

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



11019309

Estimated average burden  
hours per response . . . . 12.00

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

SEC FILE NUMBER  
8-35259

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 1/1/10 AND ENDING 12/31/10  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: E-W INVESTMENTS, INC.  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
205 E. LAS TUNAS DR.

OFFICIAL USE ONLY  
FIRM I.D. NO.

(No. and Street)

SAN GABRIEL  
(City)

CA  
(State)

91776  
(Zip Code)

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\*  
DNW & ASSOCIATES, INC.

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

9550 FLAIR DR. #307  
(Address)

EL MONTE  
(City)

CA  
(State)

91731  
(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)

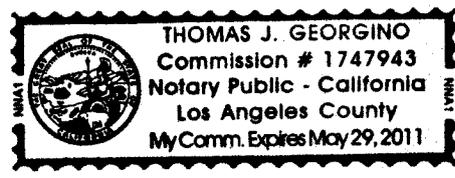
Yes  
3/24

OATH OR AFFIRMATION

I, JOHN PONG, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of E-W INVESTMENTS, INC., as of DECEMBER 31, 2010, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

Signature: [Handwritten Signature]
Title: OWNER / PRESIDENT

Notary Public: [Handwritten Signature]



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).

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

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

Form  
X-17A-5

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

(Please read instructions before preparing Form.)

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

1) Rule 17a-5(a)  16

2) Rule 17a-5(b)  17

3) Rule 17a-11  18

4) Special request by designated examining authority  19

5) Other  26

NAME OF BROKER-DEALER

SEC FILE NO.

E-W INVESTMENTS, INC.  13

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

FIRM I.D. NO.

205 E. LAS TUNAS DRIVE  20

17463  15

(No. and Street)

FOR PERIOD BEGINNING (MM/DD/YY)

SAN GABRIEL  21

CA  22

91776  23

(City)

(State)

(Zip Code)

1/1/10  24

AND ENDING (MM/DD/YY)

12/31/10  25

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

(Area Code) — Telephone No.

JOHN PONG  30

626-285-0606  31

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

OFFICIAL USE

32  33

34  35

36  37

38  39

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

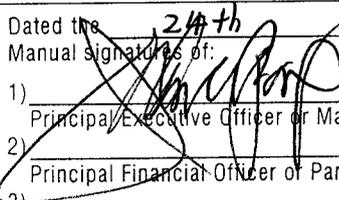
CHECK HERE IF RESPONDENT IS FILING AN AUDITED REPORT  42

**EXECUTION:**

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

Dated the 24<sup>th</sup> day of February 20 11

Manual signatures of:

1)   34  
Principal/Executive Officer or Managing Partner

2)  35  
Principal Financial Officer or Partner

3)  36  
Principal Operations Officer or Partner

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

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

SEC 1696 (02-03) 1 of 16

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

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report

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

DNW & ASSOCIATES, INC

70

ADDRESS

9550 FLAIR DR. #307

71

EL MONTE

72

CA

73

91731

74

Number and Street

City

State

Zip Code

CHECK ONE

Certified Public Accountant

75

Public Accountant

76

Accountant not resident in United States  
or any of its possessions

77

**FOR SEC USE**

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

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

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT PART IIA

BROKER OR DEALER E-W INVESTMENTS, INC.	N3	100
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## STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING AND CERTAIN OTHER BROKERS OR DEALERS

as of (MM/DD/YY)	12/31/10	99
SEC FILE NO.	8-35259	98
Consolidated	<input type="checkbox"/>	198
Unconsolidated	<input checked="" type="checkbox"/>	199

	Allowable		Non-Allowable		Total
1. Cash .....	\$ 13454	200			\$ 13454
2. Receivables from brokers or dealers:					
A. Clearance account .....	40637	295			
B. Other .....		300	\$ 550		40637
3. Receivable from non-customers .....		355	600		830
4. Securities and spot commodities owned at market value:					
A. Exempted securities .....		418			
B. Debt securities .....		419			
C. Options .....		420			
D. Other securities .....	99110	424			
E. Spot commodities .....		430			99110
5. Securities and/or other investments not readily marketable:					
A. At cost $\frac{1}{2}$ \$ .....		130			
B. At estimated fair value .....		440	610		860
6. Securities borrowed under subordination agreements and partners' individual and capital securities accounts, at market value:					
A. Exempted securities \$ .....		150			
B. Other securities \$ .....		160			
7. Secured demand notes: Market value of collateral:					
A. Exempted securities \$ .....		170			
B. Other securities \$ .....		180			
8. Memberships in exchanges:					
A. Owned, at market \$ .....		190			
B. Owned, at cost .....			650		
C. Contributed for use of the company, at market value .....			660		900
9. Investment in and receivables from affiliates, subsidiaries and associated partnerships .....		480	670		910
10. Property, furniture, equipment, leasehold improvements and rights under lease agreements, at cost-net of accumulated depreciation and amortization .....		490	5390	680	5390
11. Other assets .....		535	16546	735	16546
12. TOTAL ASSETS .....	\$ 153201	540	\$ 21936	740	\$ 175137
					940

OMIT PENNIES

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER **E-W INVESTMENTS, INC.**

as of 12/31/10

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

#### LIABILITIES AND OWNERSHIP EQUITY

<b>Liabilities</b>	<b>A.I. Liabilities</b>	<b>Non-A.I. Liabilities</b>	<b>Total</b>
13. Bank loans payable .....	\$ 1045	\$ 1255 <sup>13</sup>	\$ 1470
14. Payable to brokers or dealers:			
A. Clearance account .....	1114	1315	1560
B. Other .....	1115 <sup>10</sup>	1305	1540
15. Payable to non-customers .....	1155	1355	1610
16. Securities sold not yet purchased, at market value .....		1360	1620
17. Accounts payable, accrued liabilities, expenses and other .....	12670 1205	1385	12670 1685
18. Notes and mortgages payable:			
A. Unsecured .....	1210		1690
B. Secured .....	1211 <sup>12</sup>	1390 <sup>14</sup>	1700
19. E. Liabilities subordinated to claims of general creditors:			
A. Cash borrowings: .....		1400	1710
1. from outsiders <sup>9</sup> \$ .....	970		
2. includes equity subordination (15c3-1(d)) of ... \$ .....	980		
B. Securities borrowings, at market value from outsiders \$ .....		1410	1720
C. Pursuant to secured demand note collateral agreements .....		1420	1730
1. from outsiders \$ .....	1000		
2. includes equity subordination (15c3-1(d)) of ... \$ .....	1010		
D. Exchange memberships contributed for use of company, at market value .....		1430	1740
E. Accounts and other borrowings not qualified for net capital purposes .....	1220	1440	1750
20. TOTAL LIABILITIES .....	\$ 12670 1230	\$ 1450	\$ 12670 1760
<b>Ownership Equity</b>			
21. Sole Proprietorship .....			1770 <sup>15</sup>
22. Partnership (limited partners) .....	1020 <sup>11</sup>		1780
23. Corporation:			
A. Preferred stock .....			1791
B. Common stock .....		10000	1792
C. Additional paid-in capital .....		134000	1793
D. Retained earnings .....		18467	1794
E. Total .....		162467	1795
F. Less capital stock in treasury .....		(17)	1796 <sup>16</sup>
24. TOTAL OWNERSHIP EQUITY .....			\$ 162467 1800
25. TOTAL LIABILITIES AND OWNERSHIP EQUITY .....			\$ 175137 1810

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# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER

E-W INVESTMENTS, INC

as of 12/31/10

### COMPUTATION OF NET CAPITAL

1. Total ownership equity from Statement of Financial Condition .....	\$	162467	3480
2. Deduct ownership equity not allowable for Net Capital .....	19	( )	3490
3. Total ownership equity qualified for Net Capital .....		162467	3500
4. Add:			
A. Liabilities subordinated to claims of general creditors allowable in computation of net capital .....			3520
B. Other (deductions) or allowable credits (List) .....			3525
5. Total capital and allowable subordinated liabilities .....	\$	162467	3530
6. Deductions and/or charges:			
A. Total non-allowable assets from			
Statement of Financial Condition (Notes B and C) .....	17	\$ 21936	3540
B. Secured demand note delinquency .....			3590
C. Commodity futures contracts and spot commodities -			
proprietary capital charges .....			3600
D. Other deductions and/or charges .....			3610
7. Other additions and/or allowable credits (List) .....			3620
8. Net capital before haircuts on securities positions .....	19	\$	140531
9. Haircuts on securities (computed, where applicable, pursuant to 15c3-1(f)):			
A. Contractual securities commitments .....		\$	3660
B. Subordinated securities borrowings .....			3670
C. Trading and investment securities:			
1. Exempted securities .....	18	1903	3735
2. Debt securities .....			3733
3. Options .....			3730
4. Other securities .....		10790	3734
D. Undue Concentration .....		3550	3650
E. Other (List) .....		123	3736
10. Net Capital .....	20	\$	124165
			3750

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# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER

E-W INVESTMENTS, INC.

as of 12/31/10

### COMPUTATION OF NET CAPITAL REQUIREMENT

**Part A**

11. Minimum net capital required (6 $\frac{2}{3}$ % of line 19) .....	\$	845	3756
12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A) .....	\$	50000	3758
13. Net capital requirement (greater of line 11 or 12) .....	\$	50000	3760
14. Excess net capital (line 10 less 13) .....	\$	74165	3770
15. Excess net capital at 1000% (line 10 less 10% of line 19) .....	\$	72898	3780

### COMPUTATION OF AGGREGATE INDEBTEDNESS

16. Total A.I. liabilities from Statement of Financial Condition .....	\$	12670	3790
17. Add:			
A. Drafts for immediate credit .....	\$	3800	
B. Market value of securities borrowed for which no equivalent value is paid or credited .....	\$	3810	
C. Other unrecorded amounts (List) .....	\$	3820	3830
18. Total aggregate indebtedness .....	\$	12670	3840
19. Percentage of aggregate indebtedness to net capital (line 18 ÷ by line 10) .....	%	10.2	3850
20. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1(d) .....	%	0	3860

### COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT

**Part B**

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

**NOTES:**

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

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER

E-W INVESTMENTS, INC.

For the period (MMDDYY) from 1/1/10 <sup>3932</sup> to 12/31/10 <sup>3933</sup>  
 Number of months included in this statement 12 <sup>3931</sup>

### STATEMENT OF INCOME (LOSS)

#### REVENUE

1. Commissions:			
a. Commissions on transactions in exchange listed equity securities executed on an exchange .....	\$ 110617		3935
b. Commissions on listed option transactions .....	25		3938
c. All other securities commissions .....			3939
d. Total securities commissions .....	110617		3940
2. Gains or losses on firm securities trading accounts			
a. From market making in options on a national securities exchange .....			3945
b. From all other trading .....	19520		3949
c. Total gain (loss) .....	19520		3950
3. Gains or losses on firm securities investment accounts .....			3952
4. Profit (loss) from underwriting and selling groups .....			3955
5. Revenue from sale of investment company shares .....			3970
6. Commodities revenue .....			3990
7. Fees for account supervision, investment advisory and administrative services .....	14831		3975
8. Other revenue .....	5132		3995
9. Total revenue .....	\$ 150100		4030

#### EXPENSES

10. Salaries and other employment costs for general partners and voting stockholder officers .....			
11. Other employee compensation and benefits .....	44140		4120
12. Commissions paid to other broker-dealers .....	67773		4140
13. Interest expense .....			4075
a. Includes interest on accounts subject to subordination agreements .....	4070		
14. Regulatory fees and expenses .....	6571		4195
15. Other expenses .....	40869		4100
16. Total expenses .....	\$ 159353		4200

#### NET INCOME

17. Income (loss) before Federal income taxes and items below (Item 9 less Item 16) .....			
18. Provision for Federal income taxes (for parent only) .....	-9253		4210
19. Equity in earnings (losses) of unconsolidated subsidiaries not included above .....	-800		4220
a. After Federal income taxes of .....	4338		
20. Extraordinary gains (losses) .....			4224
a. After Federal income taxes of .....	4239		
21. Cumulative effect of changes in accounting principles .....			4225
22. Net income (loss) after Federal income taxes and extraordinary items .....	\$ -10053		4230

#### MONTHLY INCOME

23. Income (current month only) before provision for Federal income taxes and extraordinary items .....			
	\$		4211

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT PART IIA

BROKER OR DEALER <span style="float: right;">E-W INVESTMENTS, INC</span>
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For the period (MMDDYY) from 1/1/10 to 12/31/10

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

1. Balance, beginning of period .....	\$	172520	4240
A. Net income (loss) .....		-10053	4250
B. Additions (Includes non-conforming capital of .....	\$	4262	4260
C. Deductions (Includes non-conforming capital of .....	\$	4272	4270
2. Balance, end of period (From item 1800) .....		\$	162467
			4290

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

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

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# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT PART IIA

BROKER OR DEALER **E-W INVESTMENTS INC.**

as of 12/31/10

### EXEMPTIVE PROVISION UNDER RULE 15c3-3

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

- |  |      |      |
|--|------|------|
| A. (k)(1) — \$2,500 capital category as per Rule 15c3-1 .....  |      | 4550 |
| B. (k)(2)(A) — "Special Account for the Exclusive Benefit of customers" maintained .....                   |      | 4560 |
| C. (k)(2)(B) — All customer transactions cleared through another broker-dealer on a fully disclosed basis. |      |      |
| Name of clearing firm <sup>30</sup> <u>NATIONAL FINANCIAL SERVICES</u>                                     | 4335 | X    |
|  |      | 4570 |
| D. (k)(3) — Exempted by order of the Commission (include copy of letter) .....                             |      | 4580 |

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

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

OMIT PENNIES

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

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

**E-W INVESTMENTS, INC.**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2010**

**DNW AND ASSOCIATES, INC.**  
CERTIFIED PUBLIC ACCOUNTANTS  
9550 FLAIR DR. SUITE 307  
EL MONTE, CA 91731

Tel: 626-452-1149  
Fax: 626-452-1156

Eric Wu, CPA

Independent Auditors' Report

To the Stockholder of  
E-W Investments, Inc.  
San Gabriel, California

We have audited the accompanying statement of financial condition of E-W Investments, Inc. as of December 31, 2010, and the related statement of operation, stockholders' equity, and cash flows for the year then ended that you are filing pursuant to Rule 17a-5 under the Securities and 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 audits.

We conducted our audits 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 provide 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 E-W Investments, 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 audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information present thereof 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 audits 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.

*DNW & Associates*

DNW & ASSOCIATES, INC.  
El Monte, California  
Feb 21, 2011

**DNW AND ASSOCIATES, INC.**  
CERTIFIED PUBLIC ACCOUNTANTS  
9550 FLAIR DR. SUITE 307  
EL MONTE, CA 91731

Tel: 626-452-1149  
Fax: 626-452-1156

Eric Wu, CPA

To the Stockholder  
E-W Investments, Inc.  
San Gabriel, California

In planning and performing our audit of the financial statements and supplemental schedule of E-W Investments, 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 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, 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 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 generally 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 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 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 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 the Board of Directors, management, the SEC, the National Association of securities Dealers, 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.

*DNW & Associates*

DNW & ASSOCIATES, INC.  
El Monte, California  
Feb 21, 2011

**E-W INVESTMENTS, INC.**  
**STATEMENT OF FINANCIAL CONDITION**  
**DECEMBER 31, 2010**

<b>Assets</b>	<u><b>2010</b></u>
<b>Current Assets</b>	
Cash and equivalents	\$ 13,454
Deposits held at clearing broker	35,000
Receivable from clearing brokers	5,637
Marketable securities, at fair value	<u>99,110</u>
Total current assets	153,201
Property and equipment, net	5,390
Deposits	4,046
Deferred tax assets	<u>12,500</u>
<b>Total assets</b>	<u><u>\$ 175,137</u></u>
 <b>Liabilities and Stockholders' Equity</b>	
<b>Current liabilities</b>	
Payroll and payroll taxes payable	\$ 2,404
Accrued expenses	<u>10,266</u>
Total current liabilities	12,670
 <b>Stockholders' equity</b>	
Common stock, par value \$1.00, 10,000 shares issued and outstanding	10,000
Additional paid-in capital	134,000
Retained earnings (deficit)	<u>18,467</u>
Total stockholders' equity	<u>162,467</u>
<b>Total liabilities and stockholders' equity</b>	<u><u>\$ 175,137</u></u>

*See accompanying notes to the financial statements*

**E-W INVESTMENTS, INC.**  
**STATEMENT OF STOCKHOLDERS' EQUITY**  
**DECEMBER 31, 2010**

	<u>Common Stock</u>		<u>Additional Paid-in Capital</u>	<u>Retained earnings (Deficit)</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>			
Balance, December 31, 2009	10,000	\$ 10,000	\$ 134,000	\$ 28,520	\$ 172,520
Net Income (loss)	-	-	-	(10,053)	(10,053)
Balance, December 31, 2010	<u>10,000</u>	<u>\$ 10,000</u>	<u>\$ 134,000</u>	<u>\$ 18,467</u>	<u>\$ 162,467</u>

*See accompanying notes to the financial statements*

**E-W INVESTMENTS, INC.**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

**Revenues:**

Securities commissions and fees	\$ 110,617
Investment advisory fees	14,831
Interest and dividend	3,365
Net unrealized gain (loss) on marketable securities	19,520
Miscellaneous revenue	1,767
Total revenue	<u>150,100</u>

**Expense:**

Commission and brokerage fee	67,773
Depreciation & amortization	234
Entertainment & meal	584
Insurance	1,034
Interest	23
Legal & professional	10,795
Regulatory fee	6,571
General office expense	5,590
Equipment rent	15,668
Salaries & wages	44,140
Payroll tax expenses	4,847
Utilities	83
Telephone	2,011
Total expenses	<u>159,353</u>

**Income (loss) from operation** (9,253)

**Income taxes benefit (expense):**

Current state franchise tax	(800)
Deferred taxes expense	-
Total income taxes expense	<u>(800)</u>

**Net income (loss)** \$ (10,053)

*See accompanying notes to the financial statements*

**E-W INVESTMENTS, INC.**  
**STATEMENT OF CASH FLOW**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

		<u>2010</u>
<b>Operating activities</b>		
Net income (loss)	\$	(10,053)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization		234
Change in working capital components:		
Receivable from clearing brokers		(769)
Payroll taxes payable		(38)
Short-term investments		(49,827)
Accrued expenses		2,070
<b>Net cash used by operating activities</b>		<u>(58,383)</u>
Decrease in cash and equivalents		(58,383)
<b>Cash and equivalents at 1/1/10</b>		<u>71,837</u>
<b>Cash and equivalents at 12/31/10</b>	<b>\$</b>	<u><u>13,454</u></u>
 <b>Supplementary Information:</b>		
Cash paid for interest	\$	23
Cash paid for income taxes	\$	800

*See accompanying notes to the financial statements*

**E-W INVESTMENTS, INC.**  
**NOTES TO THE FINANCIAL STATEMENT**  
**DECEMBER 31, 2010**

**Note 1 - Nature of Operations**

E-W Investments, Inc. (the "Company") was incorporated on December 5, 1985 in the state of California. The Company is an independent retail broker-dealer offering various financial services and is a member firm of the National Association of Securities Dealers ("NASD"). Currently, the Company uses the services of third-party broker-dealers to carry its clients' cash and margin accounts on a fully disclosed basis.

**Note 2 – Summary of Significant Accounting Policies**

*Use of Estimates*

The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America, which require management to make assumptions and estimates that affect the amounts reported in the financial statements and accompanying notes. Actual amounts could differ from those estimates and the differences could have a material impact on the financial statements.

*Cash and Cash Equivalents*

The Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

*Deposits Held at Clearing Brokers*

The Company has interest-bearing reserve deposits with certain clearing brokers. These clearing brokers require deposits of all introducing brokers with whom they transact business.

*Marketable Securities, at Fair Value*

Marketable securities consist of equity securities, which are classified as trading in accordance with the provisions of Statement of Financial Accounting Standards ("SFAS") No. 115, "Accounting for Certain Investments in Debt and Equity Securities." Accordingly, such securities are presented as current assets and carried at their estimated fair values in the accompanying financial statements with unrealized gains and losses included in earnings. Fair value was determined based on quoted market prices. Specific identification has been used to determine cost for each security.

**E-W INVESTMENTS, INC.**  
**NOTES TO THE FINANCIAL STATEMENT**  
**DECEMBER 31, 2010**

**Note 2 – Summary of Significant Accounting Policies (Continued)**

*Security Transactions*

Customers' security transactions are recorded on a settlement date basis, with related commission revenues and expenses recorded on a trade date basis.

*Property and Equipment*

Property and equipment are stated at cost, net of accumulated depreciation. Depreciation is determined by use of the straight-line method. Useful lives of property and equipment are as follows:

Automobile	5 years
Furniture and fixtures	7 years
Office equipment	5 to 7 years
Leasehold improvements	5 to 40 years

Property and equipment as of December 31, 2010 are as follows:

Leasehold improvement	\$ 84,340
Office equipment	45,165
Furniture and fixture	14,240
	<u>143,745</u>
Accumulated depreciation	( 138,355 )
Property and Equipment, net	<u>\$ 5,390</u>

Maintenance and repair costs are expensed as incurred. Depreciation expense was \$234 for the year ended December 31, 2010.

*Impairment of Long-Lived Assets*

SFAS No. 144, "Accounting for Impairment or Disposal of Long-Lived Assets," requires that long-lived assets, such as property and equipment, be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the asset is measured by comparison of its carrying amount to undiscounted future net cash flows the asset is expected to generate. If such assets are considered to be impaired, the impairment to be recognized is measured as the amount by which the carrying amount of the asset exceeds its fair market value. Estimates of expected future cash flows represent management's best estimate based on currently available information and reasonable and supportable assumptions. Any impairment recognized in accordance with SFAS 144 is

**E-W INVESTMENTS, INC.**  
**NOTES TO THE FINANCIAL STATEMENT**  
**DECEMBER 31, 2010**

**Note 2 – Summary of Significant Accounting Policies (Continued)**

permanent and may not be restored. The Company has not recognized any impairment of long-lived assets in accordance with SFAS 144.

*Income Taxes*

The liability method of accounting for income taxes requires the recognition of deferred tax liabilities and assets for expected future tax consequences of temporary differences between the carrying amounts and tax bases of assets and liabilities. Management provides a valuation allowance for deferred tax assets when it is more likely than not that all or a portion of such assets will not be recoverable based on future operations.

*Recently Issued Accounting Pronouncements*

In September 2006, the Financial Accounting Standards Board (FASB) issued SFAS No. 157, "Fair Value Measurements" (SFAS No. 157). This statement clarifies the definition of fair value, establishes a framework for measuring fair value, and expands the disclosures on fair value measurements. SFAS No.157 is effective for fiscal years beginning after November 15, 2007. We do not expect the adoption of this statement to have a material effect on our results of operations or financial position.

In July 2006, the FASB issued Interpretation No. 48, "Accounting for Uncertainty in Income Taxes-an interpretation of FASB Statement No. 109" (FIN 48), which changes the threshold for recognizing the benefit of an uncertain tax position, prescribes a method for measuring the tax benefit to be recorded and requires incremental quantitative and qualitative disclosures about uncertain tax positions. Under FIN 48, a tax position that meets a more likely than not recognition threshold, based solely on the technical merits of the position, will be recognized in the consolidated financial statements. The tax position will be measured at the largest amount of benefit that is more likely than not to be realized upon ultimate settlement. Additionally, FIN 48 requires a tabular presentation of potential tax benefits unrecognized at the beginning and end of the year that includes a listing of the significant changes during the year. The guidance has been deferred for nonpublic entities in FIN 48-2, "Effective Date of FASB Interpretation No. 48 for Certain Nonpublic Enterprises." The impact of adoption will generally be recorded as a cumulative effect of a change in accounting principle against the retained earning balance as of the adoption date. However, to the extent the adoption of FIN 48 results in a revaluation of uncertain tax positions for which a valuation allowance has already been established, the cumulative effect will be recorded as an adjustment to deferred taxes. Management has not yet determined the effect, if any, that the adoption of FIN 48 will have on the Company's financial condition, results of operations or cash flows.

**E-W INVESTMENTS, INC.**  
**NOTES TO THE FINANCIAL STATEMENT**  
**DECEMBER 31, 2010**

**NOTE 3 – Marketable Securities, at Fair Value**

The Company recorded a net unrealized gain of \$19,520 from the holdings of various open positions that it holds as of December 31, 2010.

**NOTE 4 – Deferred Income Taxes**

Deferred income taxes principally result from net operating loss carryforward and unrealized gain on marketable securities. Included in the balance sheet is deferred tax asset of \$12,500. A valuation allowance is provided for deferred tax assets if it is more likely than not these items will either expire before the Company is able to realize their benefits or that future deductibility is uncertain. Based on expected future income, the management is anticipated to realize a portion of the total available benefit. A valuation allowance is calculated accordingly.

The following summarizes deferred tax benefit:

Available deferred tax benefit relating to NOL	\$ 22,000
Valuation allowance	<u>(9,500)</u>
Net deferred tax benefit	<u>\$ 12,500</u>

**NOTE 5 – Related Party Transactions**

The Company rents its office facility from its stockholder under the terms of a month-to-month lease. No rent was paid to the stockholder during 2010.

**NOTE 6 – Contingencies**

In 2004, the Company was named in a claim of arbitration brought before the National Association of Securities Dealers (the “NASD”) by a former client (the “claimant”). The claimant asserted violations of the NASD Conduct Rules. Management settled the claim prior to arbitration for \$15,000 pursuant to a settlement agreement dated April 2006.

The Company is party to various legal actions in the normal course of its business. The Company is not involved in or threatened by proceedings for which the Company believes, if determined adversely, would have a material adverse effect on the financial position, results of operations or cash flows of the Company.

**E-W INVESTMENTS, INC.**  
**NOTES TO THE FINANCIAL STATEMENT**  
**DECEMBER 31, 2010**

**NOTE 7 – Net Capital Requirement**

The Company is a “Fully Disclosed Broker-Dealer”. The Company does not carry customer accounts and does not accept customer funds or securities. Instead, it has entered into “clearing agreements” with clearing brokers and has fully disclosed all of its customer accounts to these brokers.

The Company is subjected to the Securities and Exchange Commission Uniform Net Capital Rule (SEC Rule 15c 3-1), which requires the maintenance of minimum net capital.

The fully phased-in net capital requirement for “fully disclosed” broker-dealers that receive but do not hold customer funds or other securities is \$50,000. The rule also requires that the percentage of aggregate indebtedness to net capital shall not exceed 15 to 1.

At December 31, 2010, the Company had net capital of \$124,165 and the Company’s aggregate indebtedness to net capital ratio was 10.2 to 1.

**SUPPLEMENTARY INFORMATION**

**E-W INVESTMENTS, INC.**  
**SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

Computation of Net Capital under Rule 15c3-1 of the Securities and Exchange Commission:

Total Stockholders' equity from financial condition	\$ 162,467
Deduction and charges:	
Non-allowable fixed asset	(5,390)
Non-allowable other assets	<u>(16,546)</u>
Net capital before haircut charges	140,531
Haircut on securities:	
Marketable securities	(16,243)
Money market funds	<u>(123)</u>
Net Capital	<u>\$ 124,165</u>
Aggregate Indebtedness:	
Accrued expenses	\$ 10,266
Payroll and payroll taxes payable	<u>2,404</u>
Total aggregate indebtedness	<u>\$ 12,670</u>
Computation of Basic Net Capital Requirement:	
Minimum net capital required	\$ 50,000
Net capital	<u>124,165</u>
Excess net capital	<u>\$ 74,165</u>
Excess net capital at 1000%	<u>\$ 72,898</u>
Ratio: Aggregate indebtedness to net capital	.0102 to 1

Reconciliation with Company's Computation:

Stockholders' equity as reported in Company's Part II Focus report (unaudited)	\$ 162,467
Adjustments: None	-
Stockholders' equity per this audit report	<u><u>\$ 162,467</u></u>

**E-W INVESTMENTS, INC.**  
**SUPPLEMENTARY INFORMATION**  
**DECEMBER 31, 2010**

EW Investments Inc. is exempt from computation for determination of reserve requirement and information relating to possession or control requirements under Rule 15c3-3 of SEC under Sub paragraph (k)(2)(ii).

The Company operates in accordance with the exemptive provisions of paragraph (k)(2)(ii) of Rule 15c3-3 of the Securities Exchange Act of 1934. The Company is a "Fully Disclosed Broker-Dealer" and does not carry customer accounts and does not accept customer funds or securities. All transactions were cleared through unaffiliated clearing brokers.