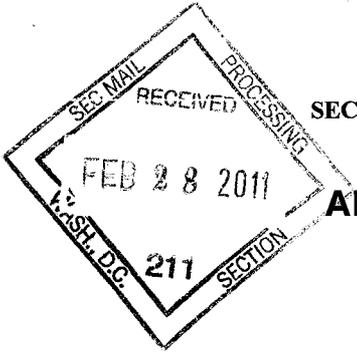


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Washington, D.C. 20549

SECURITIES COMMISSION

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

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

OFFICIAL USE ONLY
FIRM I.D. NO.

210 Elmer Street
(No. and Street)

Westfield NJ 07090
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Howard Spindel 212-509-7800
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

O'Connor Davies Munns & Dobbins, LLP
(Name - if individual, state last, first, middle name)

15 Essex Road, Suite 503 Paramus NJ 07652
(Address) (City) (State) (Zip Code)

- CHECK ONE:
- Certified Public Accountant
 - Public Accountant
 - Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

mt

OATH OR AFFIRMATION

I, William B. Wigton, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Merrion Securities, 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:

WB Wigton
Signature

Managing Director
Title

Annmarie Cogliati
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.
(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).

- (o) Independent Auditors' Report on Internal Accounting Control
(p) Note to Financial Statements

Merrion Securities, LLC

Financial Statements and
Supplemental Schedule
Pursuant to Rule 17a-5 of the
Securities and Exchange Commission

December 31, 2010



Independent Auditors' Report

To the Members of Merrion Securities, LLC

We have audited the accompanying statement of financial condition of Merrion Securities, LLC (the Company) as of December 31, 2010, and the related statements of income and members' 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 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 also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 Merrion Securities, 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 in the supplemental schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplemental 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.

O'Connor Davies Munns & Dobbins, LLP

Paramus, New Jersey
February 8, 2011

Merrion Securities, LLC

Statement of Financial Condition

December 31, 2010

ASSETS

Cash and cash equivalents	\$ 1,307
Due from broker	1,076,985
Equity securities	514,740
Furniture, equipment and leasehold improvements, net of accumulated depreciation and amortization of \$183,624	17,552
Other assets	<u>67,505</u>
	<u>\$ 1,678,089</u>

LIABILITIES AND MEMBERS' EQUITY

Accounts payable and accrued expenses	\$ 262,849
Members' equity	<u>1,415,240</u>
	<u>\$ 1,678,089</u>

Merrion Securities, LLC

Statement of Income and Members' Equity

Year Ended December 31, 2010

INCOME

Commissions	\$ 1,451,808
Net gain on principal transactions	280,421
Interest and dividends, net	19,005
Other	<u>684,731</u>
	<u>2,435,965</u>

EXPENSES

Employee compensation, benefits, and related expenses	1,480,639
Commissions	238,167
Clearing fees and floor brokerage	210,763
Professional fees	71,545
Rent	108,000
Market data	147,694
Depreciation and amortization	13,323
Other operating expenses	<u>137,342</u>
	<u>2,407,473</u>
Net Income	28,492

MEMBERS' EQUITY

Beginning of year	<u>1,386,748</u>
End of year	<u>\$ 1,415,240</u>

Merrion Securities, LLC

Statement of Cash Flows

Year Ended December 31, 2010

CASH FLOWS FROM OPERATING ACTIVITIES

Net income	\$ 28,492
Adjustments to reconcile net income to net cash from operating activities	
Depreciation and amortization	13,323
Changes in operating assets and liabilities	
Securities owned	(243,996)
Due to/from broker	(32,695)
Due from affiliate	11,600
Other assets	(651)
Accounts payable and accrued expenses	<u>207,426</u>
Net Cash from Operating Activities	<u>(16,501)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of property and equipment	<u>(6,828)</u>
Net Change in Cash and Cash Equivalents	(23,329)

CASH AND CASH EQUIVALENTS

Beginning of year	<u>24,636</u>
End of year	<u>\$ 1,307</u>

Merrion Securities, LLC

Notes to Financial Statements

1. Organization

Merrion Securities, LLC (the Company), a limited liability company, is a broker-dealer registered with the Securities Exchange Commission and is a member of the Financial Industry Regulatory Authority.

All transactions are cleared through a clearing broker on a fully disclosed basis and, accordingly, the Company does not carry securities accounts for customers or perform custodial functions relating to their securities.

2. Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents.

Securities Transactions

Proprietary securities transactions and related revenues and expenses are recorded on a trade-date basis.

Fair Value Measurements

The Company follows Financial Accounting Standard Board (FASB) guidance on Fair Value Measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Merrion Securities, LLC

Notes to Financial Statements

2. Significant Accounting Policies (continued)

Investment Valuation

The Company's investments include marketable and non-marketable equity securities. Marketable securities are traded in an active market while non-marketable securities are not actively traded and are not quoted on an active exchange and, consequently, tend to be less liquid than traditional investments. The Company's accounting policy for valuation of investments is as follows:

Marketable Equity Securities

These investments are carried at fair value based upon reference to quoted market prices.

Non-marketable Equity Securities

The fair value of non-marketable equity securities has been estimated by the management based on the recent issuing price of the security at year end. This security is subject to restrictions upon resale, including a minimum holding period and limitations on the amount and manner of sales.

Due from Broker

Amounts receivable and payable to the clearing broker are recorded net on the statement of financial condition pursuant to master netting agreements.

Commissions

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

Merrion Securities, LLC

Notes to Financial Statements

2. Significant Accounting Policies *(continued)*

Furniture, Equipment and Leasehold Improvements

Furniture, equipment and leasehold improvements are stated at cost; maintenance and repairs are charged to operations. Depreciation expense is calculated using the straight-line method over the life of the respective assets. Leasehold improvements are amortized over the shorter of the lease term or the economic useful life of the improvements. The useful lives are as follows:

Office equipment	5 years
Furniture and fixtures	7 years
Leasehold improvements	5 years

Income Taxes

The Company is treated as a partnership for federal and state income tax purposes and accordingly does not record a provision for income taxes because the individual members report their share of the Company's income or loss in their income tax returns. As a limited liability company, the liability of the Company's members is limited to the amount of the members' interest.

Accounting for Uncertainty in Income Taxes

The Company recognizes the effect of income tax positions only when they are more likely than not of being sustained. At December 31, 2010, management has determined that the Company had no uncertain tax positions that would require financial statement recognition. The Company is no longer subject to U.S. federal and state income tax audits for periods prior to 2007.

Subsequent Events

Management has evaluated subsequent events for disclosure and/or recognition through the date that the financial statements were issued.

Merrion Securities, LLC

Notes to Financial Statements

3. Fair Value Measurements

The following are major categories of assets measured at fair value on a recurring basis at December 31, 2010, grouped by the fair value hierarchy:

	2010			Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Investments				
Marketable equity securities - technology sector	\$ 451,240	\$ -	\$ -	\$ 451,240
Non-marketable equity securities - technology sector	-	-	63,500	63,500
Total Investments	\$ 451,240	\$ -	\$ 63,500	\$ 514,740

The following is a reconciliation of the beginning and ending balances for investments measured at fair value using significant unobservable inputs (Level 3) during the period ended December 31, 2010:

Beginning balance	\$ -
Purchases	63,500
Ending balance	\$ 63,500

4. Regulatory Requirements

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC 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. In addition, the rule provides that equity capital may not be withdrawn if the resulting net capital ratio would exceed 10 to 1. At December 31, 2010, the Company had net capital of approximately \$1,150,000 which was approximately \$1,050,000 in excess of its minimum requirement of \$100,000.

The Company is exempt from the provisions of Rule 15c3-3 under the Securities Exchange Act of 1934 in that the Company's activities are limited to those set forth in the conditions for exemption appearing in paragraph (k)(2)(ii).

Merrion Securities, LLC

Notes to Financial Statements

5. Off Balance Sheet Risk and Concentration of Credit Risk

The Company is engaged in various brokerage activities with other counterparties including customers and financial institutions. In the normal course of business, the Company may be exposed to risk of loss in the event that the counterparty is unable to fulfill its contracted obligations and the Company has to purchase or sell the securities underlying the contract, as a loss. A substantial portion of the Company's assets are in the custody of the clearing broker.

6. Related Party Transactions

Commission revenue from members, management and affiliates of the Company amounted to approximately \$255,000 for 2010.

During 2010, the Company leased office space from an affiliate on a month-to-month basis. Total rent expense under the lease was \$108,000 for the year ended December 31, 2010.

Other income includes \$600,000 received from an affiliate for facilities and for professional and administrative services.

7. Major Customers

Commissions from three major customers represented approximately 55% of total commission revenue for the year ended December 31, 2010.

SUPPLEMENTAL SCHEDULE

Computation for Determination of Reserve
Requirements and Information Relating to Possession
or Control Requirements for Brokers and Dealers
Pursuant to Rule 15c3-3

December 31, 2010

The Company is exempt from the provisions of Rule 15c3-3 under the Securities Exchange Act of 1934 in that the Company's activities are limited to those set forth in the conditions for exemption appearing in paragraph (k)(2)(ii) of that rule.

(See accompanying independent auditors' report)

Merrion Securities, LLC

Computation of Net Capital Pursuant to Rule 15c3-1 of the Securities and Exchange Commission

December 31, 2010

Members' equity at December 31, 2010	<u>\$ 1,415,240</u>
Deductions and/or charges	
Non-allowable assets	
Non-marketable securities	63,500
Furniture, equipment and leasehold improvements, net	17,552
Other assets	<u>67,505</u>
	<u>148,557</u>
Tentative Net Capital	1,266,683
Haircuts on securities	
Trading and investment securities	67,718
Undue concentration	<u>48,686</u>
	<u>116,404</u>
Net Capital	1,150,279
Minimum capital requirements (greater of 6-2/3% of aggregate indebtedness or \$100,000)	<u>100,000</u>
Excess net capital	<u>\$ 1,050,279</u>
Aggregate indebtedness	<u>\$ 262,849</u>
Ratio of aggregate indebtedness to net capital	.23 to 1

There are no material differences between this computation of net capital and the corresponding computation prepared by the Company and included in its unaudited Part IIA FOCUS Report as of December 31, 2010.

Merrion Securities, LLC
Report Of Independent Auditors On
Internal Accounting Control
Required By SEC Rule 17a-5
December 31, 2010



**Independent Auditors' Report On Internal
Control Structure Required By S.E.C Rule 17a-5**

**To the Members of
Merrion Securities, LLC**

In planning and performing our audit of the financial statements of Merrion Securities, 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 as a basis for designing our audit 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 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 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 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 internal control and 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 control deficiencies, in internal control 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 significant deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the company's financials 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 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, the Financial Industry Regulatory Authority 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.

O'Connor Davis Hanna & Dobbins, LLP

Paramus, New Jersey
February 8, 2011