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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



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

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SECTION

SEC FILE NUMBER  
8-37267

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

\* KH 3/15

REPORT FOR THE PERIOD BEGINNING 1/01/10 AND ENDING 12/31/10  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER:

Weeden & Co., L.P.

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

OFFICIAL USE ONLY

FIRM I.D. NO.

145 Mason Street

(No. and Street)

Greenwich,

Connecticut

06830

(City)

(State)

(Zip Code)

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

Ann Cotaj

203-861-7604

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

J.H. Cohn LLP

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

1212 Avenue of the Americas, New York

NY

10036

(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)

SEC 1410 (06-02)

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OATH OR AFFIRMATION

I, Craig Hetherington and Robert A. Cervoni, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Weeden & Co., L.P., 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:

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

JANIE FOSTER  
NOTARY PUBLIC  
Connecticut  
My Commission Expires Nov. 30, 2011

Janie Foster  
Notary Public

[Signature]  
Signature  
Chief Executive Officer  
Title  
[Signature]  
Signature  
Chief Financial Officer  
Title

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).

**WEEDEN & CO., L.P.**

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**Report of Independent Public Accountants**

The Board of Directors  
Weeden & Co., L.P.

We have audited the accompanying statement of financial condition of Weeden & Co., L.P. as of December 31, 2010 that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement 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 statement of financial condition is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 statement of financial condition referred to above presents fairly, in all material respects, the financial position of Weeden & Co., L.P. as of December 31, 2010, 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 statement of financial condition taken as a whole. The information contained in Schedule I is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the statement of financial condition and, in our opinion, is fairly stated in all material respects in relation to the statement of financial condition taken as a whole.



New York, New York  
February 25, 2011

WEEDEN & CO., L.P.

STATEMENT OF FINANCIAL CONDITION  
DECEMBER 31, 2010

**ASSETS**

Cash and cash equivalents	\$ 17,219,306
Cash segregated under Federal regulations	5,112,029
Receivable from Clearing Broker, net	20,847,054
Securities owned - at fair value	542,440
Building improvements, furniture, fixtures and equipment, net	6,343,128
Due from related parties	19,918
Other assets	<u>2,226,940</u>
Total	<u>\$ 52,310,815</u>

**LIABILITIES AND PARTNERS' CAPITAL**

Liabilities:	
Accounts payable, accrued expenses and other liabilities	\$ 11,211,659
Securities sold, net yet purchased - at fair value	<u>63,127</u>
Total liabilities	11,274,786
Commitments and contingencies	
Partners' capital	<u>41,036,029</u>
Total	<u>\$ 52,310,815</u>

See Notes to Financial Statements.

## WEEDEN & CO., L.P.

### NOTES TO STATEMENT OF FINANCIAL CONDITION

#### **Note 1 - Organization:**

Weeden & Co., L.P. (the "Company"), a Delaware limited partnership, is a registered broker and dealer in securities under the Securities Exchange Act of 1934. The Company is a member of various exchanges and the Financial Industry Regulatory Authority, Inc. ("FINRA"), Municipal Securities Rule Making Board ("MSRB"), and Securities Investor Protection Corporation ("SIPC"). Weeden Securities Corp. is the sole general partner (the "GP"), and manages and controls the business and affairs of the Company. Weeden Investors, L.P. ("WILP") is the sole limited partner. The Company is an introducing broker for the transactions of its institutional customers, a market-maker in certain securities in the over-the-counter market, conducts a capital markets business which includes advisory services, investment banking and underwriting participation, and also engages in trading activities in fixed income products and listed equities in both domestic and international markets whereby the Company commits its capital in order to facilitate its customers' orders.

The Company has an agreement with another broker-dealer ("clearing broker") to clear transactions, carry customers' accounts on a fully disclosed basis and perform record keeping functions and, consequently, operates under the exemptive provisions of SEC rule 15c3-3(k)(2)(ii).

#### **Note 2 - Significant accounting policies:**

Accounting standards define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). Fair value is a market-based measurement that should be determined based on the assumptions market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, a fair value hierarchy distinguishes between (1) market participant assumptions developed based on market data obtained from sources independent of the reporting entity (observable inputs) and (2) the reporting entity's own assumptions about market participant assumptions developed based on the best information available in the circumstances (unobservable inputs). Valuation techniques used to measure fair value shall maximize the use of observable inputs and minimize the use of unobservable inputs.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels, as follows:

## WEEDEN & CO., L.P.

### NOTES TO STATEMENT OF FINANCIAL CONDITION

#### **Note 2 - Significant accounting policies (continued):**

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide information on an ongoing basis.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. If the asset or liability has a specified (contractual) term, a Level 2 input must be observable for substantially the full term of the asset or liability. Level 2 inputs include the following:

- a. Quoted prices for similar assets or liabilities in active markets
- b. Quoted prices for identical or similar assets or liabilities in markets that are not active
- c. Inputs other than quoted prices that are observable for the asset or liability
- d. Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances, which might include the reporting entity's own data. However, market participant assumptions cannot be ignored and, accordingly, the reporting entity's own data used to develop unobservable inputs are adjusted if information is reasonably available without undue cost and effort that indicates that market participants would use different assumptions.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

The fair value of the Company's investments, including cash segregated under Federal regulations and securities sold, not yet purchased, as of and for the year ended December 31, 2010 were all measured using Level 1 inputs.

The Company records principal transactions in securities and the related revenue and expenses on a trade-date basis.

**WEEDEN & CO., L.P.**

**NOTES TO STATEMENT OF FINANCIAL CONDITION**

**Note 2 - Significant accounting policies (continued):**

Commissions and related clearing expenses are recorded on a trade-date basis.

Investment banking revenues include gains, losses, fees, net of syndicate expenses, arising from securities offerings in which the Company acts as an underwriter or agent. Investment banking revenues also include fees earned from providing merger-and-acquisition and financial restructuring advisory services. Investment banking management fees are recorded on offering date, sales concessions on settlement date, and underwriting fees at the time the underwriting is completed and the income is reasonably determinable. Certain advisory fees are recognized as the services are performed.

Securities owned or securities sold, not yet purchased, by the Company are valued at their prevailing market prices based on the last sales price listed on a national securities exchange or the NASDAQ.

For securities whose inputs are based on bid-ask prices, the Company's valuation policies require that fair value be within the bid-ask range. For securities traded in the OTC markets and listed securities for which no sale was reported on the valuation date, such securities are valued at their last reported "bid" price if held long, and last reported "asked" price if sold short.

The Company accounts for costs incurred in connection with the development of software in accordance with guidance on accounting for costs of computer software developed or obtained for internal use. Accordingly, all costs incurred in the preliminary project stage are expensed as incurred, and internal and external costs incurred to develop internal use computer software during the application development stage are capitalized.

Depreciation (or amortization) for building (leasehold) improvements is provided for using the straight line method and accelerated methods over 2 to 39 years. Depreciation for all other capitalized assets is provided for over the estimated useful lives of the related assets, generally five to seven years, using the accelerated double declining balance method.

The statement of financial condition has been prepared in conformity with accounting principles generally accepted in the United States of America which require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Amounts paid to partners of WILP for salaries are expensed.

No provision is made in the accompanying statement of financial condition for Federal or state income taxes since such liabilities are the responsibility of the individual partners.

## WEEDEN & CO., L.P.

### NOTES TO STATEMENT OF FINANCIAL CONDITION

**Note 2 - Significant accounting policies (concluded):**

The Company's U.S. Federal and state income tax returns prior to fiscal year 2007 are closed and management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

The Company has evaluated events and transactions for potential recognition or disclosure through February 25, 2011, which is the date the statement of financial condition were available to be issued.

**Note 3 - Cash and cash equivalents:**

The Company maintains cash accounts in excess of FDIC and SIPC limits. It has not experienced any losses from such accounts. At December 31, 2010, cash (including cash segregated under Federal regulations) includes money market accounts and money market mutual funds with balances of \$20,358,228. At December 31, 2010, cash and cash equivalents in excess of insured limits amounted to approximately \$19,610,000.

The Company considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents.

**Note 4 - Cash segregated under Federal regulations:**

Cash of \$5,112,029 has been segregated in a special reserve bank account for the benefit of customers under rule 15c3-3 of the Securities and Exchange Commission.

**Note 5 - Receivables from clearing broker:**

The clearing and depository operations for the Company's security transactions are provided by one broker who is a member of major securities exchanges. At December 31, 2010, all of the securities owned and the receivable from broker reflected in the statement of financial condition are security positions with and amounts due from this clearing broker.

For financial reporting purposes, amounts due to broker have been offset against amounts due from broker for securities sold, not yet purchased, and other items. The securities serve as collateral for the amount due to the broker. Subject to the clearing agreement between the Company and the clearing broker, the clearing broker has the right to sell or re-pledge this collateral. Additionally, investments in securities and securities sold, not yet purchased, are subject to margin requirements.

The Company has agreed to indemnify its clearing broker for losses that the clearing broker may sustain from the customer accounts introduced by the Company.

**WEEDEN & CO., L.P.**

**NOTES TO STATEMENT OF FINANCIAL CONDITION**

**Note 5 - Receivables from clearing broker (concluded):**

Amounts receivable from and payable to the clearing broker at December 31, 2010 consist of the following:

	<u>Receivable</u>	<u>Payable</u>
Receivable from clearing broker	\$19,911,842	
Fees and commissions	<u>1,016,252</u>	<u>\$81,040</u>
Totals	<u>\$20,928,094</u>	<u>\$81,040</u>

Included in receivable from clearing broker is a number of cash accounts aggregating \$5,100,000 that have been pledged as collateral to the broker.

**Note 6 - Securities owned and sold, not yet purchased:**

Marketable securities owned and sold, not yet purchased consist of trading securities at fair value as follows:

	<u>Owned</u>	<u>Sold, not yet Purchased</u>
Equities:		
United States:		
Financial	\$426,440	\$63,127
Pharmaceutical	<u>116,000</u>	<u>          </u>
Totals	<u>\$542,440</u>	<u>\$63,127</u>

**Note 7 - Building improvements, furniture, fixtures and equipment:**

Building improvements, furniture, fixtures and equipment, at cost, consist of the following:

Software	\$11,358,686
Computers	3,038,331
Building (leasehold) improvements	4,310,961
Equipment	1,358,179
Furnishings	<u>1,264,031</u>
	21,330,188
Less accumulated depreciation and amortization	<u>14,987,060</u>
Total	<u>\$ 6,343,128</u>

**WEEDEN & CO., L.P.**

**NOTES TO STATEMENT OF FINANCIAL CONDITION**

**Note 8 - Financial statements with off-balance sheet risk:**

The Company enters into various transactions involving derivatives and other off-balance sheet financial instruments. These financial instruments include futures, exchange-traded and over-the-counter options; delayed deliveries, and securities purchased and sold on a when-issued basis (when-issued securities). These derivative financial instruments are used to meet the needs of customers and manage market risks and are subject to varying degrees of market and credit risk. Derivative transactions are entered into to economically hedge other positions or transactions.

Futures and when-issued securities provide for the delayed delivery of the underlying instrument. As a writer of options, the Company receives a premium in exchange for giving the counterparty the right to buy or sell the security at a future date at a contracted price. Futures contracts are executed on an exchange, and cash settlement is made on a daily basis for market movements. Accordingly, futures contracts generally do not have credit risk.

The credit risk for forward contracts, options and when-issued securities is limited to the unrealized market valuation gains recorded in the statement of financial condition. Market risk is substantially dependent upon the value of the underlying financial instruments and is affected by market forces such as volatility.

All positions in derivatives are reported in the accompanying statement of financial condition at fair value and any change in fair value is reflected in the accompanying statement of income as gain or loss as it occurs. During the year ended December 31, 2010, the Company's derivative activities were not material and the Company held no derivative instruments at December 31, 2010.

The Company sells securities that it does not currently own and therefore is obligated to purchase such securities at a future date. The Company records these obligations in the statement of financial condition at fair values of the related securities, and incurs losses if the fair value of the securities increases subsequent date of the statement of financial condition.

In the normal course of business, the Company's customer activities involve the execution and settlement of various customer securities transactions. These activities may expose the Company to off-balance sheet risk in the event the customer or other broker is unable to fulfill its contracted obligations to deliver cash or securities and the Company has to liquidate the security at a loss.

The Company's customer securities activities are transacted on a delivery vs. payment basis. The Company does not extend margin to its customers.

## WEEDEN & CO., L.P.

### NOTES TO STATEMENT OF FINANCIAL CONDITION

#### **Note 9 - Related party transactions:**

The Company from time to time enters into transfers with WILP and the GP. Interest is not charged on any intercompany or affiliate balances. At December 31, 2010, the amount due from WILP was \$299, which is included in due from related parties in the accompanying statement of financial condition.

Effective January 1, 2009, WILP formed a new company with Pragma Group Investors LLC ("PGI") called Pragma Weeden Holdings LLC ("PWH"). PWH owns 100% of Pragma Securities LLC ("PS"), which is a broker dealer that provides algorithmic trading software to its customers. The Company has a commission-sharing agreement with PS. The agreement provides that PS supply the use of its algorithmic trading software to the Company's customers in exchange for the net commissions derived from the Company's customers' usage of the PS's algorithmic trading system. PS also charges the Company a fee per share for the Company's internal use of the software. The Company also provides clearing and execution services to PS for a fee.

At December 31, 2010, amounts due from PS of \$19,619 resulted from the transactions listed above.

The Company, WILP, PS, PWH and PGI entered into an agreement in principle to restructure the way the companies do business together (see Note 15).

At December 31, 2010, WILP owned 22% of The Leuthold Group LLC ("TLG"), a company which provides investment advisory services and sells research materials.

#### **Note 10- Employee benefit plans:**

WILP sponsors a profit-sharing plan (the "Plan"), which covers all employees meeting specific age and service requirements. The Plan provides for WILP or the Company to make discretionary contributions based on a percentage of compensation. The Plan includes a 401(k) provision allowing employee deferrals.

#### **Note 11- Net capital requirement:**

As a registered broker-dealer and a member of FINRA, the Company is subject to the Uniform Net Capital Rule 15c3-1 of the Securities and Exchange Commission. The Company computes its net capital under the alternative method. The Company is required to maintain net capital, as defined, of \$1,000,000. Net capital changes from day to day, but at December 31, 2010, the Company had net capital of \$34,625,779, which exceeded the requirement of \$1,000,000 by \$33,625,779.

**WEEDEN & CO., L.P.**

**NOTES TO STATEMENT OF FINANCIAL CONDITION**

**Note 12- Lease commitments:**

The Company occupies office space under several non-cancelable leases which expire between 2011 and 2015. Included in such leases is the lease of the Company's headquarters' office space from WILP. The aggregate minimum rental commitments under these leases are as follows:

<u>Year Ending December 31,</u>	<u>Nonrelated Parties</u>	<u>Related Parties</u>	<u>Total</u>
2011	\$ 602,000	\$1,950,000	\$ 2,552,000
2012	349,000	1,950,000	2,299,000
2013	232,000	1,950,000	2,182,000
2014	134,000	1,950,000	2,084,000
2015	<u>                    </u>	<u>1,950,000</u>	<u>1,950,000</u>
Totals	<u>\$1,317,000</u>	<u>\$9,750,000</u>	<u>\$11,067,000</u>

The leases, in addition to base rentals, provide for rent escalations and other charges which are not reflected in the amounts above.

**Note 13- Commitments and contingencies:**

On August 18, 2008, the Company entered into a Sales and Use Tax Relief Program Implementing Agreement (the "Agreement") with the Connecticut Development Authority ("CDA"). At that time, the Company intended to acquire property to renovate, expand and equip its office space at its headquarters in Greenwich, CT. The CDA granted the Company a benefit of sales and use tax exemptions in an amount not to exceed \$300,000, over a three year period on tangible personal property acquired in connection with the office renovations.

Under the Agreement, the CDA established a controlled disbursement for the benefit of the Company, owned by the CDA but funded by the Company to facilitate the purchase of the property pursuant to the Agreement.

If the Company relocates its business operations outside of the State of Connecticut within a ten-year period following the date the Company received its first benefit from the CDA, the Company shall be liable for the total amount of the sales and use benefit which actually accrued plus 7.5% of such benefit ("Relocation Payment").

To secure and collateralize the relocation payment, the Company maintains an irrevocable letter of credit equal to the maximum Relocation Payment of \$322,500, which is included in other assets in the statement of financial condition.

**WEEDEN & CO., L.P.**

**NOTES TO STATEMENT OF FINANCIAL CONDITION**

**Note 13- Commitments and contingencies (concluded):**

On June 15, 2009, the Company entered into an Assistance Agreement with the State of Connecticut Department of Economic and Community Development whereby, to induce the Company to continue to maintain its Headquarters in the State of Connecticut. On July 28, 2009, the Company elected to draw down a \$1,500,000 loan from the State. The Agreement provided for the forgiveness of the loan if the Company meets certain conditions as defined in the Agreement. During the 12-month period ended March 31, 2010, the Company satisfied the conditions and the loan was forgiven in April 2010. The Company is also committed to maintain its headquarters in the State of Connecticut for a period of 10 years or it would be required to return the \$1,500,000 plus a 7.5% penalty based on the funding received. At December 31, 2010, the Company has completed the planned renovations.

**Note 14- Partners' capital:**

At December 31, 2010, partners' capital is comprised of as follows:

Weeden Securities Corp.	\$ 410,360
Weeden Investors, L.P.	<u>40,625,669</u>
Total	<u>\$41,036,029</u>

**Note 15- Subsequent events:**

In January 2011, the Company distributed \$550,000 to WILP and \$5,556 to the GP.

Pursuant to an agreement in principle that will become effective January 1, 2011 if consummated, the Company, WILP, PS and others agreed to restructure the way the companies do business together. The new terms include among other things, the issuance of 100,000 Class C Callable Units of WILP to PGI, changes in commission, fee and other expense sharing arrangements, as well as changes to other operating terms. If executed, the terms of the agreement may change.

WEEDEN & CO., L.P.

SCHEDULE I - COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1  
OF THE SECURITIES AND EXCHANGE COMMISSION  
DECEMBER 31, 2010

Net capital:	
Total partners' capital	<u>\$ 41,036,029</u>
Add allowable credits:	
Profit sharing plan	859,483
Bonus accrual	<u>1,556,382</u>
Total	<u>2,415,865</u>
Deduct nonallowable assets:	
Other assets	2,226,940
Due from related parties	19,918
Fixed assets, net	<u>6,343,128</u>
Total	<u>8,589,986</u>
Net capital before haircuts on securities positions	34,861,908
Haircut on securities and other charges	<u>236,129</u>
Net capital	<u><u>\$ 34,625,779</u></u>
Computation of basic net capital requirement:	
Minimum net capital required	<u><u>\$ 1,000,000</u></u>
Excess of net capital	<u><u>\$ 33,625,779</u></u>

There were no material differences existing between the above computation and the computation included in the Company's corresponding unaudited Form X-17A-5 Part IIA filing.

See Report of Independent Public Accountants.

**Weeden & Co., L.P.**

**Report on Statement of  
Financial Condition**

**December 31, 2010**



**Report of Independent Public Accountants  
on Applying Agreed-Upon Procedures  
Related to an Entity's SIPC Assessment Reconciliation**

To the Board of Directors  
Weeden & Co., L.P.

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 General Assessment Reconciliation (Form SIPC-7) of Weeden & Co., L.P. (the "Company") for the year ended December 31, 2010, which were agreed to by the Company and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., and Securities Investor Protection Corporation, 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 records entries per the check register provided by the Company, noting no differences;
2. Compared the amounts reported on the audited Form X-17A-5 for the year ended December 31, 2010, as applicable, with the amounts reported in Form SIPC-7 for the year ended December 31, 2010, noting no differences;
3. Compared any adjustments reported in Form SIPC-7 with supporting excel schedules provided by the Company, noting no differences;
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related excel schedules supporting the adjustments noting no differences; and

5. Compared the amount shown on line 2C ("less prior overpayment applied") on page 1 of Form SIPC-7 to the Form SIPC-7T 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.

Handwritten signature in black ink that reads "J. H. Chen LLP". The signature is written in a cursive, flowing style.

New York, New York  
February 25, 2011



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

Amounts for the fiscal period  
beginning 1/1, 2010  
and ending 12/31, 2010  
Eliminate cents

**Item No.**

2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)

\$ 143,164,606

**2b. Additions:**

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

Total additions

0

**2c. Deductions:**

- (1) Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, from the business of insurance, from investment advisory services rendered to registered investment companies or insurance company separate accounts, and from transactions in security futures products.
- (2) Revenues from commodity transactions.
- (3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.
- (4) Reimbursements for postage in connection with proxy solicitation.
- (5) Net gain from securities in investment accounts.
- (6) 100% of commissions and markups earned from transactions in (i) certificates of deposit and (ii) Treasury bills, bankers' acceptances or commercial paper that mature nine months or less from issuance date.
- (7) Direct expenses of printing advertising and legal fees incurred in connection with other revenue related to the securities business (revenue defined by Section 16(9)(L) of the Act).
- (8) Other revenue not related either directly or indirectly to the securities business. (See Instruction C):

see attached

3,909,852

20,574,872

(9) (i) Total interest and dividend expense (FOCUS Line 22/PART IIA Line 13, Code 4075 plus line 2b(4) above) but not in excess of total interest and dividend income.

\$ 112,718

(ii) 40% of margin interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960).

\$ 0

Enter the greater of line (i) or (ii)

112,718

Total deductions

24,597,442

2d. SIPC Net Operating Revenues

\$ 118,567,164

2e. General Assessment @ .0025

\$ 296,418

(to page 1, line 2.A.)

Weeden & Co., L.P.

LINE 2c8

\$	1,500,000	Loan Forgiveness - CT Dept of Econ & Community Development
	9,895,310	Commissions related to commission sharing arrangements
	9,165,217	Commissions related to pass thru expense on behalf of clients
	14,345	Misc 2010 Income
<u>\$</u>	<u>20,574,872</u>	<b>LINE 2c8</b>



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