

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

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

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Section

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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 04/01/2010 AND ENDING 03/31/2011
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Gramercy Securities, Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

3949 Old Post Road

(No. and Street)

Charlestown

RI

02813

(City)

(State)

(Zip Code)

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

Roderick Scribner

(401) 364-7700

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Muto, Vollucci & Co., Ltd.

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

51 Jefferson Boulevard, Suite 400, Warwick

RI

02888

(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

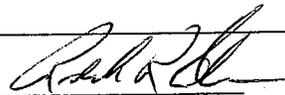
*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

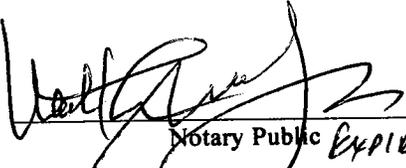
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OATH OR AFFIRMATION

I, Roderick Scribner, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Gramercy Securities, Inc., as of March 31, 20 11, 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:

President 
Signature

PRESIDENT
Title


Notary Public Expires 6/17/2013

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.
- N/A (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.
- N/A (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 (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).

*Exempt under Rule 15c-3-3(k)(2)(ii)

Gramercy Securities, Inc.

Financial Statements

**For the Year Ended
March 31, 2011**



Certified Public Accountants

Gramercy Securities, Inc.

Financial Statements

**For the Year Ended
March 31, 2011**

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Independent Auditors' Report

Roderick Scribner
Gramercy Securities, Inc.
3949 Old Post Road
Charlestown, RI 02813

We have audited the accompanying balance sheet of Gramercy Securities, Inc. as of March 31, 2011 and the related statements of income and retained earnings and cash flows for the year then ended 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 Gramercy Securities, Inc. at March 31, 2011 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.


MUTO, VOLLUCCI & CO., LTD.

May 12, 2011

Gramercy Securities, Inc.
Balance Sheet
March 31, 2011

Assets

	<u>ALLOWABLE</u>	<u>NON- ALLOWABLE</u>	<u>TOTAL</u>
Current assets:			
Cash	\$ 45,874	\$	\$ 45,874
Amounts receivable	76,258	6,513	82,771
Prepaid corporate taxes		2,120	2,120
Deferred tax asset (Note 2)		4,400	4,400
Total current assets	122,132	13,033	135,165
Property and equipment, net (Note 3)		0	0
Total assets	\$122,132	\$ 13,033	\$135,165

Liabilities and Stockholder's Equity

Current liabilities:			
Amounts payable	\$ 85,668		\$ 85,668
Stockholder's equity:			
Common stock (200 shares authorized, no par, 10 shares issued and outstanding)	11,400		11,400
Additional paid-in-capital	1,114		1,114
Retained earnings	23,950	13,033	36,983
Total stockholder's equity	36,464	13,033	49,497
Total liabilities and stockholder's equity	\$122,132	\$ 13,033	\$135,165

See independent auditors' report
and accompanying notes.

Gramercy Securities, Inc.
Statement of Income and Retained Earnings
For the Year Ended March 31, 2011

Commissions revenue	\$1,322,478
Expenses:	
Agent commissions	1,216,562
Auto expense	1,960
Clearing fees	3,444
Compliance	2,422
Communications	2,793
Depreciation	89
Entertainment	323
Insurance	3,662
Licenses, registrations and regulatory fees	9,737
Office expenses	1,409
Officer compensation	64,500
Outside services	1,130
Overnight delivery charges	1,828
Payroll taxes	5,243
Professional fees	7,384
Rent	5,127
Travel	1,130
	1,328,743
Total expenses	1,328,743
Loss before taxes	(6,265)
Corporate taxes (Note 4)	1,300
Net loss	(7,565)
Retained earnings, beginning of the year	44,548
Retained earnings, end of the year	\$ 36,983

See independent auditors' report
and accompanying notes.

Gramercy Securities, Inc.
Statement of Cash Flows
For the Year Ended March 31, 2011

Cash flows from operating activities:	
Net loss	\$ (7,565)
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	89
Increase (decrease) in cash from changes in assets and liabilities:	
Amounts receivable	15,130
Amounts payable	<u>(21,886)</u>
Total adjustments	<u>(6,667)</u>
Decrease in cash used by operating activities	(14,232)
Cash, beginning of the year	<u>60,106</u>
Cash, end of the year	<u><u>\$ 45,874</u></u>

Supplemental Disclosure of Cash Flow Information

Cash paid during the year for:	
Income taxes	\$ 1,300

See independent auditors' report
and accompanying notes.

Gramercy Securities, Inc.
Notes to Financial Statements

1. Business Activity

The Company was organized as of October 29, 1979 in the State of New York as a registered broker dealer in securities. It is presently located in Charlestown, Rhode Island and has a branch office in Dana Point, California and an office of supervisory jurisdiction in Amarillo, Texas. In total there are five registered representatives. The Company limits its operations as described in SEC Rule 15c3-3(k)(2)(ii).

2. Summary of Significant Accounting Policies

This summary of significant accounting policies of Gramercy Securities, Inc. is presented to assist in understanding the Company's financial statements. The financial statements and their notes are representations of the Company's management, who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Handling Customers' Funds

Customers' checks are made payable directly to the sponsors, escrow agents or other companies which clear the transactions ordered by the customer. The checks are promptly submitted to these firms no later than noon of the next business day following receipt and do not enter the accounts of the Company.

Amounts Receivable

Management does not record an allowance for doubtful collections because of favorable historical performance and the nature of the receivable obligations.

Revenue Recognition

Commission income from securities transactions is recorded on a trade date basis, or when earned.

Depreciation

Depreciation of property and equipment is computed using the straight-line method over the estimated useful life of 5 years. For federal income tax purposes, depreciation is computed using accelerated methods.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires 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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

See independent auditors' report.

Gramercy Securities, Inc.
Notes to Financial Statements

2. Summary of Significant Accounting Policies (continued)

Deferred Income Taxes

The Company has adopted U.S. GAAP relating to the Accounting for Income Taxes. U.S. GAAP adopts a liability method that requires the recognition of deferred tax assets and liabilities for the expected future consequences of events that have been recognized in the Company's financial statements or tax returns. The deferred tax asset results from net operating losses that are available to offset future taxable income. In estimating future tax consequences, U.S. GAAP generally considers all expected future events other than enactments or changes in laws or rates.

3. Property and Equipment

The following major classes are stated at cost at March 31, 2011:

Furniture and fixtures		\$1,796
Office equipment		1,784
		3,580
Less accumulated depreciation		3,580
		\$ 0

4. Corporate Taxes

The Company was not liable for any federal income taxes due to the net loss incurred during the fiscal year ended March 31, 2011. For state purposes, the Company was liable for minimum state filing fees totaling \$1,300.

At March 31, 2011 the current and long-term portion of the deferred tax asset consisted of the following tax effects of temporary differences:

	<u>Current</u>	<u>Non-Current</u>
Net operating loss carryforward	<u>\$4,400</u>	<u>\$ 0</u>

See independent auditors' report.

Gramercy Securities, Inc.
Notes to Financial Statements

4. Corporate Taxes (continued)

The components of the deferred tax asset included the following at March 31, 2011:

Deferred:		
Federal	\$3,050	
State	1,350	
	\$4,400	

The Company expects that the entire net operating loss (NOL) will be fully utilized in the year ending March 31, 2012. It is at least reasonably possible that the estimates used by management will change in the near term. The Company has the following net operating loss carryforwards available in future years to offset taxable income:

Year Ended:	<u>Amount</u>	<u>Expiration Date</u>
March 31, 2009	\$14,477	March 31, 2024
March 31, 2010	5,836	March 31, 2025
March 31, 2011	7,313	March 31, 2026
	\$27,626	

The provision for income taxes consists of the following for the year ended March 31, 2011:

Current	<u>\$ 1,300</u>
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5. Net Capital, Possession or Control, and Reserve Requirements

As a registered broker and dealer in securities, the Company is subject to the Uniform Net Capital Rule (Rule 15c3-1(a)(2)(vi), which requires that the Company maintain at minimum a net capital of \$5,000 and a ratio of aggregate indebtedness to net capital not exceeding 15 to 1.

At March 31, 2011, the Company had a net capital of \$36,464, which was \$30,750 in excess of its required minimum net capital. At March 31, 2011, the Company's percentage of aggregate indebtedness to net capital was 234.94%.

The Company is exempt from Possession or Control Requirements and Reserve Requirements under 15c3-3(k)(2)(ii).

See independent auditors' report.

Gramercy Securities, Inc.
Notes to Financial Statements

6. Commitment, Contingency and Concentration of Credit Risk

The Company maintains cash balances at a financial institution where certain accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Company's checking account may, at times, exceed federally insured limits. The Company has not experienced any losses in such accounts, and monitors the credit-worthiness of the financial institutions with which it conducts business. The Company believes it is not exposed to any significant credit risk on its cash.

7. Accounting for Uncertainty in Income Taxes

Effective as of January 1, 2009, the Company has adopted FASB ASC 740 (formerly FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes*). The interpretation requires the Company to internally monitor its tax positions to determine whether any are uncertain. The Company takes a tax position if it is determined that the position will "more-likely-than-not" be sustained upon examination by a taxing authority. The 2008, 2009 and 2010 tax returns remain subject to examination by major tax jurisdictions. There has been no effect on retained earnings as a result of the adoption of this interpretation.

8. Subsequent Events

The Company has evaluated subsequent events through May 12, 2011, which is the date the financial statements were available to be issued.

See independent auditors' report.

INDEPENDENT AUDITORS' REPORT ON ADDITIONAL INFORMATION



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INDEPENDENT AUDITORS' REPORT ON ADDITIONAL INFORMATION

Roderick Scribner
Gramercy Securities, Inc.
3949 Old Post Road
Charlestown, RI 02813

We have audited the accompanying financial statements of Gramercy Securities, Inc. as of and for the year ended March 31, 2011, and have issued our report thereon dated May 12, 2011. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying (additional information) computations of net capital, basic net capital requirement and aggregate indebtedness of Gramercy Securities, Inc. as of March 31, 2011 included in the accompanying prescribed form 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 and 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.


MUTO, VOLLUCCI & CO., LTD.

May 12, 2011

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART IIA**

BROKER OR DEALER

Gramercy Securities, Inc.

as of

03/31/2011

COMPUTATION OF NET CAPITAL

Total ownership equity from Statement of Financial Condition	\$ 49,497	<u>3480</u>
Deduct ownership equity not allowable for Net Capital	()	<u>3490</u>
Total ownership equity qualified for Net Capital	49,497	<u>3500</u>
Add:		
A. Liabilities subordinated to claims of general creditors allowable in computation of net capital		<u>3520</u>
Other (deductions) or allowable credits (List)		<u>3525</u>
Total capital and allowable subordinated liabilities	\$ 49,497	<u>3530</u>
Deductions and/or charges:		
A. Total non-allowable assets from		
Statement of Financial Condition (Notes B and C)	\$ 13,033	<u>3540</u>
b. Secured demand note deficiency		<u>3590</u>
C. Commodity futures contracts and spot commodities-proprietary capital charges		
Other deductions and/or charges		<u>3600</u>
Other deductions and/or charges		<u>3610</u>
	(13,033)	<u>3620</u>
Other additions and/or allowable credits (List)		<u>3630</u>
Net Capital before haircuts on securities positions	\$ 36,464	<u>3640</u>
Haircuts on securities (computed, where applicable, pursuant to 15c3-1(f)):		
A. Contractual securities commitments		<u>3660</u>
i. Subordinated securities borrowings		<u>3670</u>
C. Trading and investment securities:		
1. Exempted securities		<u>3735</u>
2. Debt securities		<u>3733</u>
3. Options		<u>3730</u>
4. Other securities		<u>3734</u>
D. Undue concentration		<u>3650</u>
E. Other (List)		<u>3736</u>
	()	<u>3740</u>
Net Capital	\$ 36,464	<u>3750</u>

OMIT PENNIES

Note: No material differences exist between the above computation of net capital and the computation included in the Company's corresponding unaudited FOCUS report on Form X-17A-5, Part IIA filing at March 31, 2011.

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART IIA**

BROKER OR DEALER

Gramercy Securities, Inc.

as of

03/31/2011

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Part A

Minimum net capital required (6-2/3% of line 19)	\$ 5,714	3758
Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	\$	3758
1. Net capital requirement (greater of line 11 or 12)	\$ 5,714	3760
2. Excess net capital (line 10 less 13)	\$ 30,750	3770
3. Net capital less greater of 10% of line 19 or 120% of line 12	\$ 27,897	3780

COMPUTATION OF AGGREGATE INDEBTEDNESS

Total A.I. liabilities from Statement of Financial Condition	\$ 85,668	3790
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
Total aggregate indebtedness	\$ 85,668	3840
Percentage of aggregate indebtedness to net capital (line 19 divided by line 10)	% 234.94	3850
Percentage of debt to debt-equity total computed in accordance with Rule 15c-3-1(d)	%	3860

COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT

Part B

2. 2% of combined aggregate debit items as shown in Formula for Reserve Requirements pursuant to Rule 15c3-3 prepared as of the date of net capital computation including both brokers or dealers and consolidated subsidiaries' debits	\$	3870
3. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	\$	3880
4. Net capital requirement (greater of line 22 or 23)	\$	3760
5. Excess net capital (line 10 less 24)	\$	3910
6. Net capital in excess of the greater of: 5% of combined aggregate debit items or 120% of minimum net capital requirement	\$	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. 6-2/3% 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 notes covered by subordination agreements not in satisfactory form and the market values of the 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.

Note: No material differences exist between the above computation and the computation included in the Company's corresponding unaudited FOCUS report on Form X-17A-5, Part IIA filing as of March 31, 2011.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL ACCOUNTING CONTROL
REQUIRED BY SEC RULE 17a-5**



INDEPENDENT AUDITORS' REPORT ON INTERNAL ACCOUNTING CONTROL
REQUIRED BY SEC RULE 17a-5

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Roderick Scribner
Gramercy Securities, Inc.
3949 Old Post Road
Charlestown, RI 02813

In planning and performing our audit of the financial statements of Gramercy Securities, Inc. as of and for the year ended March 31, 2011 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 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 and net capital under Rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of 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 internal 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 previously 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, errors 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 previously.

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 March 31, 2011 to meet the SEC's objectives.

This report is intended solely for the information and use of management, the SEC, the FINRA, 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.


MUTO, VOLLUCCI & CO., LTD.

May 12, 2011

**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON
PROCEDURES RELATED TO AN ENTITY'S SIPC ASSESSMENT
RECONCILIATION**



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**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON
PROCEDURES RELATED TO AN ENTITY'S SIPC ASSESSMENT
RECONCILIATION**

Roderick Scribner
Gramercy Securities, Inc.
3949 Old Post Road
Charlestown, RI 02813

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, we have performed in the procedures enumerated below with respect to the accompanying Schedule of Assessment and Payments [General Assessment Reconciliation (Form SIPC-7)] to the Securities Investor Protection Corporation (SIPC) for the year ended March 31, 2011, which were agreed to by Gramercy Securities, Inc. and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., and SIPC, solely to assist you and the other specified parties in evaluating Gramercy Securities, Inc.'s compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). Gramercy Securities, Inc.'s management is responsible for the Gramercy Securities, Inc.'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 as evidenced by the bank statement cleared check copy noting no differences;
2. Compared the amounts reported on the Forms X-17A-5 for the year ended March 31, 2011, as applicable, with the amounts reported in Form SIPC-7 for the year ended March 31, 2011, noting no differences;
3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers produced from accounting records noting no differences;
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting the adjustments noting no differences; and
5. Compared the amount of any overpayment applied to the current assessment with the Form SIPC-7T on which it was originally computed noting no differences.

Gramercy Securities, Inc.
Page 2

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.


MUTO, VOLLUCCI & CO., LTD.

May 12, 2011

Muto, Vollucci & Co., Ltd.

Certified Public Accountants

Warwick, Rhode Island