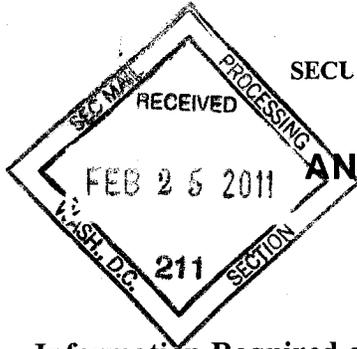


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Washington, D.C. 20549

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

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

| SEC FILE NUMBER |
|-----------------|
| 8-45302         |

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: INTEGRITY INVESTMENTS, INC.

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

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

221 PENSACOLA ROAD

(No. and Street)

VENICE

(City)

FL

(State)

34285

(Zip Code)

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

(Area Code - Telephone Number)

### B. ACCOUNTANT IDENTIFICATION

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

JERE A. BERKEY, CPA

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

5420 EAGLES POINT CIRCLE #106 SARASOTA, FL 34285

(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)

M

OATH OR AFFIRMATION

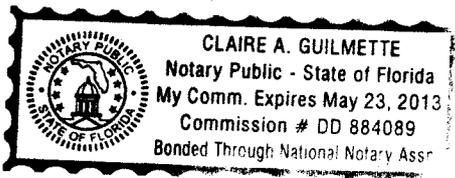
I, RICHARD F CURGIO, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of INTEGRITY INVESTMENTS, INC., as of DECEMBER 31, 2010, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

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

[Signature]  
Signature

PRESIDENT  
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 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).

**INTEGRITY INVESTMENTS, INC.**

**( A CORPORATION )**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2010**

*Jere A. Berkey, C.P.A.*

---

**CERTIFIED PUBLIC ACCOUNTANT  
SARASOTA, FLORIDA**

**JERE A. BERKEY, C. P. A.**  
**Certified Public Accountant**  
**5420 Eagles Point Circle # 106**  
**Sarasota, Florida 34231**

**Tel ( 941) 924-6563 Fax ( 941) 927-6893 E-Mail: jabs \_ 39@hotmail.com**

To the Board of Directors  
Integrity Investments, Inc.  
Venice, Florida

As required under the Security and Exchange Commission Act of 1934 and ( SEC ) Rule 17a-5(j), a Supplemental Report is required to be filed by the accountant describing any material inadequacies found to exist or found to have existed since the date of the previous audit. If the audit did not disclose any material inadequacies, the supplemental report shall so state.

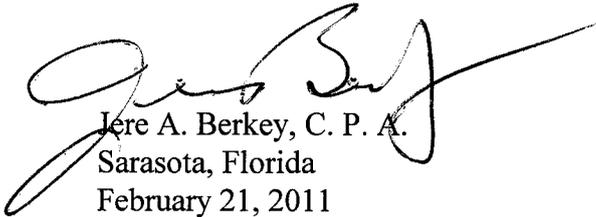
In planning and performing my audit of the financial statements of Integrity Investments, Inc, as of and for the year ended December 31, 2010, in accordance with auditing standards generally accepted in the United State of America, I considered Integrity Investment's, Inc. internal controls over financial reporting ( internal control ) as a basis for designing my auditing procedures for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, I do not express an opinion on the effectiveness of the Company's internal control.

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 control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Integrity Investments, Inc.  
Board of Directors  
February 21, 2011

My consideration of internal control was for the limited purpose described in the second paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control that I consider to be material weaknesses, as defined above.



Jere A. Berkey, C. P. A.  
Sarasota, Florida  
February 21, 2011

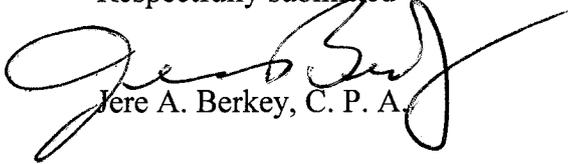
**JERE A. BERKEY, C. P. A.**  
**Certified Public Accountant**  
5420 Eagles Point Circle, # 106  
Sarasota, Florida 34231

TEL ( 941 ) 924-6563 FAX ( 941-927-6893 E-mail jabs\_39@hotmail.com

February 21, 2011  
To The Board of Directors  
Integrity Investments, Inc.  
Venice, Florida

In accordance with your request, I have audited your anti-money laundering procedures for compliance with regulations regarding those matters. In connection with my audit, I have not encountered any receipts of cash or foreign currencies, checks or direct wires going through the company's accounts. There have been no direct deposits of funds from clients as all of the investment activity has been made directly into the funds that the company is responsible to oversee. I therefore attest that the company has fully complied with the anti-money laundering regulations.

Respectfully submitted

  
Jere A. Berkey, C. P. A.

**JERE A. BEKEY, C. P. A.**  
**Certified Public Accountant**  
5420 Eagles Point Circle # 106  
Sarasota, Florida 34231

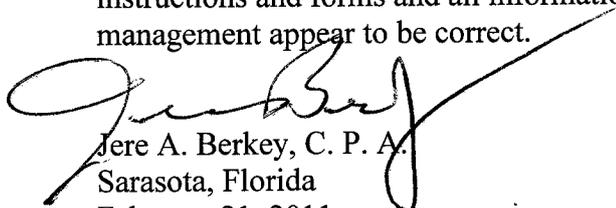
Tel ( 941-924-6563 Fax (941-927-6893 E-Mail: [jabs\\_39@hotmail.com](mailto:jabs_39@hotmail.com)

To the Board of Directors  
Integrity Investments, Inc.  
Venice Florida

As required under the Securities Investor Protection Corporation ( SIPC ) and under the Securities and Exchange Commission Act of 1934, all members of ( SIPC ) shall file with the report a supplemental report which shall be covered by an opinion of the independent public accountant on the status of the membership of the broker or dealer in SIPC

I have examined the General Assessment payment form SIPC-6 and the Transitional Assessment Reconciliation form SIPC-7T for the year ended December 31, 2010 as to their accuracy, content, submission and payments.

In my opinion, the assessments were determined fairly in accordance with applicable instructions and forms and all information as presented on the forms by company management appear to be correct.

  
Jere A. Berkey, C. P. A.  
Sarasota, Florida  
February 21, 2011

**INTEGRITY INVESTMENTS, INC.**

**( A CORPORATION )**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2010**

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| <b>Statement of Changes in Liabilities Subordinated to<br/>        Claims of General Creditors</b> | <b>13</b>   |

**JERE A. BERKEY, C. P. A**  
**Certified Public Accountant**  
5420 Eagles Point Circle # 106  
Sarasota, Florida 34231

TEL ( 941 ) 924-6563      FAX ( 941 ) 927-6893      E-Mail jabs\_39@hotmail.com

**To the Board of Directors**  
**Integrity Investments, Inc.**  
**Venice, Florida**

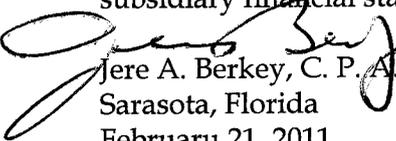
I have audited the accompanying balance sheet of Integrity Investments, Inc., as of December 31, 2010, and the related statements of loss and accumulated deficits, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain a reasonable assurance about whether the financial statements are free of material misstatements. 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. I believe that my audit provides a reasonable basis for my opinion.

An integral part of the audit was to determine if there were any material inadequacies in the accounting system, internal accounting controls, and procedures for safeguarding securities and practices and procedures specified in Reg. 240.17a-5. Please refer to the Supplemental Report as required under the Security and Exchange Commission Act of 1934 and ( SEC ) Rule 17a-5(j).

In my opinion, the financial statements referred to in the preceding present fairly, in all material respects, the financial position of Integrity Investments, Inc., as of December 31, 2010, and the results of its operations and cash flows for the year ended in conformity with accounting principles accepted in the United States of America.

The accompanying schedules and information relating to capital and reserve requirements are presented as supplementary data and have been subject to audit procedures applied in the basic financial statements. Further supplemental information contained with respect to condensed information of the subsidiary was subject to the same auditing procedures in the audit of the subsidiary financial statements. There was no material modifications to be made to such data.

  
Jere A. Berkey, C. P. A.  
Sarasota, Florida  
Februaru 21, 2011

INTEGRITY INVESTMENTS, INC  
BALANCE SHEET  
December 31, 2010

---

ASSETS

CURRENT ASSETS

|                           |    |         |
|---------------------------|----|---------|
| Cash and cash equivalents | \$ | 46,208  |
| Accounts Receivable       |    | 63,084  |
| Prepaid expenses          |    | 1,460   |
| TOTAL CURRENT ASSETS      |    | 110,752 |

INVESTMENTS

|                          |  |         |
|--------------------------|--|---------|
| Investment in subsidiary |  | 150,000 |
| TOTAL INVESTMENTS        |  | 150,000 |

PROPERTY AND EQUIPMENT

|                               |  |          |
|-------------------------------|--|----------|
| Office equipment              |  | 9,586    |
| Office furniture and fixtures |  | 27,404   |
| Less : Accum. Depreciation    |  | (35,207) |
| TOTAL PROPERTY AND EQUIPMENT  |  | 1,783    |

OTHER ASSETS

|                               |  |       |
|-------------------------------|--|-------|
| Leasehold Improvements        |  | 4,172 |
| Less accumulated amortization |  | (276) |
| TOTAL OTHER ASSETS            |  | 3,896 |

|              |    |         |
|--------------|----|---------|
| TOTAL ASSETS | \$ | 266,431 |
|--------------|----|---------|

LIABILITIES & STOCKHOLDER'S EQUITY

CURRENT LIABILITIES

|                           |    |        |
|---------------------------|----|--------|
| Accounts payable - trade  | \$ | 7,266  |
| Accrued expenses          |    | 15,335 |
| TOTAL CURRENT LIABILITIES |    | 22,601 |

NON-CURRENT LIABILITIES

|                                    |  |         |
|------------------------------------|--|---------|
| Subordinated loan & Acc. Int. pay. |  | 369,182 |
| TOTAL NON-CURRENT LIABILITIES      |  | 369,182 |

STOCKHOLDER'S EQUITY

|                               |  |             |
|-------------------------------|--|-------------|
| Common stock, \$.10 par value |  | 958,920     |
| Additional paid-in capital    |  | 493,500     |
| Treasury stock                |  | (140,000)   |
| Retained earnings ( deficit ) |  | (1,437,772) |
| TOTAL STOCKHOLDER'S EQUITY    |  | (125,352)   |

|                                     |    |         |
|-------------------------------------|----|---------|
| TOTAL LIABILITIES & STOCKHOLDER'S E | \$ | 266,431 |
|-------------------------------------|----|---------|

---

See accompanying notes

INTEGRITY INVESTMENTS, INC  
STATEMENT OF LOSS AND ACCUMULATED DEFICITS  
For the year ended December 31, 2010

---

|                                     |                              |
|-------------------------------------|------------------------------|
| REVENUE                             |                              |
| Commissions                         | \$ 385,808                   |
| Consulting Fees                     | <u>250,000</u>               |
| TOTAL REVENUE                       | 635,808                      |
| SELLING EXPENSES                    | 47,462                       |
| GENERAL & ADMIN. EXPENSES           | 582,644                      |
| NON-OPERATING ( INCOME) & EXP       |                              |
| Interest expense                    | (16,046)                     |
| Dividends                           | <u>1</u>                     |
| TOTAL NON-OPERATING ( INCOME) & EXP | <u>(16,045)</u>              |
| NET INCOME (LOSS)                   | (10,343)                     |
| BEGINNING RETAINED EARNINGS         | <u>(1,427,429)</u>           |
| ENDING RETAINED EARNINGS            | <u><u>\$ (1,437,772)</u></u> |

---

See accompanying notes

INTEGRITY INVESTMENTS, INC  
STATEMENT OF CASH FLOWS  
For the year ended December 31, 2010

---

|   |                         |
|---|-------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES  |                         |
| Net income(loss)  | \$ (10,343)             |
| Adjustments to reconcile net income to net cash provided by operating activities: |                         |
| Depreciation & Amort Expense  | 3,216                   |
| Change in accounts receivable   | (28,704)                |
| Change in prepaid assets  | (44)                    |
| Change in accounts payable  | (279)                   |
| Change in accrued expenses  | 3,839                   |
| Increase in accrued interest  | <u>16,046</u>           |
| NET CASH PROVIDED BY (USED BY) OPERATING ACTIVITIES                               | (16,269)                |
| CASH FLOWS FROM INVESTMENT ACTIVITIES   |                         |
| Leashold Improvements   | <u>(4,172)</u>          |
| NET CASH PROVIDED BY (USED BY) INVESTING ACTIVITIES                               | <u>(4,172)</u>          |
| NET CASH PROVIDED BY (USED BY) FINANCING ACTIVITIES                               |                         |
|   | <u>-0-</u>              |
| NET INCREASE(DECREASE) IN CASH  | (20,441)                |
| CASH AT BEGINNING OF PERIOD   | <u>66,649</u>           |
| CASH AT END OF PERIOD   | <u><u>\$ 46,208</u></u> |
| SUPPLEMENTAL DISCLOSURES:   |                         |
| Cash paid for:  |                         |
| Income Taxes  | \$ -0-                  |

---

See accompanying notes

**INTEGRITY INVESTMENTS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2010**

**NOTE A- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Business**

Integrity Investments, Inc., was incorporated on September 8, 1992, and acted as a broker-dealer and distributor for the Valiant funds. Beginning in July 2007, a commission-sales agreement was entered into with the Dreyfus Cash Management Family of Funds to promote their products to Integrity's clients. The former investors in the previous Valiant Funds were rolled into the Dreyfus family of funds. Other marketing, distribution and service agreements have also been used in promoting the products to Integrity's clients.

**Property and Equipment**

Property and equipment are carried at cost. Depreciation is provided using the straight-line method for financial reporting purposes and accelerated MACRS 200% DB for federal income tax purposes.

**Income Taxes**

Beginning in 1992, the company's operations were consolidated with their wholly owned subsidiary, Integrity Management & Research, Inc., for income tax purposes. The companies have not accrued and deferred taxes for timing differences resulting from different book and tax depreciation methods because of the large net operating loss carry forward.

**Use of Estimates**

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

**NOTE B - INVESTMENTS AND RELATED PARTY TRANSACTIONS**

Integrity Investments, Inc., is the parent to Integrity Management & Research, Inc., a wholly owned subsidiary. While Integrity Management and Research, Inc. was in a development state from inception through December 1994, considerable organization and administrative expenses were incurred which required additional funding by the parent company. The parent company acted as the promoter for the Valiant Fund shares and provided shareholder services through June 2007. In return, it received payments from the subsidiary for these services. These arrangement for services provided to the subsidiary ceased as of June 30, 2007. Beginning in July 2007, the company commenced using the Dreyfus Family of funds for their customers.

Another marketing, distribution and service agreement was completed as of January 11, 2010 with a company known as Fundcore Finance Group LLC, which will use Integrity Investments, Inc. to provide certain marketing, distribution and services with respect to the Integrity Relationships and the Fundcore Products.

The initial term of the agreement was from November 1, 2009 to October 31, 2010 with an automatic renewal of one year unless otherwise advised by Fundcore. The fees derived for services provided are designated as consulting fees in the financial statements.

See accompanying notes

**INTEGRITY INVESTMENTS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2010**

**NOTE C - INCOME TAXES**

In the years ended December 31, 1992, through 2010, the parent and subsidiary have cumulative net operating losses for both income tax and financial reporting purposes.

The operating losses have been available to offset taxable income for subsequent years through year ended December 31, 2010. No tax benefit was recorded in prior financial statements because of the uncertainty of future results of operations.

In the current year, no tax provisions ( expense ) has been recorded. Also, because of the continuing uncertainty of results of operations, not future tax benefits have been recorded.

**NOTE D - CAPITAL STOCK**

There were no additional shares of common stock issued or additional paid-in capital received during the year ended December 31, 2010

**NOTE E - LONG TERM SUBORDINATED LOAN PAYABLE**

The Company received \$ 125,000 through the issuance of a 12% subordinated loan DTD October 1, 1994. The original terms of the loan specified that the principal sum of \$ 125,000 be repaid on October 31, 1997 together with interest.

The subordinated loan agreement for equity capital was submitted to the NASD and was found acceptable as of October 28, 1996.

Permission was also requested from the NASD to allow for the subordination of the accrued interest on the subordinated loan. NASD granted permission on February 17, 1997, to allow this change to be made.

The company has periodically requested NASD approval to extend the original due dates on the subordinated loan principle and interest. Permission was granted.

On September 27, 2006, the loan principal and accrued interest were combined for a new subordinated loan of \$ 303,761 with interest thereon payable at the rate of 5 % per annum effective with the date of this agreement. NASD approval was granted on September 28, 2006 for the latest extension until September 30, 2009.

The previous subordinated loan extension was approved September 9, 2009 extending the maturity until September 30, 2011.

The most recent subordinated loan agreement was approved on November 10, 2010 whereby, the loan principal and accrued interest up through November 7, was combined for a new loan principal of \$ 366,475.75 with interest thereon payable at the rate of 5% per annum for a three year period with a maturity date of November 8, 2013.

See accompanying notes

**INTEGRITY INVESTMENTS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2010**

**NOTE - E ( CONTINUED )**

Further, Appendix D of section Rule 15c3-1, requires the prior written approval of NASD before any repayment of a subordinated agreement can be made. Accordingly, unsecured advances to the lender during the term of the agreement are not permitted since such advances would constitute unauthorized repayments.

Further provisions covering these agreements are contained within 17 CFR240-15C3-1 to C3-3a.

**NOTE F- OFFICE-CONDO BUILDING LEASE AGREEMENT**

The company sold their condominium office in March 2007 with the buyer agreeing to assume the outstanding mortgage balance at that time. The buyer was a related party, Curcio Properties, LLC., whose controlling shareholder is a controlling shareholder in Integrity Investments, Inc. It has been determined that the real estate sale was a bonifide real estate /armslength transaction.

The buyer agreed to enter into a lease for a period of five years beginning March 13, 2007 and terminating on the 12th day of March 2012.

Terms of the lease call for a " Base Rent " for each lease year in the sum of \$ 33,717.96, payable in consecutive monthly installments of \$ 2,809.83, each together with applicable sales tax. The company is also responsible for the payment of all condominium fees, assessments, insurance , real estate taxes, maintenance and utility bills for said premises.

Beginning February 1, 2010, the company was informed that due to an ajustment in the landlord;s adjustable rate loan with their bank, there will be a reduction in the monthly lease rate beginning February 1, 2010. The new base Rent for the remaining 11 months of 2010 was \$ 2,401.72 per month. All of the previous terms and conditions of the previous lease agreement remain in affect.

See accompanying notes

**SUPPLEMENTARY  
INFORMATION**

INTEGRITY INVESTMENTS, INC.  
SCHEDULE OF SELLING, GENERAL AND ADMINISTRATIVE EXPENSES  
For the year ended December 31, 2010

---

SELLING EXPENSES

|                        |                  |
|------------------------|------------------|
| Entertainment          | \$ 17,959        |
| Travel & lodging       | 29,503           |
| TOTAL SELLING EXPENSES | <u>\$ 47,462</u> |

GENERAL & ADMIN. EXPENSES

|                                     |                   |
|-------------------------------------|-------------------|
| Accounting and auditing             | \$ 15,779         |
| Bank service charges                | 1,360             |
| Depreciation & Amortization         | 3,216             |
| Consulting Fees                     | 69,050            |
| Dues and subscription               | 3,113             |
| Education and Training & Conference | 6,375             |
| Fund Custodial & Shareholder Fees   | 33,982            |
| Insurance                           | 64,223            |
| Leases-equipment                    | 333               |
| Legal fees                          | 4,041             |
| Licenses & registration fees        | 3,468             |
| Office supplies & postage           | 2,520             |
| Other operating expenses            | 141               |
| Printing                            | 212               |
| Professional services               | 7,450             |
| Rent-Office Building                | 40,468            |
| Repairs and maintenance             | 770               |
| Salaries-office                     | 294,000           |
| Taxes-Payroll                       | 19,060            |
| Taxes-Local                         | 79                |
| Telephone & internet                | 11,199            |
| Utilities                           | 1,804             |
| TOTAL GENERAL & ADMIN. EXPENSES     | <u>\$ 582,643</u> |

---

See accompanying notes



**INTEGRITY INVESTMENTS, INC**  
**RECONCILIATION OF COMPUTATION OF NET CAPITAL**  
**For the year ended December 31, 2010**

Reconciliation of computation of net capital pursuant to rule 15 c3-1 between audited statements and unaudited statements as of December 31, 2010.

|                            | <u>Audited</u>     | <u>Un-audited</u>  | <u>Difference</u>   |
|----------------------------|--------------------|--------------------|---------------------|
| Total Assets               | \$ 266,431         | \$ 261,657         | \$ 4,774            |
| Total Liabilities          | 391,783            | 389,585            | ( 2,198 )           |
| Net Worth                  | <u>( 125,352 )</u> | <u>( 127,928 )</u> | <u>2,576</u>        |
| Add: subordinated loans    | <u>369,182</u>     | <u>369,117</u>     | <u>65</u>           |
| Adjusted net worth         | 243,830            | 241,189            | 2,641               |
| Less: non-allowable assets |                    |                    |                     |
| Investment in Subsidiary   | 150,000            | 150,000            | -----               |
| Furniture and fixtures     | 27,404             | 27,404             | -----               |
| Office Equipment           | 9,586              | 9,586              | -----               |
| Leasehold Improvements     | 4,172              | -----              | 4,172               |
| Accum depr. And Amort.     | ( 35,483 )         | ( 34,624 )         | ( 859 )             |
| Prepaid expense            | 1,460              | -----              | 1,460               |
| Cash-Proprietary trading   | <u>7</u>           | <u>7</u>           | <u>-----</u>        |
| Total non-allowable        | 157,146            | 152,373            | 4,773               |
| Current capital            | 86,684             | 88,816             | ( 2,132 )           |
| Less: hair cuts            | <u>-----</u>       | <u>-----</u>       | <u>-----</u>        |
| Net capital                | 86,684             | 88,816             | ( 2,132 )           |
| Required capital           | 5,000              | 5,000              | -----               |
| Excess net capital         | <u>\$ 81,684</u>   | <u>\$ 83,816</u>   | <u>\$ ( 2,132 )</u> |

Explanation of differences:

The principal difference in total assets was due to adjustments for prepaid expense, depreciation and amortization and leasehold improvements. Differences in liabilities were a result of changes to accrued expense and accounts payable.

See accompanying notes

**INTEGRITY INVESTMENTS, INC.**  
**STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY**  
**For the period of September 8, 1992 ( date of inception ) to December 31, 2010**

| <u>Year</u>                     | <u>Common stock</u> |               | <u>Additional</u><br><u>Paid-in capital</u> | <u>Retained</u><br><u>Earnings</u> |
|---------------------------------|---------------------|---------------|---|------------------------------------|
|                                 | <u>Shares</u>       | <u>Amount</u> |   |                                    |
|                                 |                     | \$            | \$  | \$                                 |
| 1992-93                         | 4,000,000           | 400,000       |   | ( 17,512 )                         |
| 1994                            | 2,617,908           | 261,791       |   | ( 331,553 )                        |
| 1995                            | 1,601,286           | 160,129       |   | ( 471,544 )                        |
| 1996                            | 210,000             | 21,000        |   | ( 536,446 )                        |
| 1997                            | 143,500             | 14,350        |   | ( 575,326 )                        |
| 1998                            | 416,500             | 41,650        | 148,500                                     | ( 721,845 )                        |
| 1999                            | 300,000             | 30,000        | 165,000                                     | ( 729,114 )                        |
| 2000                            | 300,000             | 30,000        | 180,000                                     | ( 739,733 )                        |
| <b>Repurch</b>                  |                     |               |   |                                    |
| <b>Treasury S/H ( 200,000 )</b> |                     |               |   |                                    |
| 2001                            | ----                | ----          | ----  | ( 726,802 )                        |
| 2002                            | ----                | ----          | ----  | ( 793,783 )                        |
| 2003                            | ----                | ----          | ----  | ( 805,450 )                        |
| 2004                            | ----                | ----          | ----  | ( 818,769 )                        |
| 2005                            | ----                | ----          | ----  | ( 846,337 )                        |
| 2006                            | ----                | ----          | ----  | ( 906,781 )                        |
| 2007                            | ----                | ----          | ----  | ( 938,434 )                        |
| 2008                            | ----                | ----          | ----  | ( 1,257,969 )                      |
| 2009                            | ----                | ----          | ----  | ( 1,427,429 )                      |
| 2010                            | ----                | ----          | ----  | ( 1,437,772 )                      |
| <b>Balances</b>                 |                     |               |   |                                    |
| Dec. 31, 2010                   | 9,389,194           | \$ 958,920    | \$ 493,500                                  | \$ ( 1,437,772 )                   |

See accompanying notes