

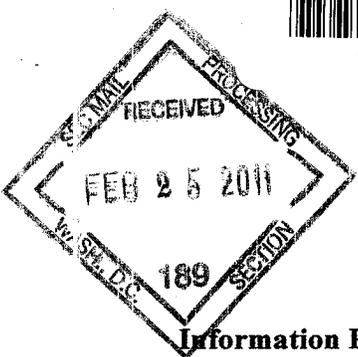
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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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- 21380

## 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: MONNESS, CRESPI, HARDT & CO., INC.

OFFICIAL USE ONLY

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

FIRM I.D. NO.

767 THIRD AVENUE  
(No. and Street)

NEW YORK  
(City)

NEW YORK  
(State)

10017-2047  
(Zip Code)

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

NEIL CRESPI

212-838-7575

(Area Code - Telephone Number)

### B. ACCOUNTANT IDENTIFICATION

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

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

16 PORTER PLACE  
(Address)

SEA CLIFF  
(City)

NEW YORK  
(State)

11579  
(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)

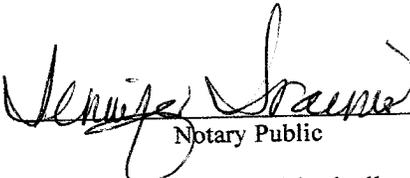
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**OATH OR AFFIRMATION**

I, NEIL CRESPI, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of MONNESS, CRESPI, HARDT & CO., 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  
\_\_\_\_\_  
Title

  
\_\_\_\_\_  
Notary Public

JENNIFER TRAINOR  
Notary Public, State of New York  
No. 01TR5013422 Qualified in Nassau Co  
Commission Expires July 15, 2011

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).

# VINCENT R. VASSALLO

CERTIFIED PUBLIC ACCOUNTANT

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16 PORTER PLACE  
SEA CLIFF, NEW YORK 11579  
TEL: (516) 759-1994 FAX: (516) 759-7109

## INDEPENDENT AUDITORS' REPORT

Monness, Crespi, Hardt & Co., Inc.  
767 Third Avenue  
New York, New York 10017

We have audited the Financial Statements of Monness, Crespi, Hardt & Co., Inc. as of December 31, 2010 that you are filing pursuant to Rule 17a-d under the Securities Exchange Act of 1934. These statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these 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 statements are free of material misstatement. Accordingly we included a review of the system of internal control and the procedures for safeguarding securities and such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances, including the audit procedures prescribed by the Securities and Exchange Commission. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the financial position of Monness, Crespi, Hardt & Co., Inc. as of December 31, 2010 and the results of its operations and its cash flows for the year then ended in the form required by the Securities and Exchange Commission in conformity with generally accepted accounting principles, consistently applied.

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CERTIFIED PUBLIC ACCOUNTANT

Sea Cliff, New York  
February 23, 2011

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

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

# Form X-17A-5

# FOCUS REPORT

**(Financial and Operational Combined Uniform Single Report)**  
**PART IIA** 12

*(Please read instructions before preparing Form.)*

This report is being filed pursuant to (Check Applicable Block(s)):

1) Rule 17a-5(a)  16

2) Rule 17a-5(b)  17

3) Rule 17a-11  18

4) Special request by designated examining authority  19

5) Other  26

NAME OF BROKER-DEALER

SEC FILE NO.

MONNESS, CRESPI, HARDT & CO., INC. 13

8-21380 14

ADDRESS OF PRINCIPAL PLACE OF BUSINESS (Do Not Use P.O. Box No.)

FIRM I.D. NO.

767 THIRD AVENUE 20

13-2878577 15

(No. and Street)

FOR PERIOD BEGINNING (MM/DD/YY)

NEW YORK 21 NY 22 10017-2047 23

01/01/10 24

(City)

(State)

(Zip Code)

AND ENDING (MM/DD/YY)

12/31/10 25

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

(Area Code) — Telephone No.

NEIL CRESPI 30

(212)-838-7575 31

NAME(S) OF SUBSIDIARIES OR AFFILIATES CONSOLIDATED IN THIS REPORT:

OFFICIAL USE

32

33

34

35

36

37

38

39

DOES RESPONDENT CARRY ITS OWN CUSTOMER ACCOUNTS? YES  40 NO  41

CHECK HERE IF RESPONDENT IS FILING AN AUDITED REPORT  42

**EXECUTION:**

The registrant/broker or dealer submitting this Form and its attachments and the person(s) by whom it is executed represent hereby that all information contained therein is true, correct and complete. It is understood that all required items, statements, and schedules are considered integral parts of this Form and that the submission of any amendment represents that all unamended items, statements and schedules remain true, correct and complete as previously submitted.

Dated the 23RD day of FEBRUARY 20 11

Manual signatures of:

1) \_\_\_\_\_

Principal Executive Officer or Managing Partner

2) \_\_\_\_\_

Principal Financial Officer or Partner

3) \_\_\_\_\_

Principal Operations Officer or Partner

**ATTENTION** — Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C. 78f(a))

Persons who 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.

**TO BE COMPLETED WITH THE ANNUAL AUDIT REPORT ONLY:**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report

NAME (if individual, state last, first, middle name)

VASSALLO, VINCENT ROBERT

70

ADDRESS

16 PORTER PLACE

Number and Street

71

SEA CLIFF

City

72

NY

State

73

11579

Zip Code

74

CHECK ONE

Certified Public Accountant

75

Public Accountant

76

Accountant not resident in United States  
or any of its possessions

77

FOR SEC USE

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DO NOT WRITE UNDER THIS LINE . . . FOR SEC USE ONLY

WORK LOCATION	REPORT DATE MM/DD/YY	DOC. SEQ. NO.	CARD				
50	51	52	53				



# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER **MONNESS, CRESPI, HARDT & CO., INC.**

as of 12/31/10

### STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING AND CERTAIN OTHER BROKERS OR DEALERS

#### LIABILITIES AND OWNERSHIP EQUITY

<b>Liabilities</b>	<b>A.I. Liabilities</b>	<b>Non-A.I. Liabilities</b>	<b>Total</b>
13. Bank loans payable .....	\$ 1045	\$ 1255 <sup>13</sup>	\$ 1470
14. Payable to brokers or dealers:			
A. Clearance account .....	1114	1315	1560
B. Other .....	1115 <sup>10</sup>	1305	1540
15. Payable to non-customers .....	1155	1355	1610
16. Securities sold not yet purchased, at market value .....		1360	1620
17. Accounts payable, accrued liabilities, expenses and other .....	1,585,726	1395	1,585,726
18. Notes and mortgages payable:			
A. Unsecured .....	1210		1690
B. Secured .....	1211 <sup>12</sup>	1390 <sup>14</sup>	1700
19. E. Liabilities subordinated to claims of general creditors:			
A. Cash borrowings: .....		1400	1710
1. from outsiders <sup>9</sup> \$ .....	970		
2. includes equity subordination (15c3-1(d)) of ... \$ .....	980		
B. Securities borrowings, at market value from outsiders \$ .....	990	1410	1720
C. Pursuant to secured demand note collateral agreements .....		1420	1730
1. from outsiders \$ .....	1000		
2. includes equity subordination (15c3-1(d)) of ... \$ .....	1010		
D. Exchange memberships contributed for use of company, at market value .....		1430	1740
E. Accounts and other borrowings not qualified for net capital purposes .....	1220	1440	1750
20. TOTAL LIABILITIES .....	\$ 1,585,726	\$ 1450	\$ 1,585,726
<b>Ownership Equity</b>			
21. Sole Proprietorship .....			1770
22. Partnership (limited partners) .....	1020 <sup>11</sup>		1780
23. Corporation:			
A. Preferred stock .....			1791
B. Common stock .....			1792
C. Additional paid-in capital .....			1793
D. Retained earnings .....			1794
E. Total .....			1795
F. Less capital stock in treasury .....			1796
24. TOTAL OWNERSHIP EQUITY .....			1800
25. TOTAL LIABILITIES AND OWNERSHIP EQUITY .....			1810

OMIT PENNIES

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER **MONNESS, CRESPI, HARDT & CO., INC.**

as of 12/31/10

### COMPUTATION OF NET CAPITAL

1. Total ownership equity from Statement of Financial Condition .....	\$	2,239,426	3480
2. Deduct ownership equity not allowable for Net Capital .....			3490
3. Total ownership equity qualified for Net Capital .....	\$	2,239,426	3500
4. Add:			
A. Liabilities subordinated to claims of general creditors allowable in computation of net capital .....			3520
B. Other (deductions) or allowable credits (List) .....			3525
5. Total capital and allowable subordinated liabilities .....	\$	2,239,426	3530
6. Deductions and/or charges:			
A. Total non-allowable assets from			
Statement of Financial Condition (Notes B and C) .....	\$	512,709	3540
B. Secured demand note delinquency .....			3590
C. Commodity futures contracts and spot commodities –			
proprietary capital charges .....			3600
D. Other deductions and/or charges .....			3610
7. Other additions and/or allowable credits (List) .....		( 512,709)	3620
8. Net capital before haircuts on securities positions .....	\$	1,726,717	3640
9. Haircuts on securities (computed, where applicable, pursuant to 15c3-1(f)):			
A. Contractual securities commitments .....	\$		3660
B. Subordinated securities borrowings .....			3670
C. Trading and investment securities:			
1. Exempted securities .....	\$		3735
2. Debt securities .....			3733
3. Options .....			3730
4. Other securities .....			3734
D. Undue Concentration .....			3650
E. Other (List) .....			3736
10. Net Capital .....	\$	1,726,717	3750

OMIT PENNIES

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER **MONNESS, CRESPI, HARDT & CO., INC.**

as of 12/31/10

### COMPUTATION OF NET CAPITAL REQUIREMENT

**Part A**

11. Minimum net capital required (6 $\frac{2}{3}$ % of line 19) .....	\$	105,715	3756
12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A) .....	\$	100,000	3758
13. Net capital requirement (greater of line 11 or 12) .....	\$	105,715	3760
14. Excess net capital (line 10 less 13) .....	\$	1,621,002	3770
15. Excess net capital at 1000% (line 10 less 10% of line 19) .....	\$	1,568,144	3780

### COMPUTATION OF AGGREGATE INDEBTEDNESS

16. Total A.I. liabilities from Statement of Financial Condition .....	\$	1,585,726	3790
17. Add:			
A. Drafts for immediate credit .....	\$	3800	
B. Market value of securities borrowed for which no equivalent value is paid or credited .....	\$	3810	
C. Other unrecorded amounts (List) .....	\$	3820	
18. Total aggregate indebtedness .....	\$	1,585,726	3840
19. Percentage of aggregate indebtedness to net capital (line 18 ÷ by line 10) .....	%	91.83	3850
20. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1(d) .....	%	0.00	3860

### COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT

**Part B**

21. 2% of combined aggregate debit items as shown in Formula for Reserve Requirements pursuant to Rule 15c3-3 prepared as of the date of the net capital computation including both brokers or dealers and consolidated subsidiaries' debits .....	\$	3970	
22. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A) .....	\$	3880	
23. Net capital requirement (greater of line 21 or 22) .....	\$	3760	
24. Excess capital (line 10 less 23) .....	\$	3910	
25. Net capital in excess of the greater of:			
A. 5% of combined aggregate debit items or \$120,000 .....	\$	3920	

**NOTES:**

- (A) The minimum net capital requirement should be computed by adding the minimum dollar net capital requirement of the reporting broker dealer and, for each subsidiary to be consolidated, the greater of:
  1. Minimum dollar net capital requirement, or
  2. 6 $\frac{2}{3}$ % of aggregate indebtedness or 4% of aggregate debits if alternative method is used.
- (B) Do not deduct the value of securities borrowed under subordination agreements or secured demand note covered by subordination agreements not in satisfactory form and the market values of memberships in exchanges contributed for use of company (contra to item 1740) and partners' securities which were included in non-allowable assets.
- (C) For reports filed pursuant to paragraph (d) of Rule 17a-5, respondent should provide a list of material non-allowable assets.

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER **MONNESS, CRESPI, HARDT & CO., INC.**

For the period (MMDDYY) from 01/01/3932 to 12/31/103933  
 Number of months included in this statement 12 3931

### STATEMENT OF INCOME (LOSS)

#### REVENUE

1.	Commissions:		
	a. Commissions on transactions in exchange listed equity securities executed on an exchange .....	\$36,006,184	3935
	b. Commissions on listed option transactions .....	25	3938
	c. All other securities commissions .....		3939
	d. Total securities commissions .....	<u>36,006,184</u>	<u>3940</u>
2.	Gains or losses on firm securities trading accounts		
	a. From market making in options on a national securities exchange .....		3945
	b. From all other trading .....		3949
	c. Total gain (loss) .....		3950
3.	Gains or losses on firm securities investment accounts .....		3952
4.	Profit (loss) from underwriting and selling groups .....	25	3955
5.	Revenue from sale of investment company shares .....		3970
6.	Commodities revenue .....		3990
7.	Fees for account supervision, investment advisory and administrative services .....		3975
8.	Other revenue .....	<u>2,739,568</u>	<u>3995</u>
9.	Total revenue .....	<u>\$38,745,752</u>	<u>4030</u>

#### EXPENSES

10.	Salaries and other employment costs for general partners and voting stockholder officers .....	7,012,681	4120
11.	Other employee compensation and benefits .....	<u>13,749,929</u>	<u>4115</u>
12.	Commissions paid to other broker-dealers .....	564,029	4140
13.	Interest expense .....		4075
	a. Includes interest on accounts subject to subordination agreements .....	<u>4070</u>	
14.	Regulatory fees and expenses .....	675,811	4195
15.	Other expenses .....	<u>16,425,281</u>	<u>4100</u>
16.	Total expenses .....	<u>\$38,427,731</u>	<u>4200</u>

#### NET INCOME

17.	Income (loss) before Federal income taxes and items below (Item 9 less Item 16) .....	\$ 318,021	4210
18.	Provision for Federal income taxes (for parent only) .....		28 4220
19.	Equity in earnings (losses) of unconsolidated subsidiaries not included above .....		4222
	a. After Federal income taxes of .....	<u>4338</u>	
20.	Extraordinary gains (losses) .....		4224
	a. After Federal income taxes of .....	<u>4239</u>	
21.	Cumulative effect of changes in accounting principles .....		4225
22.	Net income (loss) after Federal income taxes and extraordinary items .....	<u>\$ 318,021</u>	<u>4230</u>

#### MONTHLY INCOME

23.	Income (current month only) before provision for Federal income taxes and extraordinary items .....	\$ N/A	4211
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# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER **MONNESS, CRESPI, HARDT & CO., INC.**

For the period (MMDDYY) from 01/01/10 to 12/31/10

### STATEMENT OF CHANGES IN OWNERSHIP EQUITY (SOLE PROPRIETORSHIP, PARTNERSHIP OR CORPORATION)

1. Balance, beginning of period .....	\$	2,400,283	4240
A. Net income (loss) .....		318,021	4250
B. Additions (Includes non-conforming capital of .....	\$	4262	4260
C. Deductions (Includes non-conforming capital of .....	\$	4272	4270
		478,878	4270
2. Balance, end of period (From item 1800) .....	\$	2,239,426	4290

### STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED TO CLAIMS OF GENERAL CREDITORS

3. Balance, beginning of period .....	\$		4300
A. Increases .....			4310
B. Decreases .....			4320
4. Balance, end of period (From item 3520) .....	\$		4330

OMIT PENNIES

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER **MONNESS, CRESPI, HARDT & CO., INC.**

as of 12/31/10

### EXEMPTIVE PROVISION UNDER RULE 15c3-3

24. If an exemption from Rule 15c3-1 is claimed, identify below the section upon which such exemption is based (check one only)

- |  |          |      |
|--|----------|------|
| A. (k)(1) — \$2,500 capital category as per Rule 15c3-1 .....  |          | 4550 |
| B. (k)(2)(A) — "Special Account for the Exclusive Benefit of customers" maintained .....                   |          | 4560 |
| C. (k)(2)(B) — All customer transactions cleared through another broker-dealer on a fully disclosed basis. |          |      |
| Name of clearing firm <sup>30</sup> <u>8-00526 GOLDMAN SACHS EXECUTION AND</u>                             | <b>X</b> | 4570 |
| <u>CLEARING L.P.</u>   |          | 4580 |
| D. (k)(3) — Exempted by order of the Commission (include copy of letter) .....                             |          |      |

### Ownership Equity and Subordinated Liabilities maturing or proposed to be withdrawn within the next six months and accruals, (as defined below), which have not been deducted in the computation of Net Capital.

Type of Proposed Withdrawal or Accrual (See below for code )	Name of Lender or Contributor	Insider or Outsider? (In or Out)	Amount to be Withdrawn (cash amount and/or Net Capital Value of Securities)	(MMDDYY) Withdrawal or Maturity Date	Expect to Renew (Yes or No)	
31	4600	4601	4602	4603	4604	4605
32	4610	4611	4612	4613	4614	4615
33	4620	4621	4622	4623	4624	4625
34	4630	4631	4632	4633	4634	4635
35	4640	4641	4642	4643	4644	4645
			<b>Total \$<sup>36</sup></b>			<b>4699</b>

**OMIT PENNIES**

**Instructions:** Detail Listing must include the total of items maturing during the six month period following the report date, regardless of whether or not the capital contribution is expected to be renewed. The schedule must also include proposed capital withdrawals scheduled within the six month period following the report date including the proposed redemption of stock and anticipated accruals which would cause a reduction of Net Capital. These anticipated accruals would include amounts of bonuses, partners' drawing accounts, taxes, and interest on capital, voluntary contributions to pension or profit sharing plans, etc., which have not been deducted in the computation of Net Capital, but which you anticipate will be paid within the next six months.

<b>WITHDRAWAL CODE:</b>	<b>DESCRIPTIONS</b>
1.	Equity Capital
2.	Subordinated Liabilities
3.	Accruals

MONNESS, CRESPI, HARDT & CO., INC.  
STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2010

Increase (Decrease) in Cash

Cash flows from operating activities:	
Net income	\$ 318,021
Adjustments to reconcile net income to net cash used in operating activities:	
Depreciation	499,018
Change in assets and liabilities:	
(Increase) decrease in:	
Receivables from clearing brokers	181,050
Receivables from others	(398,262)
Purchase of furniture and leasehold improvements	(340,089)
Other assets	1,838
Increase (decrease) in:	
Accounts payable	241,421
Distributions to shareholders	<u>(478,878)</u>
Net increase in cash	24,119
Cash, beginning of period	<u>82,563</u>
Cash, end of period	<u><u>\$ 106,682</u></u>

The accompanying notes are an integral part of this statement.

MONNESS, CRESPI, HARDT & CO., INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2010

Note 1 - Inception of Operations:

The Company commenced its business operations on February 11, 1977. The Company is a member of FINRA and its principal business consists of being a broker-dealer.

Note 2 - Net Capital:

The Company is a registered broker-dealer subject to the SEC uniform net capital rule. This rule requires that the Company maintains a minimum net capital, as defined, of one-fifteenth of aggregate indebtedness or \$100,000, whichever is greater.

MONNESS, CRESPI, HARDT & CO., INC.

RECONCILIATION OF COMPUTATION OF NET CAPITAL  
DECEMBER 31, 2010

<u>Line Description</u>	<u>Per</u> <u>Audited</u> <u>Report</u>	<u>Per</u> <u>Unaudited</u> <u>Report</u>	<u>Increase</u> <u>(Decrease)</u> <u>Net Capital</u>	<u>Explanation</u>
-------------------------	---	---	--	--------------------

There were no material differences between the computation of net capital as reported in the company's focus report and the annual audited financial statements for the year ended December 31, 2010.

The accompanying notes are an integral part of this statement.

MONNESS, CRESPI, HARDT & CO., INC.

RECONCILIATION OF FINANCIAL STATEMENTS TO ANNUAL AUDIT  
DECEMBER 31, 2010

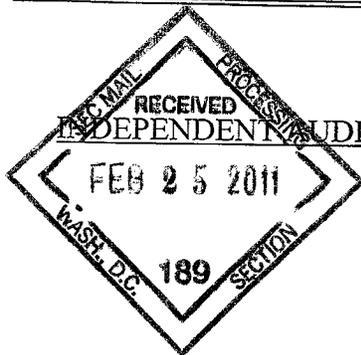
<u>Line</u>	<u>Description</u>	<u>Per</u> <u>Audited</u> <u>Report</u>	<u>Per</u> <u>Unaudited</u> <u>Report</u>	<u>Increase</u> <u>(Decrease)</u> <u>Net Capital</u>	<u>Explanation</u>
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There were no material differences between the Company's financial statements and the audited financial statements for the year ended December 31, 2010.

The accompanying notes are an integral part of this statement.

# VINCENT R. VASSALLO

CERTIFIED PUBLIC ACCOUNTANT



16 PORTER PLACE  
SEA CLIFF, NEW YORK 11579  
TEL.: (516) 759-1994 FAX: (516) 759-7109

## INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE

REQUIRED BY SEC RULE 17A-5

To the Board of Directors  
Monness, Crespi, Hardt & Co., Inc.

In planning and performing our audit of the financial statements and supplementary Schedules of Monness, Crespi, Hardt & Co., Inc., for the year ended December 31, 2010, we considered its internal control, including procedures for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control.

Also, as required by rule 17a-5 (g) (1) of the Securities Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company including tests of such practices and procedures that we considered relevant to the objectives stated in Rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under Rule 17a-3 (a) (11) and for determining compliance with the exemptive provisions of Rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

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

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the proceeding 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 proceeding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide

management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance 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 or the practices and procedures referred to above, errors 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.

Our consideration of internal control would not necessarily disclose all matters in internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the specific internal control components does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving the internal control, including procedures for safeguarding securities that we consider to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2010, to meet the SEC's objectives.

This report is intended solely for the use of the Board of Directors, management, the SEC, 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 should not be used for any other purpose.



Sea Cliff, NY  
February 23, 2011

MONNESS, CRESPI, HARDT & CO., INC.

REPORT PURSUANT TO RULE 17A-5(E) (4)

YEAR ENDED DECEMBER 31, 2010

# VINCENT R. VASSALLO

CERTIFIED PUBLIC ACCOUNTANT

16 PORTER PLACE  
SEA CLIFF, NEW YORK 11579

ACCOUNTANTS' REPORT TEL: (516) 759-1994 FAX: (516) 759-7109

To the Board of Directors of  
Monness, Crespi, Hardt & Co., Inc.

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 to the Securities Investor Protection Corporation (SIPC) for the year ended December 31, 2010, which were agreed to by Monness, Crespi, Hardt & Co., Inc. and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc. and SIPC, solely to assist you and the other specified parties in evaluating Monness, Crespi, Hardt & Co., Inc.'s compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). Monness, Crespi, Hardt & Co., Inc.'s management is responsible for the Monness, Crespi, Hardt & Co., Inc.'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 record entries and found no differences;
2. Compared the Total Revenue amounts of the audited Form X-17A-5 for the year ended December 31, 2010 with the amounts reported in Form SIPC-7 for the year ended December 31, 2010 and found no differences, adjustments or overpayments applied;
3. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers and found no differences.

We were not engaged to, and did not conduct an examination, the objectives 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.

*Vincent R. Vassallo*  
Sea Cliff, New York  
February 23, 2011

MONNESS, CRESPI, HARDT & CO., INC.

SCHEDULE OF SECURITIES INVESTOR PROTECTION  
CORPORATION ASSESSMENTS AND PAYMENTS

YEAR ENDED DECEMBER 31, 2010

	<u>DATE PAID OR FILED</u>	<u>ANNUAL PAYMENTS MADE</u>	<u>ASSESSMENT PER REPORT</u>
SIPC-6 general assessment - period ended June 30, 2010	July 29, 2010	45,674	
SIPC-7 general assessment reconciliation - fiscal year ended December 31, 2010	February 17, 2011	<u>41,015</u> <u>\$86,689</u>	<u>\$86,689</u> <u>\$86,689</u>

See the accompanying Accountants' Report.