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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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SECURITIES AND EXCHANGE COMMISSION
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**ANNUAL AUDITED REPORT
FORM X-17A-5
PART III**

SEC FILE NUMBER
8- 68049

**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 1/1/10 AND ENDING 12/31/10
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Mertz & Associates, Inc.
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

OFFICIAL USE ONLY
FIRM I.D. NO.

One Riverwood Place N17 W24222 Riverwood Drive
(No. and Street)
Waukesha WI 53188
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Douglas Marconnet 262-523-4200
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*
Reilly, Penner & Benton LLP

1233 North Mayfair Road Milwaukee WI 53226
(Address) (City) (State) (Zip Code)
(Name - if individual, state last, first, middle name)

- 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)

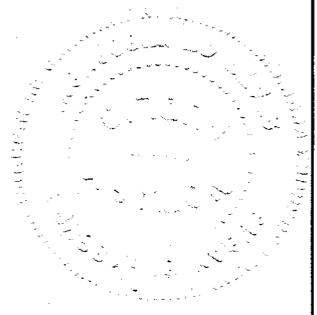
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OATH OR AFFIRMATION

I, Doug Maronnet, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Mertz Associates Inc., as of Dec. 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
Managing Director, Exec VP
Title

[Signature] (4-1-2012)
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).

MERTZ ASSOCIATES, INC.
Waukesha, Wisconsin

Computation of Net Capital and Aggregate Indebtedness
For the Year Ended December 31, 2010

Net Capital Computation:

Stockholder's equity at year end	\$ 328,094
Unallowed assets:	
Accounts receivable	(8,343)
Prepaid expense	(21,311)
Property and equipment	(73,762)
"Haircuts"	(3,394)
Net capital	<u>\$ 221,284</u>

Computation of Basic Net Capital Requirement:

Minimum net capital required (6 2/3% of aggregate indebtedness)	<u>\$ 3,248</u>
Minimum dollar net capital requirement	<u>\$ 5,000</u>
Net capital requirement	<u>\$ 5,000</u>

Computation of Aggregate Indebtedness:

Total liabilities	<u>\$ 48,719</u>
Aggregate indebtedness	<u>\$ 48,719</u>

Percentage of Aggregate Indebtedness to Net Capital 22.02 %

Reconciliation with Company's Computation (included in Part IIA of Form X-17A-5 as of December 31):

Net capital, as reported in Company's Part IIA (unaudited) FOCUS report and per audit	\$ 221,134
Net effect of year end adjustments	<u>150</u>
Net capital	<u>\$ 221,284</u>

See Independent Auditors' Report.

MERTZ ASSOCIATES, INC.
Waukesha, Wisconsin

AUDITED FINANCIAL STATEMENT

Year Ended December 31, 2010

TABLE OF CONTENTS

	Page
Independent Auditors' Report	1
Balance Sheet	2
Notes to Financial Statements	3 - 5
SEC Form X-17A-5	6 - 7
Computation of Net Capital and Aggregate Indebtedness	8
Independent Auditors' Report on Internal Control	9 - 10

Richard A. Raymaker
Steven C. Barney
Steven R. Volz
Daniel R. Brophey
Thomas G. Wieland
Michael W. Van Wagenen



Reilly, Penner & Benton LLP
Certified Public Accountants & Consultants

Celebrating Over 100 Years of Client Service

David A. Grotkin
Joel A. Joyce
Brian J. Mechenich
Carrie A. Gindt
Patrick G. Hoffert

INDEPENDENT AUDITORS' REPORT

Board of Directors
Mertz Associates, Inc.
Waukesha, Wisconsin

We have audited the accompanying balance sheet of Mertz Associates, Inc. (Company) as of December 31, 2010 that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement 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 statement referred to above present fairly, in all material respects, the financial position of Mertz Associates, Inc. at December 31, 2010 in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic financial statement taken as a whole. The information included in the accompanying computation of net capital and aggregate indebtedness schedule is presented for purposes of additional analysis and is not a required part of the basic financial statement, but is 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 statement and, in our opinion, is fairly stated in all material respects in relation to the basic financial statement taken as a whole.

February 15, 2011
Milwaukee, Wisconsin

MERTZ ASSOCIATES, INC.

Waukesha, Wisconsin

Balance Sheet

December 31, 2010

ASSETS

Current Assets:

Cash and equivalents	\$	273,397
Accounts receivable		8,343
Prepaid expenses		21,311
Total current assets		<u>303,051</u>

Property and Equipment:

Cost		371,975
Less - Accumulated depreciation		<u>(298,213)</u>
Net property and equipment		<u>73,762</u>

Total assets \$ 376,813

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities:

Accounts payable	\$	7,309
Accrued expenses		<u>41,410</u>
Total current liabilities		<u>48,719</u>

Stockholders' Equity:

Common stock		100
Additional paid in capital		100,081
Retained earnings		<u>227,913</u>
Total stockholders' equity		<u>328,094</u>

Total liabilities and stockholders' equity \$ 376,813

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

MERTZ ASSOCIATES, INC.
Waukesha, Wisconsin

Notes to Financial Statements
December 31, 2010

1. Summary of Significant Accounting Policies

Business Activity

The Company was incorporated in the state of Wisconsin on January 27, 1981. The Company is registered with the Securities and Exchange Commission and the Financial Industry Regulatory Authority (FINRA). The Company's principal business activity is consulting with companies to help them either sell or acquire other businesses.

Cash and Equivalents

Cash and equivalents consist of the Company's checking and money market accounts.

Reserves and Custody of Securities

The Company did not hold securities for sale, nor does it hold customer securities at December 31, 2010. Because the Company does not handle customers' securities, Rule 15(c)3-3, in regard to computation for determination of reserve requirements and information relating to the possession or control requirements, does not apply.

Accounts Receivable

Accounts receivable are reported at contract value, less our estimate for uncollectible amounts based on experience relative to the population of accounts receivable.

Property and Equipment

Property and equipment is carried at cost. Depreciation, based on estimated useful lives of assets, is calculated on both the straight-line and accelerated methods for both financial accounting and income tax purposes. Depreciation for the year ended December 31, 2010 amounted to \$12,589.

Useful lives are estimated as follows:

Computer equipment	5 years
Office furniture and fixtures	5-7 years
Leasehold improvements	15 years

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

The Company, with the consent of its stockholder, has elected to be an "S" corporation under the Internal Revenue Code and similar state law. Instead of paying corporate income taxes, the stockholder is taxed individually on the Company's taxable income. Therefore, no provision or liability for federal or state income taxes has been made. The Company is no longer subject to United States income tax examinations for years ending before December 31, 2007 and Wisconsin income tax examinations for years ending before December 31, 2006.

MERTZ ASSOCIATES, INC.

Waukesha, Wisconsin

Notes to Financial Statements

December 31, 2010

(Continued)

1. Summary of Significant Accounting Policies (Continued)

Revenue Recognition

Commissions are recognized when earned and the monthly retainers are recognized in the month services are provided.

Subsequent Events

Management has evaluated subsequent events for possible recognition or disclosure through the date the financial statements were available to be distributed (February 15, 2011.) There were no subsequent events that required recognition or disclosure.

2. Property and Equipment

Property and equipment consist of the following:

Furniture	\$	223,732
Equipment		64,523
Leasehold improvements		83,720
Total	\$	<u>371,975</u>

3. Net Capital Requirements

As a registered broker/dealer and member of FINRA, the Company is subject to the Uniform Net Capital Rule, which required the maintenance of minimum net capital and requires that the ratio of aggregated indebtedness to net capital, both as defined, shall not exceed 15 to 1. At December 31, 2010, the Company's net capital and required net capital were \$221,284 and \$5,000, respectively. The ratio of aggregate indebtedness to net capital was .2202 to 1.

4. Common Stock

Common stock consists of 2,800 authorized, 100 issued and outstanding \$1 par value shares.

5. Leases

The Company leases its premises from Transwestern Great Lakes, L.P. which required monthly payments of \$2,666 from January 1, 2010 to March 31, 2010 and payments of \$2,733 from April 1, 2010 to July 31, 2010. The lease agreement expired on July 31, 2010 but was renewed. Monthly payments from August 1, 2010 to December 31, 2010 were \$2,835. Rent expense was \$33,106 for the year ended December 31, 2010. The lease expires on July 31, 2012. After July 31, 2012, the lease can be renewed for two additional years with lease payments being \$3,007 from August 1, 2012 through July 31, 2013 and \$3,098 from August 31, 2013 through July 31, 2014. After that, the lease can be renewed for an additional two years with lease payments being \$3,190 from August 31, 2014 through July 31, 2015 and \$3,287 from August 31, 2015 through July 31, 2016.

MERTZ ASSOCIATES, INC.

Waukesha, Wisconsin

Notes to Financial Statements

December 31, 2010

(Continued)

5. Leases (continued)

The Company leases storage space from Transwestern Great Lakes, L.P. which required a monthly payment of \$154.81 for the month of January 2010. The monthly payments were \$159.45 from February 2010 to July 2010. The lease agreement then expired on July 31, 2010. The agreement was renewed and the monthly payments were \$164.23 for the rest of 2010. Rent expense was \$1,933 for the year ended December 31, 2010. The lease expires on July 31, 2012. After July 31, 2012, the lease can be renewed for two additional years with lease payments being \$2,091 from August 1, 2012 through July 31, 2013 and \$2,154 from August 31, 2013 through July 31, 2014. After that, the lease can be renewed for an additional two years with lease payments being \$2,218 from August 31, 2014 through July 31, 2015 and \$2,285 from August 31, 2015 through July 31, 2016.

The Company leases parking spaces from Transwestern Great Lakes, L.P. which required monthly payments of \$75 for the year. The lease agreement expired on July 31, 2010 but was renewed for the same monthly payment. Rent expense was \$900 for the year ended December 31, 2010. This lease continues indefinitely at \$75 per month.

A summary schedule of all the Company's future lease payments follow.

	<u>Main Premise</u>	<u>Storage Space</u>	<u>Parking</u>	<u>Total</u>
2011	\$ 34,445	\$ 1,995	\$ 900	\$ 37,340
2012	20,440	1,184	900	22,524
	<u>\$ 54,885</u>	<u>\$ 3,179</u>	<u>\$ 1,800</u>	<u>\$ 59,864</u>

6. Retirement Plan

The Company sponsors a SIMPLE retirement plan (Plan). Participants are allowed to contribute to the Plan and the Company also adds a profit sharing contribution to each participant's account. The Company's retirement expense for the year was \$14,116. The accrued total contribution at year end was \$20,829 consisting of \$17,032 in employee contributions and \$3,797 in employer contributions.

7. Advertising Expenses

Advertising expenses are expensed as incurred by the Company. The advertising expense for the year ended December 31, 2010 was \$48,694.

8. Filing Requirements

There were no liabilities subordinated to claims of creditors during the year ended December 31, 2010. Accordingly, a statement of changes in liabilities subordinated to claims of creditors is not included in the financial statements as required by rule 17a-5 of the Securities and Exchange Commission.

9. Commitments

The Company is periodically subject to examination of its operations by various regulatory agencies. It is management's opinion that none of these examinations will have a material effect on the Company's financial statements.

Richard A. Raymaker
Steven C. Barney
Steven R. Volz
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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL

To the Board of Directors,
Mertz Associates, Inc.
Waukesha, Wisconsin

In planning and performing our audit of the financial statements of Mertz Associates, Inc. (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, we have made a study of the practices and procedures (including tests of compliance with such practices and procedures) followed by Mertz Associates, Inc. that we considered relevant to the objectives stated in Rule 17a-5(g)(1), in making the periodic computations of aggregate indebtedness and net capital under Rule 17a-3(11). 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 Sec. 8 of Regulation T of the Board of Governors of the Federal Reserve System, because the Company does not carry security accounts for customers or perform custodial functions relating to customer securities.

The management of the Company is responsible for establishing and maintaining an internal control structure 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 internal control structure policies and procedures 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 Commission's above-mentioned objectives. Two of the objectives of an internal control structure 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 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 any internal control structure or the practices and procedures referred to above, errors or irregularities 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.

Our consideration of the internal control was for the limited purpose described in the preceding paragraphs and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a deficiency in internal control that we consider to be a significant deficiency.

A deficiency in internal control 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 and correct misstatements on a timely basis. 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

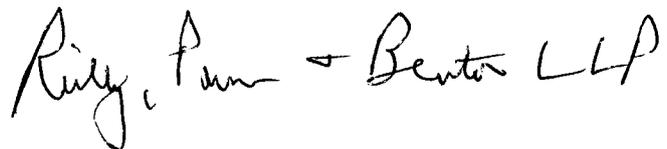
A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency in the Company's internal control to be a significant deficiency:

Separation of Duties

The Company operates its accounting and reporting function with principally one or two individuals, which precludes a proper segregation of duties. This condition is not, however, unusual in entities the size of Mertz Associates, Inc. It is important for management to be aware of this condition, and to realize that the concentration of duties and responsibilities in one individual is not desirable from a control point of view. Under these conditions, the most effective controls rest in management's knowledge and monitoring of matters relating to the Company's financial affairs.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the Commission to be adequate for its purpose 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 were adequate at December 31, 2010, to meet the Commission's objectives.

This report is intended solely for the use of management, the Securities and Exchange Commission, FINRA and other regulatory agencies which rely on Rule 17a-5(g) under the Securities Exchange Act of 1934, and should not be used for any other purposes.

A handwritten signature in black ink that reads "Rigg, Pinn & Benton LLP". The signature is written in a cursive, flowing style.

February 15, 2011
Milwaukee, Wisconsin