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

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

SEC Mail Processing  
Section

FEB 28 2011

SEC FILE NUMBER  
8- 33/37

**FACING PAGE**  
**Information Required of Brokers and Dealers Pursuant to Section 17 of the**  
**Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

Washington, DC  
110

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: AEGIS INVESTMENTS, INC.  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
431 SOUTH 7TH STREET #2400

OFFICIAL USE ONLY  
FIRM I.D. NO.

(No. and Street)

MINNEAPOLIS

MN

55415

(City)

(State)

(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\*

ELLINGSON & ELLINGSON, LTD.

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

5101 VERNON AVE. S. #501

EDINA

MN

55436

(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)

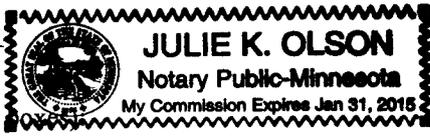
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OATH OR AFFIRMATION

I, LINDA INGLE, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of AEGIS INVESTMENTS, INC. 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: [Handwritten Signature]
Title: President

Notary Public: Julie K. Olson



- This report \*\* contains (check all applicable)
(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).

**AEGIS INVESTMENTS, INC.**  
**MINNEAPOLIS, MINNESOTA**

**FINANCIAL STATEMENTS AND  
AUDITORS REPORT  
December 31, 2010**

SEC Mail Processing  
Section

FEB 28 2011

Washington, DC  
110

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# Ellingson & Ellingson, Ltd.

Certified Public Accountants

Erik R. Ellingson  
CPA

Erik J. (Rick)  
Ellingson  
CPA

Patti Ellingson  
CPA

Jane Ellingson  
Ehresmann  
CPA

## INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders  
Aegis Investments, Inc.  
Minneapolis, Minnesota

We have audited the accompanying statement of financial condition of Aegis Investments, Inc., as of December 31, 2010 and 2009, and the related statements of income, changes in stockholders' equity and cash flows for the years 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 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 auditing standards generally accepted in the United States. 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 Aegis Investments, Inc. 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.

*Ellingson & Ellingson, Ltd.*  
Ellingson & Ellingson, Ltd.  
Edina, Minnesota

February 22, 2011

**AEGIS INVESTMENTS, INC.**  
**STATEMENT OF FINANCIAL CONDITION**  
**As of December 31, 2010 and 2009**

	2010	2009
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents (Note 1)	\$ 48,760	\$ 61,324
Accounts receivable (Note 1)	11,370	8,751
Marketable securities (Note 5)	22,727	23,298
	82,857	93,373
 <b>PROPERTY AND EQUIPMENT (NOTE 1)</b>		
Office equipment	13,583	13,583
Less: accumulated depreciation	(12,964)	(12,717)
	619	866
 Total Assets	 \$ 83,476	 \$ 94,239
 <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accrued commissions payable	\$ 10,386	\$ 9,016
Accounts payable		4,000
Income taxes payable	115	209
	10,501	13,225
 <b>COMMITMENTS AND CONTINGENCIES (NOTE 3)</b>		
<b>STOCKHOLDERS' EQUITY</b>		
Common stock, no par value, 100,000 shares authorized, 2,200 shares issued and outstanding	12,000	12,000
Retained earnings	63,007	72,528
Accumulated other comprehensive income (loss)	(2,032)	(3,514)
	72,975	81,014
 Total Liabilities and Stockholders' Equity	 \$ 83,476	 \$ 94,239

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

**AEGIS INVESTMENTS, INC.**  
**STATEMENTS OF INCOME**  
For the Years Ended December 31, 2010 and 2009

	2010	2009
<b>REVENUES</b>	<u>\$195,924</u>	<u>\$207,734</u>
<b>EXPENSES</b>		
Commissions	138,987	131,833
Rent	25,170	28,343
Telephone	4,867	4,046
Professional fees	5,700	2,600
Licenses and fees	1,601	5,701
Office expense	885	940
Outside services	28,100	31,650
Postage and delivery	246	437
Depreciation	247	
Quotes and cable	276	199
Miscellaneous	137	1,161
Insurance	1,222	1,165
Dues and subscriptions	275	904
Total Expenses	<u>207,713</u>	<u>208,979</u>
 (Loss) From Operations	 (11,789)	 (1,245)
<b>OTHER INCOME</b>		
Investment income	<u>2,268</u>	<u>1,773</u>
 Net Income Before Provision For Income Taxes	 (9,521)	 528
<b>INCOME TAX EXPENSE (Note 4)</b>		<u>209</u>
 Net Income	 <u>\$ (9,521)</u>	 <u>\$ 319</u>
<b>OTHER COMPREHENSIVE INCOME</b>		
Unrealized gain on marketable securities	<u>\$ 1,482</u>	<u>\$ 5,687</u>
<b>COMPREHENSIVE INCOME (LOSS)</b>	<u>\$ (8,039)</u>	<u>\$ 6,006</u>
 <b>Income per common share based on the weighted average of 2,200 common shares outstanding during the year (Note 2)</b>	 <u>\$ (4.33)</u>	 <u>\$ 0.15</u>

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

**AEGIS INVESTMENTS, INC.**  
**STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY**  
**For the Years Ended December 31, 2010 and 2009**

	<u>Common Stock</u>		<u>Retained Earnings</u>	<u>Other Comprehensive Loss</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>			
Balance at January 1, 2009	2,200	\$ 12,000	\$ 72,209	\$ (9,201)	\$ 75,008
Unrealized loss on investments				5,687	5,687
Net income			319		319
Balance at December 31, 2009	2,200	12,000	72,528	(3,514)	81,014
Unrealized loss on investments				1,482	1,482
Net income			(9,521)		(9,521)
Balance at December 31, 2010	<u>2,200</u>	<u>\$ 12,000</u>	<u>\$ 63,007</u>	<u>\$ (2,032)</u>	<u>\$ 72,975</u>

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

**AEGIS INVESTMENTS, INC.**  
**STATEMENTS OF CASH FLOWS**  
For the Years Ended December 31, 2010 and 2009

	2010	2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Income	\$ (9,521)	\$ 319
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	247	
Changes in assets and liabilities:		
(Increase) Decrease in:		
Accounts receivable	(2,619)	1,103
Increase (Decrease) in:		
Accrued commissions payable	1,370	(238)
Accounts payable	(4,000)	(10,000)
Income taxes payable	(94)	(274)
Net Cash Flows from Operating Activities	(14,617)	(9,090)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sale of marketable securities	2,053	4,866
Net Cash Flows from Investing Activities	2,053	4,866
Net (Decrease) in Cash	(12,564)	(4,224)
<b>Cash at Beginning of Year</b>	<b>61,324</b>	<b>65,548</b>
<b>Cash at End of Year</b>	<b>\$ 48,760</b>	<b>\$ 61,324</b>
<b>Supplemental Disclosures</b>		
Cash Paid During the Year for:		
Income Taxes	\$ 94	\$ 483
Interest	\$ -	\$ -

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

**AEGIS INVESTMENTS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2010 and 2009

**Note 1. Summary of Significant Accounting Policies**

This summary of significant accounting policies of Aegis Investments, Inc. (the Company) is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management, which is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles.

Business Activity -

The Company is a securities broker dealer.

Cash Equivalents -

The Company considers securities with maturities of three months or less, when purchased, to be cash equivalents.

Accounts Receivable -

The Company uses the direct write-off method for accounting for bad debts. Accounts are written off in the period in which they are considered to be uncollectible.

Property and Equipment -

Property and equipment are recorded at cost. Depreciation is computed using the straight line method for both financial reporting and income tax accounting purposes over useful lives of five or seven years.

Income Taxes -

The provision for income tax in the financial statements relates to the items of income and expenses included in such statements.

Estimates -

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Concentrations of Credit Risk -

The Company does not believe that it is exposed to any significant credit risk in connection with the extension of credit to its customers. Historically, the Company has had no bad debt write offs.

Commissions -

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

**AEGIS INVESTMENTS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2010 and 2009

**Note 2. Earnings Per Share**

Earnings per share were computed based upon the weighted average shares outstanding. The weighted average shares outstanding at December 31, 2010 and 2009, were 2,200 common shares.

**Note 3. Commitments and Contingencies**

The Company leases office space in Minneapolis, Minnesota. The term of the lease commenced on September 1, 2008 and terminates on August 31, 2013. The Company has the option to terminate the lease on August 31, 2011, by delivering written notice along with a termination fee equal to six months of rent to the landlord by February 28, 2011. The approximate aggregate minimum annual rental and lease commitments of the Company on the office lease are as follows:

December 31, 2011	\$33,373
December 31, 2012	33,892
December 31, 2013	22,825

The Company subleases a portion of this space to various individuals. The rental income received on this property was approximately \$7,203 during 2010 and \$9,320 during 2009. The subleases are cancelable by either party.

**Note 4. Income Taxes**

The income tax expense of the company consists of the following:

	2010	2009
Federal tax at statutory rate (15%)	\$ -	\$ 57
State tax cost, net of Federal benefit		152
	<u>          </u>	<u>          </u>
Total provision for income taxes	<u>\$ -</u>	<u>\$ 209</u>

**Note 5. Marketable Securities**

The Company has the following marketable securities which are classified as available for sale. The cost and market value of the securities at December 31, 2010 was as follows:

Security	Cost	Market
Hilton Hotels Preferred Senior Bond 8%	\$ 9,932	\$ 7,150
Minnesota State Housing Fin Agy	14,827	15,577



# Ellingson & Ellingson, Ltd.

Certified Public Accountants

Erik R. Ellingson  
CPA

Erik J. (Rick)  
Ellingson  
CPA

Patti Ellingson  
CPA

Jane Ellingson  
Ehresmann  
CPA

## **Independent Auditor's Report On Supplementary Information Required By Rule 17a-5 Of The Securities And Exchange Commission**

We have audited the accompanying financial statements of Aegis Investments, Inc. as of and for the year ended December 31, 2010, and have issued our report thereon dated February 22, 2011. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained on pages 9 and 10 is presented for purposes of additional analysis and is not a required part of the basic financial statements but is supplementary information required by rule 17a-5 under the Securities and Exchange Commission 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.

*Ellingson & Ellingson, Ltd.*

Ellingson & Ellingson, Ltd.

Edina, Minnesota

February 22, 2011

**AEGIS INVESTMENTS, INC.**  
**COMPUTATION OF NET CAPITAL**  
**As of December 31, 2010**

<b>NET CAPITAL</b>	
Stockholders' Equity	\$ 72,975
Additions:	
Subordinated loans	_____
	\$ 72,975
Deductions:	
Non-allowable items:	
Property and equipment net of accumulated depreciation	619
	619
<b>Net Capital Before Haircuts on Securities Positions</b>	72,356
Haircuts on Securities - not already deducted	1,907
Net Capital	\$ 70,449
<b>BASIC CAPITAL REQUIREMENT</b>	
Net capital	\$ 70,449
Minimum net capital required	5,000
Excess Net Capital	\$ 65,449
<b>AGGREGATE INDEBTEDNESS</b>	
Accounts payable and accrued expenses	\$ 115
Accrued commissions	10,386
	\$ 10,501
<b>RATIO OF AGGREGATE INDEBTEDNESS TO NET CAPITAL</b>	14.9%
<b>RECONCILIATION OF NET CAPITAL</b>	
Net Capital, as reported in Company's Part IIA FOCUS report	\$ 72,356
Haircuts on Securities not deducted on FOCUS	(1,907)
Audit adjustments made for the following:	
Adjusted Net Capital	\$ 70,449

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

**AEGIS INVESTMENTS, INC.  
COMPUTATION FOR DETERMINATION OF  
RESERVE REQUIREMENTS UNDER RULE 15c3-3  
As Of December 31, 2010**

Pursuant to Rule 15c3-3(k)(2)(B), the Company is exempt from the reserve requirement.

**INFORMATION RELATING TO THE POSSESSION OR  
CONTROL REQUIREMENT UNDER RULE 15c3-3  
As Of December 31, 2010**

The Company was in compliance with the exemptive provisions of SEC Rule 15c3-3 as of December 31, 2010.