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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 FEB 28 2011

SEC FILE NUMBER
8- 49806

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

REPORT FOR THE PERIOD BEGINNING 01/01/2010 AND ENDING 12/31/2010
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Dougall & Associates, Inc.

OFFICIAL USE ONLY
364116414
FIRM I.D. NO.

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

440 South LaSalle Street, 7th Floor

(No. and Street)

Chicago, Illinois 60605

(City)

(State)

(Zip Code)

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

Scott Freyn (312) 427-5326

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Zamorski, Charles Joseph

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

166 West Washington Street, #640, Chicago, Illinois 60602

(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)

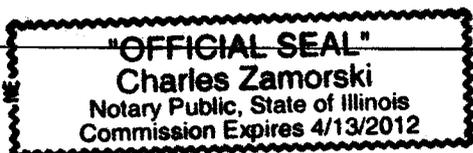
SEC 1410 (06-02)

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OATH OR AFFIRMATION

I, Scott Freyn, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Dougall & Associates, Inc., as of December 31, 2010, 20 , 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:



Scott Freyn
Signature

President

Title

[Signature]
Notary Public

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

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Changes in Financial Condition.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital.
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

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

CHARLES ZAMORSKI, CPA
166 WEST WASHINGTON, SUITE 640
CHICAGO, ILLINOIS

REPORT OF INDEPENDENT ACCOUNTANT

To the Board of Directors
Dougall & Associates, Inc

I have audited the accompanying Statement of Financial Condition of Dougall & Associates, Inc. (the Company) as of December 31, 2010, and the related Statement of Income, Changes in Stockholders' Equity, and Statement of Cash Flows for the year then ended. The financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on the financial statements based on my audit.

I conducted the audit in accordance with the auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Dougall & Associates, 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.

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is required to be included by Rule 17a-5 of the Securities and Exchange Act of 1934. The audit indicated that the Company was in compliance with the Minimum Net Capital Requirement, Rule 15c3-1, at all times thru the date of this report. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

 CPA

Charles Zamorski, CPA

Chicago, Illinois
February 20, 2011

DOUGALL & ASSOCIATES, INC.Statement of Financial Condition
December 31, 2010

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ASSETS

Cash in Banks	\$	423,475
Receivable from brokers and dealers less allowance for doubtful accounts of \$32,000		624,444
Exchange Deposits (Note 3)		20,066
CHX Holdings Stock (Note 4)		8,000
		<hr/>
<u>Total Assets</u>	\$	<u>1,075,985</u>

LIABILITIES AND STOCKHOLDERS' EQUITYLiabilities:

Accounts payable and accrued expenses	\$	<u>81,653</u>
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<u>Total Liabilities</u>	\$	81,653
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Commitments and contingent liabilities (Note 5)

Stockholders' equity

Common stock (Note 7)	\$	1,000
Retained earnings		<u>993,332</u>

<u>Total Stockholders' Equity</u>		<u>994,332</u>
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<u>Total Liabilities and Stockholders' Equity</u>	\$	<u>1,075,985</u>
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The accompanying notes are an integral part of this financial statement.

DOUGALL & ASSOCIATES, INC.Statement of Income
for the Year ended December 31, 2010Revenues

Brokerage income	\$	488,195
Trading income		771,866
Interest income		3,294
Dividend income		127,648
Unrealized gain on shares (Note 4)		(38,000)
Other income		532,990
		<hr/>
<u>Total Revenues</u>	\$	1,885,993

Expenses

Compensation and related costs	\$	1,394,427
Research and data costs		147,774
Clearing and exchange fees		54,961
Execution charges		21,676
Dividend expense		43,121
Interest expense		94,742
Other expenses		121,380
		<hr/>
<u>Total Expenses</u>		1,878,081
		<hr/>
<u>Net Income</u>	\$	<u>7,912</u>

The accompanying notes are an integral part of this financial statement.

DOUGALL & ASSOCIATES, INC.Statement of Changes in Stockholders' Equity
for the Year ended December 31, 2010

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	<u>Common Stock (Note 7)</u>	<u>Retained Earnings</u>	<u>Total</u>
Balances - January 1, 2010	\$ 1,000	\$ 1,083,773	\$ 1,084,773
Net income for the year		7,912	7,912
Distributions to Retiring Stockholders		(98,353)	(98,353)
	<u>1,000</u>	<u>993,332</u>	<u>994,332</u>
Balances, December 31, 2010	<u>\$ 1,000</u>	<u>\$ 993,332</u>	<u>\$ 994,332</u>

The accompanying notes are an integral part of this financial statement.

DOUGALL & ASSOCIATES, INC.Statement of Cash Flows
for the Year ended December 31, 2010

<u>Cash Flows from Operating Activities</u>	
Cash provided by (applied to) operating activities	
Net income	\$ 7,912
Adjustments to reconcile net income to net cash provided by operating activities:	
Changes in operating assets and liabilities	
Due from brokers and dealers	(17,545)
Other assets	(66)
Accounts payable and accrued expenses	(15,463)
Net cash provided by operating activities	<u>\$ (25,162)</u>
<u>Cash Flows from Investing Activities</u>	
Unrealized gain on investment shares (Note 4)	\$ 38,000
Change in cash from investing activities	<u>\$ 38,000</u>
<u>Cash Flows from Financing Activities</u>	
Withdrawals of cash by shareholders	<u>\$ (98,353)</u>
Net decrease in cash	\$ (85,515)
Cash and cash equivalents at January 1, 2010	<u>508,990</u>
Cash and cash equivalents at December 31, 2010	<u><u>\$ 423,475</u></u>
Supplemental disclosure of cash flow information	
Cash paid during the period for interest	<u>\$ 94,742</u>
Cash paid during the period for taxes	<u>\$ -</u>

The accompanying notes are an integral part of this financial statement.