a-5(g)(1) FOR A BROKER DEALER CLAIMING AN EXEMPTION FROM SEC RULE 15c3-3	13 - 14
INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES RELATED TO AN ENTITY'S SIPC ASSESSMENT RECONCILIATION	15 - 16

STEPHANO SLACK LLC

ACCOUNTANTS AND TAX ADVISORS

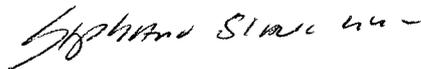
INDEPENDENT AUDITORS' REPORT

To the Members
Radnor Research & Trading Company, LLC
Radnor, Pennsylvania

We have audited the accompanying statement of financial condition of Radnor Research & Trading Company, LLC, (the "LLC") as of December 31, 2010 and the related statements of operations, changes in members' equity, and cash flows for the year then ended that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the LLC's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Radnor Research & Trading Company, LLC at 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.



Stephano Slack LLC

February 23, 2011
Wayne, Pennsylvania

RADNOR RESEARCH & TRADING COMPANY, LLC
Statement of Financial Condition
December 31, 2010

ASSETS

Cash and Cash Equivalents	\$	141,585
Cash Segregated for Specific Use		6,626
Receivable from Broker-Dealers and Clearing Organizations		193,150
Receivables from Non-Customers		56,000
Memberships in Exchanges Owned, at Adjusted Cost (Fair Value \$1,750)		1,750
Property and Equipment, Net of Accumulated Depreciation		45,117
Other Assets		<u>7,513</u>
TOTAL ASSETS	\$	<u>451,741</u>

LIABILITIES AND MEMBERS' EQUITY

Liabilities		
Accounts Payable and Accrued Expenses	\$	204,556
Members' Equity		<u>247,185</u>
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$	<u>451,741</u>

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

RADNOR RESEARCH & TRADING COMPANY, LLC
Statement of Operations
For the Year Ended December 31, 2010

Revenues

Commissions	\$ 1,152,337
Other Income	<u>59,038</u>
TOTAL REVENUES	<u>1,211,375</u>

Expenses

Account Executive and Other Employee Compensation	479,509
Brokerage and Clearing Expense	79,083
Communications and Data Processing	8,695
Exchange Fees	438,936
Occupancy Expense	27,866
Other Expenses	<u>373,177</u>
TOTAL EXPENSES	<u>1,407,266</u>
NET LOSS	<u>\$ (195,891)</u>

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

RADNOR RESEARCH & TRADING COMPANY, LLC
Statement of Changes in Members' Equity
For the Year Ended December 31, 2010

Balance, January 1, 2010	\$ 476,198
Net Loss	(195,891)
Members' Distributions	<u>(33,122)</u>
BALANCE, DECEMBER 31, 2010	<u><u>\$ 247,185</u></u>

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

RADNOR RESEARCH & TRADING COMPANY, LLC

Statement of Cash Flows

For the Year Ended December 31, 2010

CASH FLOWS FROM OPERATING ACTIVITIES

Net Loss	\$	(195,891)	
Adjustments to Reconcile Net Loss to			
Net Cash Flows Used by Operating Activities			
Depreciation		17,546	
Decrease (Increase) in Assets			
Receivable from Broker-Dealers and Clearing Organizations		252,042	
Receivables from Non-Customers		(36,000)	
Other Assets		15,255	
Increase (Decrease) in Liabilities			
Accounts Payable and Accrued Expenses		<u>(289,987)</u>	
NET CASH FLOWS USED			
BY OPERATING ACTIVITIES	\$		(237,035)

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Property and Equipment		(1,515)	
Proceeds from Sale of Spot Commodities		<u>109,052</u>	
NET CASH FLOWS PROVIDED			
BY INVESTING ACTIVITIES			107,537

CASH FLOWS FROM FINANCING ACTIVITIES

Members' Distributions			<u>(33,122)</u>
NET DECREASE IN CASH			
AND CASH EQUIVALENTS			(162,620)
CASH AND CASH EQUIVALENTS,			
BEGINNING OF YEAR			<u>310,831</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	\$		<u><u>148,211</u></u>

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

RADNOR RESEARCH & TRADING COMPANY, LLC

Notes to Financial Statements

December 31, 2010

NOTE 1 - Organization and Nature of Business

The LLC is a broker-dealer registered with the Securities and Exchange Commission (SEC) and the Financial Industry Regulatory Authority and is a member of the New York Stock Exchange (NYSE), BATS Exchange and National Association of Securities Dealers Automated Quotations (NASDAQ). The LLC is a Pennsylvania Limited Liability Company that provides brokerage services to customers who are predominately small and middle-market businesses.

NOTE 2 - Summary of Significant Accounting Policies

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

Cash and Cash Equivalents- The LLC considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

The LLC maintains cash balances at a financial institution. Each interest bearing account is insured by the Federal Deposit Insurance Corporation up to \$250,000 and unlimited deposit insurance coverage for its non-interest bearing accounts through December 31, 2012. In the normal course of business, the LLC may have deposits that exceed the insured balance in its interest bearing accounts.

Accounts Receivable - Accounts receivable are carried at cost. The LLC extends credit to its customers based upon an evaluation of customers' financial condition and credit history and generally does not require collateral to support customer receivables. The LLC does not accrue finance or interest charges. On a periodic basis, management evaluates its accounts receivable based on the history of past write-offs, collections and current credit conditions. An account is written off when it is determined that all collection efforts have been exhausted.

The LLC uses the specific write-off method to provide for doubtful accounts, since experience and management's estimation indicate an adequate allowance for such amounts is immaterial.

RADNOR RESEARCH & TRADING COMPANY, LLC

Notes to Financial Statements

December 31, 2010

NOTE 2 - Summary of Significant Accounting Policies (continued)

Property and Equipment - Property and Equipment are recorded at cost. Depreciation is provided on the straight-line method. Maintenance and minor repairs are charged to operations when incurred. When assets are retired or sold, the related costs and accumulated depreciation are removed from the accounts and the resulting gain or loss is reflected in current operations.

The estimated useful lives for depreciation are:

Equipment	5 Years
Software	3 Years
Furniture and Fixtures	7 Years
Leasehold Improvements	15-39 Years

Long-Lived Assets - As required by the *Property, Plant, and Equipment* Topic of the FASB Accounting Standards Codification No. 360 ("FASB ASC 360"), long-lived assets are required to be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the fair value of the asset. Long-lived assets to be disposed of are reported at the lower of the carrying amount or fair value less the cost to sell.

Commissions - Commissions and related clearing expenses are recorded on a settlement-date basis as securities transactions occur.

Fair Value Measurements - As required by the *Fair Value Measurements and Disclosures* Topic of the FASB Accounting Standards Codification No. 820 ("FASB ASC 820"), the carrying amounts for cash and cash equivalents, accounts receivable, prepaid expenses, accounts payable and accrued expenses approximate their fair value because of their short-term maturity.

Income Taxes - The LLC does not pay corporate income taxes on their taxable income. Instead, the members are liable for individual income taxes on the LLC's taxable income.

Exchange Memberships - The LLC's exchange memberships, which represent ownership interests in the exchanges and provide the LLC with the right to conduct business on the exchanges, are recorded at cost or, if an other than temporary impairment in value has occurred, at a value that reflects management's estimate of the impairment. There were no exchange memberships impaired in 2010. At December 31, 2010, the fair value of the membership in exchanges owned was \$1,750.

Advertising Cost - Costs incurred for advertising are expensed when incurred. Advertising expense for the year ended December 31, 2010 was \$25,153.

RADNOR RESEARCH & TRADING COMPANY, LLC

Notes to Financial Statements

December 31, 2010

NOTE 3 - Receivable from Broker-Dealers and Clearing Organizations

Amounts receivable from broker-dealers and clearing organizations at December 31, 2010 were as follows:

Deposits for Securities Borrowed/Loaned	\$ 150,862
Receivable from Clearing Organizations	<u>42,288</u>
TOTAL RECEIVABLE FROM BROKER-DEALERS AND CLEARING ORGANIZATIONS	\$ <u>193,150</u>

NOTE 4 - Property and Equipment

Property and equipment at December 31, 2010 were as follows:

Equipment	\$ 114,011
Software	9,025
Furniture and Fixtures	27,549
Leasehold Improvements	<u>25,820</u>
TOTAL PROPERTY AND EQUIPMENT	176,405
Less: Accumulated Depreciation	<u>131,288</u>
NET PROPERTY AND EQUIPMENT	\$ <u>45,117</u>

Depreciation expense for the year ended December 31, 2010 was \$17,546.

NOTE 5 - Receivables from Non-Customers

The LLC has receivables from members in the amount of \$56,000 at December 31, 2010. The receivables are unsecured without interest and due on demand.

NOTE 6 - Lease Commitments

The LLC leases office space under a non-cancelable operating lease with monthly payments totaling \$2,292 and expiring on May 31, 2011. Rental expense for the year ended December 31, 2010 was \$27,504.

The following is a schedule by years of future minimum payments for the non-cancelable operating leases described above for the year ended December 31:

2011	\$ <u>11,460</u>
------	------------------

RADNOR RESEARCH & TRADING COMPANY, LLC

Notes to Financial Statements

December 31, 2010

NOTE 7 - Retirement Benefits

The LLC has a deferred compensation 401(k) plan for eligible employees. The LLC may make discretionary matching contributions. The matching contribution for the year ended December 31, 2010 was \$0.

NOTE 8 - Concentrations of Credit Risk

The LLC 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 LLC may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty or issuer of the instrument. It is the LLC's policy to review, as necessary, the credit standing of each counterparty.

NOTE 9 - Liabilities Subordinated to Claims of Creditors

There were no changes in liabilities subordinated to claims of creditors for the year end December 31, 2010.

NOTE 10 - Net Capital Requirements

The LLC is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC 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 (and the rule of the "applicable" exchange also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1). At December 31, 2010, the LLC had net capital of \$136,805, which was \$86,805 in excess of its required net capital of \$50,000. The LLC's net capital ratio was 1.50 to 1.

NOTE 11 - Exempt Provisions of Rule 15c3-3

The LLC operates under the provision of paragraph (k)(2)(i) of Rule 15c3-3 of the Securities and Exchange Commissions, and accordingly, is exempt from the remaining provisions of the that rule.

NOTE 12 - Subsequent Events

In accordance with the *Subsequent Events* Topic of the FASB Accounting Standards Codification No. 855 ("FASB ASC 855"), the LLC has evaluated those events and transactions that occurred from January 1, 2011 through February 23, 2011, the date the financial statements were available to be issued. No material events or transactions have occurred during this period which would render these financial statements to be misleading.

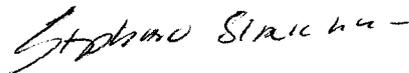
STEPHANO SLACK LLC

ACCOUNTANTS AND TAX ADVISORS

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION REQUIRED BY RULE 17a-5 OF THE SECURITIES AND EXCHANGE COMMISSION

To the Members
Radnor Research & Trading Company, LLC
Radnor, Pennsylvania

We have audited the accompanying financial statements of Radnor Research & Trading Company, LLC as of and for the year ended December 31, 2010, and have issued our report thereon dated February 23, 2011. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedule I is presented for purposes of additional analysis and is not a required part of the basic financial statements, but are supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Stephano Slack LLC

February 23, 2011
Wayne, Pennsylvania

-10-

RADNOR RESEARCH & TRADING COMPANY, LLC
SCHEDULE I - COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1
OF THE SECURITIES AND EXCHANGE COMMISSION
December 31, 2010

NET CAPITAL

Total Members' Equity \$ 247,185

Deductions

Non-Allowable Assets

Receivables from Non-Customers	\$	56,000
Memberships in Exchanges Owned		1,750
Property and Equipment, Net Accumulated Depreciation		45,117
Other Assets		7,513
		7,513

TOTAL DEDUCTIONS 110,380

NET CAPITAL \$ 136,805

COMPUTATION OF AGGREGATE INDEBTEDNESS

Accounts Payable	\$	39,919
Accrued Expenses		164,637
		164,637

TOTAL AGGREGATE INDEBTEDNESS \$ 204,556

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT:

MINIMUM NET CAPITAL REQUIRED (6 2/3% x \$204,556) \$ 13,637

MINIMUM DOLLAR NET CAPITAL REQUIREMENT
OF REPORTING BROKER-DEALER \$ 50,000

NET CAPITAL REQUIREMENT \$ 50,000

EXCESS NET CAPITAL \$ 86,805

EXCESS NET CAPITAL AT 120% OF
NET CAPITAL REQUIREMENT \$ 76,805

TOTAL AGGREGATE INDEBTEDNESS \$ 204,556

RATIO: AGGREGATE INDEBTEDNESS TO NET CAPITAL 1.50 to 1

RADNOR RESEARCH & TRADING COMPANY, LLC
SCHEDULE I - COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1
OF THE SECURITIES AND EXCHANGE COMMISSION (CONTINUED)
December 31, 2010

RECONCILIATION WITH LLC'S COMPUTATION (INCLUDED IN PART II OF FORM X-17A-5 AS OF DECEMBER 31, 2010)

NET CAPITAL, AS REPORTED IN LLC'S PART II (UNAUDITED) FOCUS REPORT	\$ 145,523
AUDIT ADJUSTMENTS	
NON-ALLOWABLE ASSETS ERRONEOUSLY REPORTED AS ALLOWABLE	
MEMBER ADVANCE	(6,000)
OTHER ASSETS	(7,513)
ADJUSTMENTS TO OTHER ASSETS	<u>4,795</u>
NET CAPITAL PER ABOVE	<u><u>\$ 136,805</u></u>

INDEPENDENT AUDITORS' REPORT ON INTERNAL
CONTROL REQUIRED BY SEC RULE 17A-5(g)(1) FOR A BROKER-DEALER
CLAIMING AN EXEMPTION FROM SEC RULE 15c3-3

To the Members
Radnor Research & Trading Company, LLC
Radnor, Pennsylvania

In planning and performing our audit of the financial statements of Radnor Research & Trading Company, LLC (the "LLC"), 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 LLC'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 LLC's internal control. Accordingly, we do not express an opinion on the effectiveness of the LLC'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 LLC, including consideration of control activities for safeguarding securities. This study included tests of compliance with 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 LLC 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 LLC in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons, and the recordation of differences required by Rule 17a-13
2. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System

The management of the LLC 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 LLC 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 accounting principles generally accepted in the United States of America. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control and the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

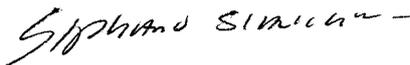
A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the LLC's financial statements will not be 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 previously.

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 LLC's practices and procedures, as described in the second paragraph of this report, were adequate at December 31, 2010, to meet the SEC's objectives.

This report is intended solely for the information and use of the members, management, the SEC, NYSE, PHLX 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.


Stephano Slack LLC

February 23, 2011
Wayne, Pennsylvania

STEPHANO SLACK LLC

ACCOUNTANTS AND TAX ADVISORS

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES RELATED TO AN ENTITY'S SIPC ASSESSMENT RECONCILIATION

To the Members
Radnor Research & Trading Company, LLC
Radnor, Pennsylvania

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 Radnor Research & Trading Company, LLC and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., SIPC and the New York Stock Exchange, solely to assist you and the other specified parties in evaluating Radnor Research & Trading Company, LLC's compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). Radnor Research & Trading Company, LLC's management is responsible for Radnor Research & Trading Company, LLC'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:

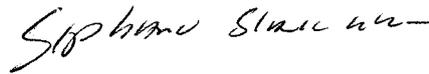
1. Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records entries noting no payments made;
2. Compared the amounts reported on the audited Form X-17A-5 for the year ended December 31, 2010, as applicable, with the amounts reported in Form SIPC-7 for year ended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

-15-

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.

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.



Stephano Slack LLC

February 23, 2011
Wayne, Pennsylvania

+
STEPHANO SLACK LLC
ACCOUNTANTS AND TAX ADVISORS

+ www.stephanoslack.com

+ **WAYNE OFFICE**
125 Stafford Avenue, Suite 200
Wayne, PA 19087
tel 610-687-1600
fax 610-687-0016

+ **WEST CHESTER OFFICE**
Goshen Executive Center, Suite 500B
1450 East Boot Road
West Chester, PA 19380
tel 610-696-4400
fax 610-696-5648