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SECURITIES

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

SEC FILE NUMBER
8- 67993

**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:

Foundation Markets Corporation

OFFICIAL USE ONLY
FIRM ID. NO.

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

39 Broadway -Suite 3300

(No. and Street)

New York

New York

10006

(City)

(State)

(Zip Code)

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

Howard Spindel

212-897-1688

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

MaloneBailey LLP, Certified Public Accounting Firm

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

15 Maiden Lane - Suite 1003

New York

NJ

10038

(Address)

(city)

(State)

Zip Code)

CHECK ONE:

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

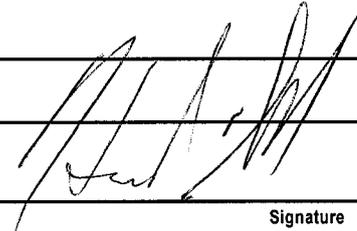
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*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.174-5(e)(2).

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OATH OR AFFIRMATION

I, Howard Spindel, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Foundation Markets Corporation, 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

FINOP
Title



Notary Public

CARL GOODMAN
Notary Public, State of New York
No. 01GO9821038
Qualified in Rockland County
Commission Expires March 30, 2014

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

- (a) Facing page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Cash Flows.
- (e) Statement of Changes in Stockholder's Equity or Partners' or Sole Proprietor's Capital
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.
- (o) Independent auditor's report on internal accounting control
- (p) Schedule of segregation requirements and funds in segregation - customers' regulated commodity futures account pursuant to Rule 171-5.

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

FOUNDATION MARKETS CORPORATION
(A Company in the Development Stage)

Statement of Assets, Liabilities and Stockholder's Equity

December 31, 2010

FOUNDATION MARKETS CORPORATION
(A Company in the Development Stage)

December 31, 2010

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FOUNDATION MARKETS CORPORATION
(A Company in the Development Stage)
STATEMENT OF ASSETS, LIABILITIES AND STOCKHOLDER'S EQUITY

DECEMBER 31, 2010

ASSETS

Cash and cash equivalents \$ 30,251

TOTAL ASSETS \$ 30,251

LIABILITIES AND STOCKHOLDER'S EQUITY

Accounts payable and accrued expenses \$ 126

TOTAL LIABILITIES 126

Stockholder's Equity

Common stock, no par value, 3,000 shares authorized,
2,174 shares issued and outstanding

-

Additional paid-in capital 213,760

Deficit accumulated in the development stage (183,635)

Total Stockholder's Equity 30,125

TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY \$ 30,251

The accompanying notes are an integral part of these financial statements.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Foundation Markets Corporation (a Company in the Development Stage)
New York, NY

We have audited the accompanying statement of assets, liabilities and stockholder's equity of Foundation Markets Corporation (a Company in the Development Stage)(the "Company") as of December 31, 2010 that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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 Foundation Markets Corporation (a Company in the Development Stage) at December 31, 2010 in conformity with accounting principles generally accepted in the United States of America.

New York, New York
March 10, 2011

FOUNDATION MARKETS CORPORATION
(A Company in the Development Stage)
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION AND NATURE OF BUSINESS

Foundation Markets Corporation (the "Company") is a broker-dealer and as such is registered with the Securities and Exchange Commission and is a member of the Financial Industry Regulatory Authority. The Company is a wholly owned subsidiary of Foundation Financial Holdings Corporation, a Canadian corporation.

The Company acts as a broker for institutional customers in the purchase and sale of private placement securities.

Since July 8, 2008 (inception) the Company has been in the development stage.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

These financial statements were prepared in conformity with accounting principles generally accepted in the United States of America which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses during the reported period. Actual results could differ from these estimates.

Cash and cash equivalents

All cash deposits are held by one financial institution and therefore are subject to credit risk at that financial institution. Management does not believe there to be any significant risk with respect to these deposits.

Income Taxes

The Company uses the asset and liability method in accounting for income taxes. Deferred tax assets and liabilities are recognized for temporary differences between financial statement carrying amounts and the tax bases of assets and liabilities, and are measured using the tax rates expected to be in effect when the differences reverse. Deferred tax assets are also recognized for operating loss and tax credit carry-forwards. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the results of operations in the period that includes the enactment date. A valuation allowance is used to reduce deferred tax assets when uncertainty exists regarding their realization.

FOUNDATION MARKETS CORPORATION
(A Company in the Development Stage)
NOTES TO THE FINANCIAL STATEMENTS

NOTE 3 - NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule ("SEC rule 15c3-1"), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1 and equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1. At December 31, 2010, the Company had net capital of \$30,125, which was \$25,125 in excess of its required net capital of \$5,000.

NOTE 4 - INCOME TAXES

At December 31, 2010, the Company had net operating loss carryforwards for federal and state income tax purposes of approximately \$184,000 which will begin to expire, if unused, beginning in 2029. The Company has taken a full valuation allowance against the corresponding deferred tax asset of approximately \$62,000.

NOTE 5 - COMMON STOCK TRANSACTIONS

During 2010, the Company sold 194 common shares for \$19,400 to its parent company. Also, Klarin Capital Management, LLC, returned and cancelled 76 shares for no consideration.

NOTE 6 - SUBSEQUENT EVENTS

The Company has evaluated subsequent events in preparing these financial statements. The Company believes that there are no subsequent events requiring further disclosure.