

JAB  
3/4

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

OMB APPROVAL  
OMB Number: 3235-0123  
Expires: February 28, 2010  
Estimated average burden  
hours per response..... 12.00



11018306

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

SEC MAIL RECEIVED  
FEB 28 2011  
WASH. D.C. 20549  
SECTION 17

SEC FILE NUMBER  
~~38335~~

8-48326

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: Moloney Securities Co. Inc.

OFFICIAL USE ONLY  
FIRM I.D. NO.

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

13537 Barrett Parkway Drive, Suite 300

(No. and Street)

Manchester

Missouri

63021

(City)

(State)

(Zip Code)

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

Mr. John Moloney

314-909-0600

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

Boyd, Franz & Stephans LLP CPA's

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

999 Executive Parkway, Suite 301

St. Louis

Missouri

63141

(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.

SECURITIES AND EXCHANGE COMMISSION  
RECEIVED  
FEB 28 2011  
BRANCH OF REGISTRATIONS  
AND  
EXAMINATIONS  
02

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1410 (06-02)

AP 3/1/11 1011

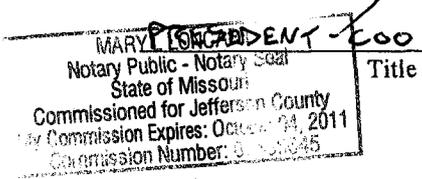
OATH OR AFFIRMATION

I, Edward J. Moloney, Jr., swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Moloney Securities 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:

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

*Edward J. Moloney, Jr.*  
Signature

*Mary J. Rose*  
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. Cash Flows
  - (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).

Certified Public Accountants

John P. Nanos, CPA  
Stephen M. King, CPA  
Michael P. Siebert, CPA  
Dominic A. Pisoni, CPA

February 18, 2011



To the Shareholders and  
Board of Directors  
Moloney Securities Co., Inc.

Independent Auditor's Report

We have audited the accompanying statement of financial condition of Moloney Securities Co., Inc., (an S Corporation) as of December 31, 2010, and the related statements of income and retained earnings, changes in stockholders' equity and cash flows for the year then ended that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Moloney Securities Co., Inc., as of December 31, 2010, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedule I is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 of the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statement taken as a whole.

Boyd, Franz & Stephans LLP

**MOLONEY SECURITIES CO., INC.**  
**STATEMENT OF FINANCIAL CONDITION**  
**DECEMBER 31, 2010**

**Statement No. 1**

**ASSETS**

Cash	\$ 181,605
Commissions receivable - brokerage	475,019
Commissions receivable - other	350,894
Employee advances	172,550
Due from officers	136,121
Prepaid expenses	28,657
Property - net of accumulated depreciation of \$11,060	31,970
Deposits	<u>104,994</u>
<b>Total assets</b>	<b>\$ <u>1,481,810</u></b>

**LIABILITIES AND STOCKHOLDERS' EQUITY**

<b>Current liabilities:</b>	
Accounts payable	\$ 57,697
Commissions payable	790,590
Other payables	2,559
Note payable	<u>39,829</u>
<b>Total liabilities</b>	<b>\$ 890,675</b>
<b>Stockholders' equity -</b>	
Common stock without par value; authorized 900,000 shares; issued and outstanding 32,965.999 shares at stated value	\$ 230,000
<b>Paid-in capital</b>	<b>559,975</b>
<b>Retained earnings</b>	<b><u>(198,840)</u></b>
<b>Total stockholders' equity</b>	<b><u>591,135</u></b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ <u>1,481,810</u></b>

**See Notes to Statement of Financial Condition.**

**MOLONEY SECURITIES CO., INC.**  
**NOTES TO STATEMENT OF FINANCIAL CONDITION**  
**DECEMBER 31, 2010**

Statement No. 1a

**NOTE 1: - DESCRIPTION OF BUSINESS:**

Moloney Securities Co., Inc., a Missouri corporation, was organized in 1995 for the purpose of providing broker-dealer services to its customers. The Company services various regions of the United States and sells stocks and bonds, mutual funds, variable and fixed annuities, and insurance products.

The Company is a registered broker-dealer in securities that introduces its customers to two broker-dealers who carry such accounts on a fully disclosed basis. The Company promptly forwards all funds and securities received in connection with its activities as broker-dealer and does not otherwise hold funds or securities for, or owe money to, customers and does not otherwise carry proprietary or customer accounts.

**NOTE 2 - CONCENTRATIONS OF CREDIT RISK:**

The Company maintains its cash deposits in various financial institutions, which sometimes include amounts in excess of that insured by the Federal Deposit Insurance Corporation.

**NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES:**

Security transactions and related commission revenue and expense are recorded on a trade date basis.

Fixed assets are carried at cost, less accumulated depreciation computed using accelerated methods. Depreciation for the year ended December 31, 2010, is \$11,060. Fixed assets are depreciated as follows:

	<u>Estimated Useful Life</u>	<u>Cost</u>	<u>Depreciation</u>
Automotive Equipment	5 Years	\$ <u>43,030</u>	\$ <u>11,060</u>
		\$ <u>43,030</u>	\$ <u>11,060</u>

For the purpose of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

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 revenues and expenses during the reported period. Actual results could differ from those estimates.

Substantially all of the Company's financial assets and liabilities, as well as financial instruments with off-balance sheet risk, are carried at market or fair values or are carried at amounts that approximate fair value because of their short-term nature. Fair value is estimated at a specific point in time, based on relevant market information or the value of the underlying financial instrument. These estimates do not generally reflect any premium or discount that could result from offering for sale at one time the Company's entire holdings of a particular financial instrument.

The Company's policy is to expense non-direct response advertising costs when incurred. The total advertising costs charge to expense for the year ended December 31, 2010, was \$14,425. The Company does not utilize direct-response advertising and, accordingly, no provision for capitalizing these costs has been made.

**NOTE 4 – NET CAPITAL REQUIREMENTS:**

Pursuant to the net capital provisions of Rule 15c3-1 of the Securities Exchange Act of 1934, the Company is required to maintain a minimum net capital, as defined under such provisions. Net capital and the related net capital ratio may fluctuate on a daily basis. At December 31, 2010, the Company had net capital and net capital requirements of approximately \$139,020 and \$50,000, respectively. The Company's ratio of aggregate indebtedness to net capital was 6.41 to 1.00.

**NOTE 5 – RESERVE REQUIREMENTS:**

The Company is exempt from the reserve requirements of the Securities Exchange Act of 1934, per section (K)(2)(B) of Rule 15c3—3.

**NOTE 6 – LEASES:**

The Company occupies its St. Louis premises under a six year lease expiring April 30, 2011. The lease for the St. Louis office was renegotiated and extended. The lease term for the Kansas City premises expires December 31, 2012. The lease term for the Denver office expires February 28, 2014. Minimum future rental payments based on the renewal of leased office space for the succeeding five years is as follows:

2011	\$ 392,291
2012	385,315
2013	386,918
2014	397,315
2015	402,408

Minimum future rental payments, reflected above, have not been reduced by future sublease rentals due from certain officers, directors and independent contractors of the Company under cancelable subleases. The sublease rental amount for the year ended December 31, 2010, was approximately \$181,256.

Rental expense for the year ended December 31, 2010, was approximately \$215,781 which is net of sublease rentals from certain officers, directors and independent contractors of the Company.

**NOTE 7 – FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK:**

In the normal course of business, the Company's client activities involve the execution and settlement of various client securities transactions. The activities may expose the Company to off-balance sheet risk. In the event the client fails to satisfy its obligations, the Company may be required to purchase or sell financial instruments at prevailing market prices in order to fulfill the client's obligations.

**NOTE 8 – INCOME TAXES:**

As of July 1, 1995, the Company, with the consent of its initial shareholder, elected under the Internal Revenue Code to become an S Corporation. In lieu of corporation income taxes, the shareholders of an S Corporation are taxed on their proportionate share of the Company's taxable income. Therefore, no provision or liability for Federal income taxes has been included in the financial statements.

**NOTE 9 – NOTES PAYABLE:**

Note payable to Bank of America payable in monthly installments of \$674.11, which includes interest; secured by automobile. Maturities of long-term debt over the next five years are as follows:

Year ending December 31, 2011	\$ 6,599
Year ending December 31, 2012	6,871
Year ending December 31, 2013	7,155
Year ending December 31, 2014	7,450
Year ending December 31, 2015	7,757
Year ending December 31, 2016	<u>3,997</u>
	<u>\$39,829</u>

**NOTE 10 – SUBSEQUENT EVENTS:**

As of December 31, 2009, the Company adopted the provision of the Subsequent Events Topic of the FASB Accounting Standards Codification, which provides guidance to establish general standards of accounting for and disclosures of events that occur after the balance sheet date but before the Company financial statements are issued or are available to be issued. The Company is required to disclose the date through which subsequent events were evaluated as well as the rationale for why that date was selected. The Company has evaluated subsequent events through February 18, 2011, the date of the Report of Independent Auditors. The Codification requires additional disclosures only, and therefore did not have an impact on the Company's financial statements.

**NOTE 11 – OTHER ITEMS:**

The Company has been named as defendants in two lawsuits. The management of the Company, after consultation with outside legal counsel, believes that the resolution of these lawsuits will not result in any material adverse effect on the Company's financial position.

**MOLONEY SECURITIES CO., INC.**

---

**STATEMENT OF FINANCIAL CONDITION**

---

**DECEMBER 31, 2010**



**MOLONEY SECURITIES CO., INC.**

---

**INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES  
RELATED TO SIPC ASSESSMENT RECONCILIATION**

---

**DECEMBER 31, 2010**

Certified Public Accountants

John P. Nanos, CPA  
Stephen M. King, CPA  
Michael P. Siebert, CPA  
Dominic A. Pisoni, CPA



To the Board of Directors of  
Moloney Securities Co., Inc.  
13537 Barrett Parkway Drive, Suite 300  
Manchester, Missouri

In accordance with Rule 17a-5(e)(4) of the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying Schedule of Assessment and Payments [General Assessment Reconciliation (Form SIPC-7)] to the Securities Investor Protection Corporation (SIPC) for the year ended December 31, 2010, which were agreed to by Moloney Securities Co., Inc. and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., SIPC and, solely to assist you and the other specified parties in evaluating Moloney Securities Co., Inc.'s compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). Moloney Securities Co., Inc.'s management is responsible for Moloney Securities 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 records entries noting no differences;
2. Compared the amounts reported on the audited Form X-17A-5 for the year ended December 31, 2010, as applicable, with the amounts reported in Form SIPC-7 for the year ended December 31, 2010, noting no differences;
3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers noting no differences;
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting the adjustments noting no differences.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

Boyd, Franz & Stephans LLP

February 18, 2011

General Assessment Reconciliation

For the fiscal year ended December 31, 2010  
(Read carefully the instructions in your Working Copy before completing this Form)

TO BE FILED BY ALL SIPC MEMBERS WITH FISCAL YEAR ENDINGS

1. Name of Member, address, Designated Examining Authority, 1934 Act registration no. and month in which fiscal year ends for purposes of the audit requirement of SEC Rule 17a-5:

048326 FINRA DEC  
MOLONEY SECURITIES CO INC 18\*18  
13537 BARRETT PARKWAY DR STE 300  
MANCHESTER MO 63021-5866

Note: If any of the information shown on the mailing label requires correction, please e-mail any corrections to form@sipc.org and so indicate on the form filed.

Name and telephone number of person to contact respecting this form.

2. A. General Assessment (item 2e from page 2) \$ 16,592

B. Less payment made with SIPC-6 filed (exclude interest) ( 8,205 )

7-29-2010

Date Paid

C. Less prior overpayment applied ( )

D. Assessment balance due or (overpayment) \_\_\_\_\_

E. Interest computed on late payment (see instruction E) for \_\_\_\_\_ days at 20% per annum \_\_\_\_\_

F. Total assessment balance and interest due (or overpayment carried forward) \$ 8,387

G. PAID WITH THIS FORM:

Check enclosed, payable to SIPC  
Total (must be same as F above) \$ \_\_\_\_\_

H. Overpayment carried forward \$( \_\_\_\_\_ )

3. Subsidiaries (S) and predecessors (P) included in this form (give name and 1934 Act registration number):  
\_\_\_\_\_  
\_\_\_\_\_

The SIPC member submitting this form and the person by whom it is executed represent thereby that all information contained herein is true, correct and complete.

Moloney Securities Inc

(Name of Corporation, Partnership or other organization)

Ralph Zitz

(Authorized Signature)

Dated the 17 day of February, 20 11.

EX. V.P.

(Title)

This form and the assessment payment is due 60 days after the end of the fiscal year. Retain the Working Copy of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.

SIPC REVIEWER

Dates: Postmarked Received Reviewed

Calculations \_\_\_\_\_ Documentation \_\_\_\_\_

Forward Copy \_\_\_\_\_

Exceptions:

Disposition of exceptions:

**DETERMINATION OF "SIPC NET OPERATING REVENUES"  
AND GENERAL ASSESSMENT**

Amounts for the fiscal period  
beginning Jan 1, 2010  
and ending Dec 31, 2010  
Eliminate cents

Item No. 2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030) \$ 8,970,315

- 2b. Additions:
- (1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above. \_\_\_\_\_
  - (2) Net loss from principal transactions in securities in trading accounts. \_\_\_\_\_
  - (3) Net loss from principal transactions in commodities in trading accounts. \_\_\_\_\_
  - (4) Interest and dividend expense deducted in determining item 2a. \_\_\_\_\_
  - (5) Net loss from management of or participation in the underwriting or distribution of securities. \_\_\_\_\_
  - (6) Expenses other than advertising, printing, registration fees and legal fees deducted in determining net profit from management of or participation in underwriting or distribution of securities. \_\_\_\_\_
  - (7) Net loss from securities in investment accounts. \_\_\_\_\_
- Total additions \_\_\_\_\_

- 2c. Deductions:
- (1) Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, from the business of insurance, from investment advisory services rendered to registered investment companies or insurance company separate accounts, and from transactions in security futures products. 2,228,406
  - (2) Revenues from commodity transactions. \_\_\_\_\_
  - (3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions. \_\_\_\_\_
  - (4) Reimbursements for postage in connection with proxy solicitation. \_\_\_\_\_
  - (5) Net gain from securities in investment accounts. \_\_\_\_\_
  - (6) 100% of commissions and markups earned from transactions in (i) certificates of deposit and (ii) Treasury bills, bankers acceptances or commercial paper that mature nine months or less from issuance date. \_\_\_\_\_
  - (7) Direct expenses of printing advertising and legal fees incurred in connection with other revenue related to the securities business (revenue defined by Section 18(9)(L) of the Act). \_\_\_\_\_
  - (8) Other revenue not related either directly or indirectly to the securities business. (See instruction C): 104,900

- (9) (i) Total interest and dividend expense (FOCUS Line 22/PART IIA Line 13, Code 4075 plus line 2b(4) above) but not in excess of total interest and dividend income. \$ \_\_\_\_\_
  - (ii) 40% of margin interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960). \$ \_\_\_\_\_
- Enter the greater of line (i) or (ii) \_\_\_\_\_
- Total deductions 2,333,306

2d. SIPC Net Operating Revenues \$ 6,637,009

2e. General Assessment @ .0025 \$ 16,592  
(to page 1, line 2.A.)