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

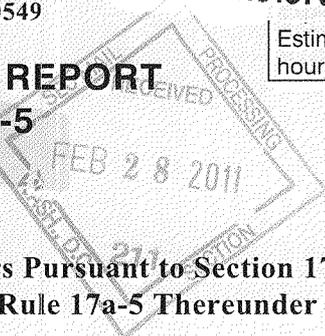


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**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**



SEC FILE NUMBER  
8- 46 836

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 \_\_\_\_\_ AND ENDING \_\_\_\_\_  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: MFG REA Services, Inc.

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

102 Gather Drive, Suite 5

(No. and Street)

Mount Laurel

(City)

NJ

(State)

08059

(Zip Code)

OFFICIAL USE ONLY

FIRM I.D. NO.

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\*

Gable, Pentz, Michkin, LLP

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

323 Narristan Road

(Address)

Spring House

(City)

PA

(State)

19477

(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, Theodore A Berney, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of MFG RSA Services, Inc, as of Dec 31st, 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:

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

Theodore A Berney  
Signature  
President  
Title

Linda Postorivo  
Notary Public  
**LINDA POSTORIVO**  
**NOTARY PUBLIC OF NEW JERSEY**  
My Commission Expires 9/7/11

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).



Certified Public Accountants  
and Business Consultants

**INDEPENDENT AUDITORS' REPORT ON INTERNAL  
CONTROL STRUCTURE REQUIRED  
BY SEC RULE 17a-5(g)(1)**

*Nelson C. Mishkin  
Alan C. Wecht  
Thomas W. Masoero  
Kenneth S. Frebowitz  
Regina C. O'Keefe  
Frank E. O'Brien*

• • • • •  
*Herbert Gable  
Stanton L. Peritz*

To the Board of Directors and Stockholders  
MAFG RIA Services, Inc.  
Mt. Laurel, New Jersey

In planning and performing our audit of the financial statements of MAFG RIA Services, Inc. (the Company) as of and for the year ended December 31, 2010, in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing an opinion on the Company's financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company. This study included tests of compliance with such practices and procedures that we considered relevant to the objectives stated in Rule 17-a-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 security 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, counts, verifications, and comparisons and recordation of differences required by Rule 17a-13.
2. 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.
3. Obtaining and maintaining physical possession or control of all fully paid and excess margin securities of customers as required by Rule 15c3-3.

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the 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 conformity with accounting principles generally accepted in the United States of America. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

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Spring House, PA 19477	Marlton, NJ 08053
215.628.0500	856.596.2400
215.628.8756 Fax	856.596.6121 Fax

[www.gpmlp.net](http://www.gpmlp.net)

Because of inherent limitations in internal control or the practices and procedures referred to above, error 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.

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 deficiency, or combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Company's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control that we consider to be material weaknesses, as defined previously.

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 as described in the second paragraph of this report were adequate at December 31, 2010, to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors and stockholder, management, the SEC, NASDAQ, 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 is not intended to be and should not be used by anyone other than these specified parties.

*Gable Peritz Mishkin, LLP*

February 15, 2011

**MAFG RIA SERVICES, INC.**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2010**

MAFG RIA SERVICES, INC.

DECEMBER 31, 2010

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Certified Public Accountants  
and Business Consultants

## INDEPENDENT AUDITORS' REPORT

*Nelson C. Mishkin  
Alan C. Wecht  
Thomas W. Masoero  
Kenneth S. Frebowitz  
Regina C. O'Keefe  
Frank E. O'Brien*

• • • • •  
*Herbert Gable  
Stanton L. Peritz*

To the Board of Directors and Stockholder  
MAFG RIA Services, Inc.  
Mt. Laurel, New Jersey

We have audited the accompanying statement of financial condition of MAFG RIA Services, Inc. (a New Jersey S Corporation) as of December 31, 2010, and the related statements of income, changes in stockholder's equity, changes in liabilities subordinated to claims of general creditors, 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 we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. 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 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 MAFG RIA Services, Inc. at 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 basis financial statements, but is supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

***Gable Peritz Mishkin, LLP***

February 15, 2011

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MAFG RIA SERVICES, INC.

STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2010

ASSETS

Cash	\$ 20,643	
Deposit with clearing organization	313	
Receivables from non-customers	30,331	
Due from affiliate	<u>203,816</u>	
Total assets		<u>\$ 255,103</u>

LIABILITIES AND STOCKHOLDER'S EQUITY

Liabilities		
Accounts payable and accrued expenses	\$ 7,550	
Liabilities subordinated to claims of general creditors	<u>150,000</u>	
Total liabilities		\$ 157,550
Stockholder's equity		
Common stock - \$.01 par value; 1,000 shares authorized, 100 shares issued and outstanding	1	
Additional paid-in capital	4,999	
Retained earnings	<u>92,553</u>	
Total stockholder's equity		<u>97,553</u>
Total liabilities and stockholder's equity		<u>\$ 255,103</u>

MAFG RIA SERVICES, INC.

STATEMENT OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 2010

Revenues	
Fees	\$ 127,423
Commissions	995
Interest	<u>1,503</u>
	<u>129,921</u>
Expenses	
Management administrative service fee	60,000
Dues and subscriptions	134
Licenses and fees	7,615
Professional fees	7,800
Interest	12,750
Insurance	5,608
Taxes - other	<u>490</u>
	<u>94,397</u>
Net income	<u><u>\$ 35,524</u></u>

MAFG RIA SERVICES, INC.

STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Common Stock</u>	<u>Additional Paid-In Capital</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance, January 1	\$ 1	\$ 4,999	\$ 57,029	\$ 62,029
Net income	<u>-</u>	<u>-</u>	<u>35,524</u>	<u>35,524</u>
Balance, December 31	<u>\$ 1</u>	<u>\$ 4,999</u>	<u>\$ 92,553</u>	<u>\$ 97,553</u>

MAFG RIA SERVICES, INC.

STATEMENT OF CHANGES IN LIABILITIES  
SUBORDINATED TO CLAIMS OF GENERAL CREDITORS

FOR THE YEAR ENDED DECEMBER 31, 2010

Liabilities subordinated to claims of general creditors - January 1, 2010	\$ 150,000
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Changes	<u>-</u>
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Liabilities subordinated to claims of general creditors - December 31, 2010	<u>\$ 150,000</u>
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MAFG RIA SERVICES, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2010

Cash flows from operating activities		
Net income	\$ 35,524	
Increase in assets		
Deposit with clearing organization	(200)	
Receivables from non-customers	(3,200)	
Increase in accounts payable and accrued expenses	<u>1,110</u>	
Net cash provided by operating activities		\$ 33,234
Cash flows from investing activities		
Net advances and repayments of due from affiliate		<u>(30,053)</u>
Net increase in cash		3,181
Cash, January 1		<u>17,462</u>
Cash, December 31		<u>\$ 20,643</u>
Supplementary disclosure of cash flow information:		
Cash paid for the period for:		
Interest		\$ 12,750

See accompanying notes to financial statements.

MAFG RIA SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

This summary of significant accounting policies of MAFG RIA Services, Inc. ("the Company") is presented to assist in understanding the Company's financial statements. The financial statements and accompanying notes are representations of the Company's management, who are also responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America (GAAP) and have been consistently applied in the preparation of the financial statements.

Business Activity

The Company is a wholly-owned subsidiary of MAFG, Inc. ("the Parent Company"). The Company is engaged primarily in the brokerage, strategic planning and investment advisory business.

Concentration of Credit Risk

The Company maintains its checking accounts with several banks. Accounts at each bank are insured by the Federal Deposit Insurance Corporation up to \$250,000. At times, cash balances with the banks may exceed insurable limits.

Date of Management Evaluation of Subsequent Events

Management has evaluated subsequent events through February 15, 2011, the date on which the financial statements were issued.

Use of Estimates

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

Receivables from Non-Customers

Receivables from non-customers are recorded at the amount the Company expects to collect on balances outstanding at year-end. Management closely monitors outstanding balances and writes off all balances they anticipate will not be collected. Based on management's assessment, the Company has not recorded an allowance for uncollectible accounts at December 31, 2010.

There was no bad debt expense charged to operations for the year ended December 31, 2010.

MAFG RIA SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Cont'd.)

Income taxes

The Company, an S corporation, is not a taxpaying entity for federal and state income tax purposes, and thus, no income tax expense has been recorded in the financial statements. Income from the Company is taxed to the stockholder on its tax return.

The State of New Jersey maintains a minimum or surcharge tax for S corporations. The amount is included in taxes - other.

The Company applied the provisions of ASC 740 (formerly FASB Interpretation 48(R)) regarding uncertain tax positions as they relate to pass-through entities. The Company has determined that there is no material impact on the financial statements.

2. Deposit with Clearing Organization

The Company has \$313 on deposit with a broker-dealer clearing organization at December 31, 2010.

3. Net Capital Requirements

The Company is subject to the Securities & Exchange Commission Uniform Net Capital Rule (Rule 15c3-1) which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. At December 31, 2010, the Company had net capital of \$13,093, which was \$8,093 in excess of its required net capital of \$5,000. The Company's net capital ratio was .58 to 1.

4. Exemptive Provision

The Company claims an exemption under (k)(1) of SEC Rule 15c3-3. All customer transactions are cleared through another broker-dealer on a fully disclosed basis.

MAFG RIA SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

5. Liabilities Subordinated to Claims of General Creditors

The Company issued subordinated notes due to the Parent Company of \$150,000 with interest at 8.5%. The subordinated borrowings are available in computing net capital under the SEC's uniform net capital rule. To the extent that such borrowings are required for the Company's continued compliance with minimum net capital requirements, they may not be repaid. The full amount is due January 31, 2013. Interest expense for the year ended December 31, 2010 was \$12,750.

6. Related Party Transactions

The Company paid management fees of \$60,000 to an affiliate for management advisory, consulting and administrative support services provided for the year ended December 31, 2010.

Due from affiliate represents advances made to the Parent Company. The balance was \$203,816 at December 31, 2010. The note is due on demand and interest is charged at the Applicable Federal Rate.

**SUPPLEMENTARY INFORMATION**

MAFG RIA SERVICES, INC.

SCHEDULE I

COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1  
OF THE SECURITIES AND EXCHANGE COMMISSION

AS OF DECEMBER 31, 2010

NET CAPITAL

Stockholder's equity qualified for net capital	\$ 97,553
Add:	
Liabilities subordinated to claims of general creditors allowable in computation of net capital	<u>150,000</u>
Total capital and allowable subordinated liabilities	<u>247,553</u>
Deductions:	
Non-allowable assets	
Deposit with clearing organization	313
Receivables from non-customers	30,331
Due from affiliate	<u>203,816</u>
	<u>234,460</u>
	<u>\$ 13,093</u>

AGGREGATE INDEBTEDNESS

Items included in statement of financial condition	
Accounts payable and accrued expenses	<u>\$ 7,550</u>

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Minimum net capital required	\$ 5,000
Excess net capital at 1,500%	7,093
Excess net capital at 1,000%	7,093
Ratio: Aggregate indebtedness to net capital	<u>.58 to 1</u>

MAFG RIA SERVICES, INC.

SCHEDULE I

COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1  
OF THE SECURITIES AND EXCHANGE COMMISSION

AS OF DECEMBER 31, 2010

RECONCILIATION WITH COMPANY'S COMPUTATION

Net capital, as reported in Company's Part II (unaudited) FOCUS Report	\$ 18,603
Audit adjustments	
Accrual of additional expenses	<u>5,510</u>
Net capital per above	<u>\$ 13,093</u>