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



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

SEC Mail Processing  
Section

MAR 01 2011

SEC FILE NUMBER  
8- 61357

FACING PAGE

Washington, DC

**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: SNP SECURITIES, LLC  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
6310 GREENWICH DR. Suite 120  
(No. and Street)  
SAN DIEGO CA 92122  
(City) (State) (Zip Code)  
NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
TIMOTHY G. MALOTT 858-587-9800  
(Area Code - Telephone Number)

OFFICIAL USE ONLY  
FIRM I.D. NO.

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*  
LAURINE LOFGREN MORRIS & ENGELBERG, LLC  
(Name - if individual, state last, first, middle name)  
4180 LA JOLLA VILLAGE DRIVE, SUITE 300, LA JOLLA, CA 92037  
(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)

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

KA 3/31

OATH OR AFFIRMATION

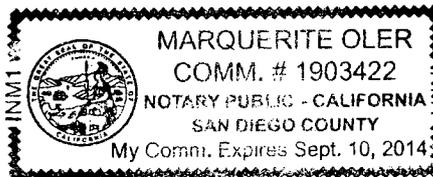
I, KERRY A. MORRIS, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of SHP SECURITIES, LLC, as of DECEMBER 31, 2010, are true and correct. I further swear (or affirm) that neither the company nor any partner,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

NONE

State of California  
County of SAN DIEGO  
Subscribed and sworn to (or affirmed) before me on this 28 day of FEBRUARY, 2011 by KERRY A. MORRIS, proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.  
Signature [Signature] (Seal)

Notary Public

[Signature]  
Signature  
VICE PRESIDENT  
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).

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Section

MAR 01 2011

Washington, DC  
110

**SHP SECURITIES, LLC**

**INDEPENDENT AUDITORS' REPORT  
AND FINANCIAL STATEMENTS**

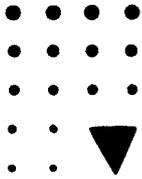
**For the Year Ended December 31, 2010**

# SHP SECURITIES, LLC

## Table of Contents

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INDEPENDENT AUDITORS' REPORT .....	1
FINANCIAL STATEMENTS	
Statement of Financial Condition .....	2
Statement of Operations .....	3
Statement of Changes in Member's Equity.....	4
Statement of Cash Flows .....	5
Notes to Financial Statements .....	6 – 7
SUPPLEMENTARY INFORMATION:	
Schedule I – Computation of Net Capital Pursuant to Rule 15c3-1 of the Securities and Exchange Commission .....	9
Schedule II – Reconciliation of Computation of Net Capital Pursuant to Rule 15c3-1 of the Securities and Exchange Commission.....	10
Schedule III – Computation of Reserve Requirements Pursuant to Rule 15c3-3 of the Securities and Exchange Commission.....	11
Schedule IV – Information Relating to the Possession or Control Requirements Pursuant to Rule 15c3-3 of the Securities and Exchange Commission .....	12
Independent Auditors' Report on Internal Control Required by Rule 17a-5 of the Securities and Exchange Commission .....	13 - 14
SIPC-7	
Independent Accountants' Report on SIPC Annual Assessment Required Under SEC Rule 17a-5(e)(4).....	16



**LAVINE, LOFGREN, MORRIS  
& ENGELBERG, LLP**

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**INDEPENDENT AUDITORS' REPORT**

To the Member of ShP Securities, LLC  
San Diego, California

We have audited the accompanying statement of financial condition of ShP Securities, LLC (the "Company"), as of December 31, 2010, and the related statements of operations, changes in member's equity and cash flows for the year then ended. 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ShP Securities, LLC 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 audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information listed in the accompanying table of contents 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 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.

*Lavine, Lofgren, Morris & Engelberg, LLP*

February 24, 2011

# SHP SECURITIES, LLC

## Statement of Financial Condition December 31, 2010

---

### ASSETS

Cash	\$	48,081
Accounts receivable		<u>64,000</u>
<b>Total assets</b>	<b>\$</b>	<b><u>112,081</u></b>

### LIABILITIES AND MEMBER'S EQUITY

Liabilities:		
Accounts payable and accrued expenses	\$	4,900
Taxes payable		<u>1,700</u>
<b>Total liabilities</b>		6,600
Member's equity		<u>105,481</u>
<b>Total liabilities and member's equity</b>	<b>\$</b>	<b><u>112,081</u></b>

See accompanying notes to financial statements  
and independent auditors' report.

# SHP SECURITIES, LLC

## Statement of Operations For the Year Ended December 31, 2010

---

Revenue:		
Success and retainer fees		<u>\$ 956,722</u>
Expenses:		
Project related costs and referral fees		737,353
Occupancy		47,700
Professional fees		11,950
Other operating expenses		86,094
Taxes		<u>1,700</u>
	Total expenses	<u>884,797</u>
	Net income	<u><u>\$ 71,925</u></u>

See accompanying notes to financial statements  
and independent auditors' report.

# SHP SECURITIES, LLC

## Statement of Changes in Member's Equity For the Year Ended December 31, 2010

---

Balance at December 31, 2009	\$	33,556
Net income		<u>71,925</u>
Balance at December 31, 2010	\$	<u><u>105,481</u></u>

See accompanying notes to financial statements  
and independent auditors' report.

# SHP SECURITIES, LLC

## Statement of Cash Flows For the Year Ended December 31, 2010

---

Cash flows from operating activities:	
Net income	\$ 71,925
Adjustments to reconcile net income to net cash provided by operating activities:	
Changes in operating assets and liabilities:	
Accounts receivable	(43,000)
Accounts payable and accrued expenses	<u>3,900</u>
<b>Net cash provided by operating activities</b>	<b>32,825</b>
Cash flows from investing activities:	
Proceeds from maturity of certificate of deposit	<u>10,074</u>
<b>Net cash provided by investing activities</b>	<b><u>10,074</u></b>
<b>Net increase in cash</b>	<b>42,899</b>
Cash at beginning of year	<u>5,182</u>
Cash at end of year	<u><u>\$ 48,081</u></u>
Supplemental disclosure of cash flow information:	
Cash paid for:	
LLC fees and franchise taxes	<u><u>\$ 1,700</u></u>

See accompanying notes to financial statements  
and independent auditors' report.

# **SHP SECURITIES, LLC**

## **Notes to Financial Statements December 31, 2010**

---

### **NOTE 1. NATURE OF OPERATIONS**

ShP Securities, LLC (the "Company") is a California Limited Liability Company ("LLC") registered as a broker/dealer in securities under the Securities Exchange Act of 1934, as amended. The Company was organized on April 3, 2006. The Company is a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). The Company is an LLC and due to the nature of an LLC, its member has limited liability.

The Company is a corporate finance advisory firm, providing a range of merger and acquisition ("M&A") solutions for the business market. It does not carry security accounts for customers and does not perform custodial functions relating to customer securities. The Company is a wholly-owned subsidiary of Shoreline Partners, LLC (the "Parent").

### **NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Basis of Accounting**

The financial statements of the Company have been prepared in conformity with accounting principles generally accepted in the United States of America ("US GAAP") and in the format prescribed by Rule 17a-5 under the Securities Exchange Act of 1934 for broker-dealers in securities.

#### **Use of Estimates**

The preparation of the financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the amounts disclosed in the financial statements. Actual results could differ from those estimates.

#### **Revenue Recognition**

Success and retainer fees are recognized when earned as services are performed.

#### **Concentration of Credit Risk**

The Company maintains its bank accounts at financial institutions located in California, the balances of which, at times, may exceed federally insured limits. The Company has not experienced any losses in such cash accounts and management believes it places its cash on deposit with financial institutions which are financially stable.

#### **Income Taxes**

The Company is a limited liability company which is treated as a partnership for Federal and state tax purposes. As such, no provision has been made for income taxes since such taxes, if any, are payable by the member. The member's tax returns are subject to examination by taxing authorities. If such examination results in a change in the entity's income tax status, provisions for income taxes may need to be recorded.

# **SHP SECURITIES, LLC**

## **Notes to Financial Statements December 31, 2010**

---

### **NOTE 3. NET CAPITAL REQUIREMENTS**

The Company is subject to Rule 15c3-1(a)(2)(ii) of the Securities Exchange Act of 1934, as amended, which requires that the ratio of aggregate indebtedness to net capital, as defined, not exceed 15 to 1, and that the Company maintain minimum net capital of \$5,000 or 6 and 2/3% of aggregated indebtedness (\$440 at December 31, 2010), whichever is higher. At December 31, 2010, the Company had net capital of \$41,481, which is in excess of the required minimum net capital and the ratio of aggregate indebtedness to net capital was 0.16 to 1.

### **NOTE 4. CONTINGENCIES**

#### **Litigation**

The Company is not involved in any material claims or litigation. Management does not believe there are claims that would have a material effect on the financial statements of the Company.

### **NOTE 5. RELATED PARTY TRANSACTIONS**

For the year ended December 31, 2010, the Company entered into a month-to-month cost sharing agreement with its Parent whereby the Company pays the Parent for use of office space and general office services. During the year ended December 31, 2010, the Company incurred \$115,579 of expenses which is included in various expense accounts in the statement of operations.

The Company pays its Parent for consulting services. During the year ended December 31, 2010, the Company incurred \$499,259 of consulting expenses for services provided by its Parent; this amount is included in project related costs and referral fees in the statement of operations.

### **NOTE 6. SUBSEQUENT EVENTS**

Management of the Company has evaluated all subsequent transactions through the date of the independent auditors' report, the date the financial statements were available to be issued, and has determined that there are no subsequent events that require disclosure.

## **SUPPLEMENTARY INFORMATION**

# SHP SECURITIES, LLC

## Schedule I – Computation of Net Capital Pursuant to Rule 15c3-1 of the Securities and Exchange Commission December 31, 2010

---

### NET CAPITAL

Total member's equity	\$ 105,481
Less non-allowable assets:	
Accounts receivable	<u>(64,000)</u>
Net capital	<u>\$ 41,481</u>

### COMPUTATION OF BASIC NET CAPITAL REQUIREMENTS

Minimum dollar net capital required (6-2/3% of aggregate indebtedness or \$5,000, whichever is greater)	<u>\$ 5,000</u>
Net capital in excess of amount required	<u>\$ 36,481</u>
Aggregate indebtedness	<u>\$ 6,600</u>
Ratio of aggregate indebtedness to net capital	<u>0.16 to 1</u>

# SHP SECURITIES, LLC

## Schedule II – Reconciliation of Computation of Net Capital Pursuant to Rule 15c3-1 of the Securities and Exchange Commission December 31, 2010

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Net capital as previously reported in Part II of Form X-17A-5 of the Company's FOCUS report	\$ 41,481
Adjustment	<u>-</u>
Net capital as reported on the Company's FOCUS report	<u>\$ 41,481</u>
Aggregate indebtedness as previously reported in Part II of form X-17A-5 of the Company's FOCUS report	\$ 6,600
Adjustment	<u>-</u>
Aggregate indebtedness as reported on the Company's amended FOCUS report	<u>\$ 6,600</u>

## **SHP SECURITIES, LLC**

### **Schedule III – Computation for Reserve Requirements Pursuant to Rule 15c3-3 of the Securities and Exchange Commission For the Year Ended December 31, 2010**

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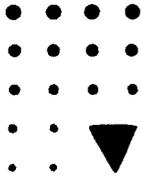
A computation of reserve requirement is not applicable for ShP Securities, LLC, as the Company qualifies for exemption under Rule 15c3-3(k)(2)(i).

## **SHP SECURITIES, LLC**

### **Schedule IV – Information Relating to Possession or Control Requirements Pursuant Rule 15c3-3 of the Securities and Exchange Commission For the Year Ended December 31, 2010**

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Information relating to possession or control requirements is not applicable to ShP Securities, LLC, as the Company qualifies for exemption under the Rule 15c3-3 (k)(2)(i).



**LAVINE, LOFGREN, MORRIS  
& ENGELBERG, LLP**

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CALIFORNIA	WEB SITE
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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL  
REQUIRED BY RULE 17a-5 OF THE SECURITIES AND EXCHANGE COMMISSION**

To the Member of ShP Securities, LLC  
San Diego, California

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

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission ("SEC"), we have made a study of the practices and procedures followed by the Company, including consideration of control activities for safeguarding securities. This study included tests of compliance with such practices and procedures that we considered relevant to the objectives stated in Rule 17a-5(g), in the following: making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under Rule 17a-3(a)(11) and the reserve required by 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 the following:

1. Making the quarterly securities examinations, counts, verifications, and comparisons, and the 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 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 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 deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the company's financial statements will not be prevented or detected and corrected on a timely basis.

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

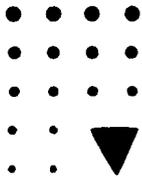
We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purpose in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicates a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2010, to meet the SEC's objectives.

This report is intended solely for the information and use of the member, management, the SEC, and other regulatory agencies that rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than those specified parties.

*Lavine, Lofgren, Mowin & Engelberg, LLP*

February 24, 2011

**SIPC ANNUAL ASSESSMENT  
REQUIRED UNDER SEC RULE 17a-5(e)(4)**



**LAVINE, LOFGREN, MORRIS  
& ENGELBERG, LLP**

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**INDEPENDENT ACCOUNTANTS' REPORT ON SIPC ANNUAL ASSESSMENT  
REQUIRED UNDER SEC RULE 17a-5(e)(4)**

To the Member of ShP Securities, LLC  
San Diego, California

In accordance with Rule 17a-5(e)(4) of the Securities and Exchange Commission, we have performed the following procedures with respect to the accompanying schedule of Securities Investor Protection Corporation assessments and payments (Form SIPC-7) of ShP Securities, LLC for the year ended December 31, 2010. These procedures were performed solely to assist in complying with Rule 17a-5(e)(4), and the report is not to be used for any other purpose. The procedures that were performed are as follows:

1. Compared listed assessment payments with respective cash disbursements record entries;
2. Compared amounts reported on Form X-17a-5 with the amounts reported in the General Assessment Reconciliation (Form SIPC-7) for the twelve months ended December 31, 2010;
3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers;
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting adjustments; and
5. Compared the amount of any overpayment applied with the Form SIPC-7 on which it was originally computed.

Because the above procedures do not constitute an audit made in accordance with generally accepted auditing standards, we do not express an opinion on the schedule referred to above. In connection with the procedures referred to above, nothing came to our attention that caused us to believe that the amounts shown on Form SIPC-7 were not determined in accordance with the applicable instructions and forms.

This report relates only to the schedule referred to above and does not extend to the financial statements of ShP Securities, LLC taken as a whole.

*Lavine, Lofgren, Morris & Engelberg, LLP*

February 24, 2011

**SIPC-7**

(33-REV 7/10)

SECURITIES INVESTOR PROTECTION CORPORATION  
P.O. Box 92185 Washington, D.C. 20090-2185  
202-371-8300

**General Assessment Reconciliation**

**SIPC-7**

(33-REV 7/10)

For the fiscal year ended DECEMBER 31, 2010  
(Read carefully the instructions in your Working Copy before completing this Form)

**TO BE FILED BY ALL SIPC MEMBERS WITH FISCAL YEAR ENDINGS**

1. Name of Member, address, Designated Examining Authority, 1934 Act registration no. and month in which fiscal year ends for purposes of the audit requirement of SEC Rule 17a-5:

067357 FINRA DEC  
SHP SECURITIES LLC 21\*21  
ATTN ~~MIKE MAHON~~ TIM MALOTT  
6310 GREENWICH DR STE 120  
SAN DIEGO CA 92122-5902

Note: If any of the information shown on the mailing label requires correction, please e-mail any corrections to form@sipc.org and so indicate on the form filed.

Name and telephone number of person to contact respecting this form.

TIM MALOTT 858-587-9800

- 2. A. General Assessment (item 2e from page 2) \$ 2,392
- B. Less payment made with SIPC-6 filed (exclude interest) ( \_\_\_\_\_ )
- \_\_\_\_\_ Date Paid
- C. Less prior overpayment applied ( \_\_\_\_\_ )
- D. Assessment balance due or (overpayment) 2,392
- E. Interest computed on late payment (see instruction E) for \_\_\_\_\_ days at 20% per annum \_\_\_\_\_
- F. Total assessment balance and interest due (or overpayment carried forward) \$ 2,392
- G. PAID WITH THIS FORM:  
Check enclosed, payable to SIPC  
Total (must be same as F above) \$ 2,392
- H. Overpayment carried forward \$( \_\_\_\_\_ )

3. Subsidiaries (S) and predecessors (P) included in this form (give name and 1934 Act registration number):

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

The SIPC member submitting this form and the person by whom it is executed represent thereby that all information contained herein is true, correct and complete.

SHP SECURITIES LLC  
(Name of Corporation, Partnership or other organization)  
[Signature]  
(Authorized Signature)  
PRESIDENT AND CEO  
(Title)

Dated the 23rd day of FEBRUARY, 20 11.

This form and the assessment payment is due 60 days after the end of the fiscal year. Retain the Working Copy of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.

**SIPC REVIEWER** Dates: \_\_\_\_\_ Postmarked \_\_\_\_\_ Received \_\_\_\_\_ Reviewed \_\_\_\_\_

Calculations \_\_\_\_\_ Documentation \_\_\_\_\_ Forward Copy \_\_\_\_\_

Exceptions: \_\_\_\_\_

Disposition of exceptions: \_\_\_\_\_

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

Amounts for the fiscal period  
beginning JAN. 1, 2010  
and ending DEC. 31, 2010  
Eliminate cents

Item No.

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

\$ 956,722

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 advertising, 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):

(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.

\$ \_\_\_\_\_

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

\$ \_\_\_\_\_

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

Total deductions

0

2d. SIPC Net Operating Revenues

\$ 956,722

2e. General Assessment @ .0025

\$ 2,392

(to page 1, line 2.A.)