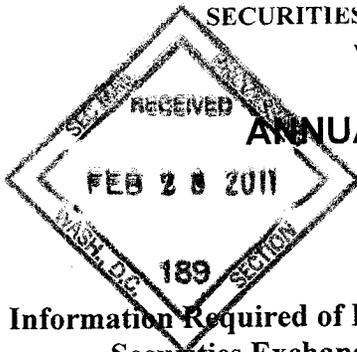




11019003

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549



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

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

SEC FILE NUMBER
8-66845

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: Scarsdale Equities LLC

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

10 Rockefeller Plaza, Suite 720

New York

(City)

(No. and Street)  
NY

(State)

10020

(Zip Code)

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

Francis A. Mlynarczyk

212-433-1375

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Sanford Becker & Co., P.C.

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

1430 Broadway

(Address)

New York

(City)

NY

(State)

10018

(Zip Code)

**CHECK ONE:**

- Certified Public Accountants
- 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)

SEC 1410 (06-02)

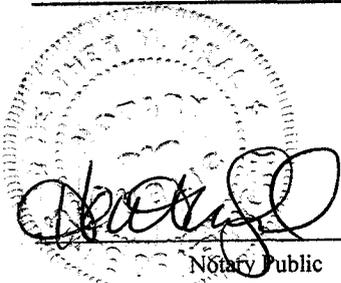
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

202  
3/9

mm

OATH OR AFFIRMATION

I Francis A. Mlynarczyk swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Scarsdale Equities LLC, 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:



Francis A. Mlynarczyk  
Signature  
Chief Executive Officer  
Title

**HEATHER M. SEAL**  
Notary Public, State of New York  
Registration #01SE6055767  
Qualified in New York County  
Commission Expires March 5, 2011

This report \*\* contains (check all applicable boxes):

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of 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.
- (o) Independent Auditors' Report on Internal Accounting Control.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).



SANFORD BECKER & CO., P.C.  
CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS ADVISORS

RICHARD S. BECKER, CPA  
GEORGE S. GETZ, CPA

SANFORD BECKER, CPA 1922-1994  
SANFORD E. BECKER, CPA 1957-2008

1430 BROADWAY  
NEW YORK, N.Y. 10018  
TELEPHONE (212) 921 - 9000  
FACSIMILE (212) 354 -1822

INDEPENDENT AUDITORS' REPORT

To the Members  
Scarsdale Equities LLC

We have audited the accompanying statement of financial condition of Scarsdale Equities LLC as of December 31, 2010 and the related statements of income, cash flows and changes in members' equity 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 the 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 Scarsdale Equities LLC 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 on pages 10 and 11 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 and Exchange Commission. 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.

*Sanford Becker & Co., P.C.*

New York, New York  
February 25, 2011

**SCARSDALE EQUITIES LLC  
STATEMENT OF FINANCIAL CONDITION  
DECEMBER 31, 2010**

**ASSETS**

Cash and cash equivalents	\$2,412,290
Due from broker	101,052
Marketable securities	29,903
Non-marketable securities	108,892
Prepaid expenses	21,528
Other assets	142,683
Property and equipment, less accumulated depreciation of \$54,630	<u>14,716</u>
<b>Total Assets</b>	<b><u>\$2,831,064</u></b>

**LIABILITIES AND MEMBERS' EQUITY**

Liabilities	
Commissions payable	\$ 335,016
Accounts payable and accrued expenses	<u>642,272</u>
<b>Total Liabilities</b>	977,288
Members' Equity	
Members' equity	<u>1,853,776</u>
<b>Total Liabilities and Stockholder's Equity</b>	<b><u>\$2,831,064</u></b>

See accompanying auditors' report and notes to financial statements.

**SCARSDALE EQUITIES LLC  
STATEMENT OF INCOME  
YEAR ENDED DECEMBER 31, 2010**

Revenues	
Trading commissions	\$ 7,724,621
Underwriting and placement fees	2,290,972
Advisory fees	350,751
Other	<u>254,890</u>
Total revenue	<u>10,621,234</u>
Operating Expenses	
Employee compensation and benefits	5,459,954
Clearing and execution fees	1,487,638
Commissions	1,937,347
Occupancy	176,785
Professional services	43,387
Information services	397,213
Communication	46,323
Other expenses	<u>621,842</u>
Total Operating Expenses	<u>10,170,489</u>
Income before provision for taxes	450,745
Provision for UBT tax	<u>74,811</u>
<b>Net Income</b>	<b><u>\$ 375,934</u></b>

See accompanying auditors' report and notes to financial statements.

**SCARSDALE EQUITIES LLC  
STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2010**

Cash Flows from Operating Activities	
Net income	\$ 375,934
Adjustment to reconcile net income to net cash provided by operating activities	
Depreciation	21,393
Unrealized gain of marketable securities	(5,861)
Changes in operating assets and liabilities	
Increase in due from broker	(101,052)
Increase in investment in securities	(68,716)
Increase in prepaid expenses and other assets	(5,591)
Increase in commissions and accounts payable and accrued expenses	<u>388,829</u>
Cash Flows Provided By Operating Activities	604,936
Cash Flows from Financing Activities	
Capital contributed	<u>426,441</u>
Net Increase In Cash and Cash Equivalents	1,031,377
Cash and Cash Equivalents, Beginning	<u>1,380,913</u>
<b>Cash and Cash Equivalents, Ended</b>	<b><u>\$2,412,290</u></b>

See accompanying auditors' report and notes to financial statements.

**SCARSDALE EQUITIES LLC  
STATEMENT OF CHANGES IN MEMBERS' EQUITY  
YEAR ENDED DECEMBER 31, 2010**

	<u>Members' Equity</u>
Balance, Beginning	\$ 1,051,401
Contributions	426,441
Net income	<u>375,934</u>
<b>Balance, Ended</b>	<b><u>\$ 1,853,776</u></b>

See accompanying auditors' report and notes to financial statements.

**SCARSDALE EQUITIES LLC  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2010**

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

**Nature of Operations**

Scarsdale Equities LLC, (the "Company"), is a registered broker-dealer. The Company is a member of the Financial Industry Regulatory Authority and is subject to regulation by the United States Securities and Exchange Commission and the Financial Industry Regulatory Authority.

The Company operates principally under a clearance agreement with another broker, whereby the Company is engaged in trading securities on behalf of the Company's clients. In addition, the Company provides investment banking, private placement and advisory services to its clients in connection with various investing transactions.

**Revenue Recognition**

Securities owned are carried at quoted market values, and securities not readily marketable are valued at fair value as determined by management. The resulting difference between cost and market value is included in income.

Securities transactions and the related revenue and expenses are recorded on a settlement date basis. Revenues and expenses would not be materially different if reported on a trade date basis.

The Company recognizes revenue upon providing investment banking, private placement and advisory services to its clients and when the amount is determinable and realizable.

**Use of 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 could differ from those estimates.

**SCARSDALE EQUITIES LLC  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2010**

**Note 1 - Summary of Significant Accounting Policies (Continued)**

**Cash Equivalents**

For purposes of the statement of cash flows, cash equivalents include highly liquid debt instruments purchased with original maturities of three months or less.

**Income Taxes**

The Company as a limited liability company is taxed similar to a partnership for Federal and State income tax purposes, whereby, the individual members of the Company includes the Company's income or loss on their individual income tax returns. Accordingly, no provision for Federal and State income tax has been provided.

Management of the Company is not aware of any issues or circumstances that would unfavorably impact its tax status. Management has determined that the Company had no uncertain tax positions that would require financial statement recognition.

**Note 2 - Concentration of Credit Risk**

The Company maintains cash balances at financial institutions. Accounts at the institutions are insured by the Federal Deposit Insurance Corporation up to \$250,000.

**Note 3 - Due From Broker**

The Company operates principally under a clearance agreement with its clearing broker, whereby such broker assumes and maintains the Company's customer accounts. As part of the agreement, the Company is required to maintain cash or securities of not less than \$100,000.

**SCARSDALE EQUITIES LLC  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2010**

**Note 4 – Fair Value Measurements of Investments**

The Company uses fair value measurements to record certain assets and liabilities and to determine fair value disclosures. The Company's investments in securities listed on a national exchange are valued at the last sales price on the date of valuation.

The three-level hierarchy for fair value measurements is defined as follows:

- Level 1 – inputs to the valuation methodology are quoted prices for identical assets and liabilities in active markets.
- Level 2 – inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and the inputs that are observable for the asset or liability, either directly or indirectly.
- Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measure.

At December 31, 2010, assets measured at fair value on a recurring basis:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Equity securities	\$ 29,903	\$29,903	\$ -	\$ -
Private and restricted securities	<u>108,892</u>	<u>-</u>	<u>-</u>	<u>108,892</u>
Total	<u>\$138,795</u>	<u>\$29,903</u>	<u>\$ -</u>	<u>\$108,892</u>

The following is a reconciliation of the beginning and ending balances measured at fair value using significant unobservable inputs during the year ended December 31, 2010:

	<u>Beginning Balance</u>	<u>Adjustments</u>	<u>Ending Balance</u>
Private and restricted securities	<u>\$ 40,176</u>	<u>\$ 68,716</u>	<u>\$108,892</u>

**SCARSDALE EQUITIES LLC  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2010**

**Note 4 - Net Capital Requirements**

The Company is subject to the net capital requirements of rule 15c3-1 of the Securities and Exchange Commission, which requires a broker-dealer to have at all times sufficient liquid assets to cover current indebtedness. In accordance with the rule, the Company is required to maintain minimum net capital of the \$100,000 or 1/15 of aggregate indebtedness.

At December 31, 2010, the Company had net capital, as defined, of \$1,562,152 which exceeded the required minimum net capital by \$1,462,152. Aggregate indebtedness at December 31, 2010 totaled \$997,787 and the ratio of aggregate indebtedness to net capital was 0.63 to 1.

**Note 5 - Commitments and Contingencies**

**Lease**

During 2009, the Company renegotiated its lease for office space which commenced October 2009. The terms of the non-cancelable lease call for annual rentals for years 1-5 amounting to \$194,568 and for years 6-10 amounting to \$210,648. The lease matures October 2019 with the Company having the ability to cancel the lease in year 6. Monthly lease payments are subject to escalations charges based on increases for real estate taxes and other operating expenses. For the year ended December 31, 2010, rent expense totaled approximately \$177,000. In addition, it is the practice of the firm that some individuals are either charged internally or make payments to the company for the use of space. For the year ended December 31, 2010 such items totaled approximately \$85,100.

**Note 6 - Subsequent Events**

The Company has evaluated subsequent events through February 25, 2011, the date of the financial statements were available for issuance.

**SCARSDALE EQUITIES LLC  
SUPPLEMENTAY INFORMATION  
DECEMBER 31, 2010**

**Computation of Net Capital Under Rule 15c3-1  
of the Securities and Exchange Commission**

Computation of Net Capital	
Stockholders' equity	\$1,992,276
Non-allowable equity	<u>(138,500)</u>
	<u>1,853,776</u>
Deductions - Non-allowable assets	
Non-marketable securities	108,892
Prepaid expenses	21,528
Other assets	141,993
Property and equipment	<u>14,716</u>
	<u>287,139</u>
Net capital before haircuts	1,566,637
Haircuts	<u>4,485</u>
<b>Net capital, as defined</b>	<b>1,562,152</b>
Minimum net capital required	<u>100,000</u>
<b>Net capital in excess of minimum requirement</b>	<b><u>\$1,462,152</u></b>
<b>Net capital less greater of 10% of aggregate indebtedness or 120% minimum net capital requirements</b>	<b><u>\$1,442,152</u></b>
<b>Computation of Aggregate Indebtedness</b>	
<b>Accounts payable and other liabilities</b>	<b><u>\$ 977,288</u></b>

**Ratio of aggregate indebtedness to net capital**

$$\frac{\text{Total aggregate indebtedness } \$ 977,288}{\text{Net capital } \$1,562,152} = 0.63$$

The ratio of aggregate indebtedness to net capital is 0.63 to 1 compared to the maximum allowable ratio of 15 to 1.

See accompanying auditors' report.

**SCARSDALE EQUITIES LLC  
SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2010**

**Computation for Determination of Reserve Requirements Under  
Rule 15c3-3 of the Securities and Exchange Commission**

The Company has claimed exemption from Rule 15c3-3 under the provisions of Section (k)(2)(i).

**Information Relating to the Possession or Control Requirements  
Under Rule 15c3-3:**

The Company has claimed exemption from Rule 15c3-3 under the provisions of Section (k)(2)(i).

**Reconciliation of Computation of Net Capital**

Net capital, per focus report	<b>\$1,540,405</b>
Reduction of non-allowable assets	121,555
Audit adjustments	<u>(99,808)</u>
<b>Net capital, as computed</b>	<b><u>\$1,562,152</u></b>
Aggregate indebtedness, per focus report	<b>\$ 900,073</b>
Audit adjustments	<u>77,215</u>
<b>Aggregate indebtedness, as computed</b>	<b><u>\$ 977,288</u></b>

There were no material differences

**Reconciliation of Determination of Reserve  
Requirements Under Rule 15c3-3:**

The Company has claimed exemption from Rule 15c3-3 under provisions of Section (k)(2)(i).

See accompanying auditors' report.

**SANFORD BECKER & CO., P.C.**  
CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS ADVISORS

RICHARD S. BECKER, CPA  
GEORGE S. GETZ, CPA

SANFORD BECKER, CPA 1922-1994  
SANFORD E. BECKER, CPA 1957-2008

1430 BROADWAY  
NEW YORK, N.Y. 10018  
TELEPHONE (212) 921 - 9000  
FACSIMILE (212) 354 -1822

**INDEPENDENT AUDITORS' REPORT ON INTERNAL ACCOUNTING CONTROL**

To the Members  
Scarsdale Equities LLC

In planning and performing our audit of the financial statements and supplementary schedules of Scarsdale Equities LLC, (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 our opinion on the 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 including consideration of control activities for safeguarding securities. This study included 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, 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.

The management of the Company is responsible for establishing and maintaining an 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 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 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 generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in any internal control or the practices and procedures referred to above, errors or fraud may occur and may 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 control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

Our consideration of the internal control was for limited purpose described in the first and second paragraphs would not necessarily identify all deficiencies in the internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities 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 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 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 is not intended to be and should not be used by anyone other than those specified parties.

*Samford Becker & Co. P.C.*

New York, New York  
February 25, 2011

**SANFORD BECKER & CO., P.C.**  
CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS ADVISORS

RICHARD S. BECKER, CPA  
GEORGE S. GETZ, CPA

SANFORD BECKER, CPA 1922-1994  
SANFORD E. BECKER, CPA 1957-2008

1430 BROADWAY  
NEW YORK, N.Y. 10018  
TELEPHONE (212) 921 - 9000  
FACSIMILE (212) 354 -1822

**Independent Accountants' Report on Applying Agreed-Upon Procedures**

To the Members  
Scarsdale Equities LLC

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 (General Assessment Reconciliation, Form SIPC-7) to the Securities Investor Protection Corporation ("SIPC") for the year ended through December 31, 2010, which were agreed to by Scarsdale Equities LLC (the "Company"), the Securities and Exchange commission, Financial Industry Regulatory Authority, Inc. and SIPC, solely to assist you and the other specified parties in evaluating the Company's compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). The Company's management is responsible for the company'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 listed in the disbursement journal, 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 the General Assessment Reconciliation (Form SIPC-7), noting no differences;
- 3) Compared any adjustment 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; and

- 5) Compared the amount of any overpayment applied to the current assessment with the Form SIPC-7 on which it was originally computed, 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.

*Samford Becker & Co., P.C.*

New York, New York  
February 25, 2011

**SCARSDALE EQUITIES LLC  
SCHEDULE OF ASSESSMENT AND PAYMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

Revenue	<u>\$10,421,560</u>
Deductions	
Commissions, floor brokerage and clearance fees paid	1,372,150
Direct expenses	<u>18,386</u>
	<u>1,390,536</u>
<b>SIPC net operating revenues</b>	<b><u>\$ 9,031,024</u></b>
SIPC general assessment at .0025	\$ 22,578
Less: Payments July 6, 2010	<u>10,036</u>
<b>Assessment balance due</b>	<b><u>\$ 12,542</u></b>

**SCARSDALE EQUITIES LLC**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2010**

**SCARSDALE EQUITIES LLC  
FINANCIAL STATEMENTS  
DECEMBER 31, 2010**

**TABLE OF CONTENTS**

	<u>Page</u>
Facing Pages	
Independent Auditors' Report	1
Financial Statements	
Statement of Financial Condition	2
Statement of Income	3
Statement of Changes in Members' Equity	4
Statement of Cash Flows	5
Notes to Financial Statements	6-9
Supplementary Information	
Computation of Net Capital	10
Computation and Determination of Reserve Requirements Under Rule 15c3-3 of the Securities and Exchange Commission	11
Information Relating to the Possession or Control Requirements Under Rule 15c3-3 of the Securities and Exchange Commission	11
Reconciliations Under Rule 17a-5(d)(4) of the Securities and Exchange Commission	11
Independent Auditors' Report on Internal Control	12-14
Independent Accountants' Report on Applying Agreed-Upon Procedures	15-16
Schedule of Assessments and Payments	17

**SCARSDALE EQUITIES LLC**  
**FINANCIAL STATEMENTS**  
**AND**  
**SUPPLEMENTAL INFORMATION**  
**REQUIRED BY RULE 17a-5**  
**YEAR ENDED DECEMBER 31, 2010**

**SANFORD BECKER & Co., P.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
NEW YORK