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

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

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**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 8/1/2010 AND ENDING 7/29/2011
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: First Georgetown Securities, Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

1700 Diagonal Road

(No. and Street)

Alexandria

(City)

VA

(State)

22314

(Zip Code)

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

Robert T. Mann

703-519-7700

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Dixon Hughes Goodman, LLP

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

111 Rockville Pike, #600, Rockville,

(Address)

(City)

MD

(State)

20850

(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, Robert T. Mann, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of First Georgetown Securities, Inc., as of July 29, 2011, 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:

Security accounts of principal officers and directors that are classified as customer accounts.

[Handwritten Signature]

Signature
President

Title

[Handwritten Signature]
Notary Public

ID # 295077
EXP 6/30/2014

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

- (a) Facing Page.
(b) Statement of Financial Condition.
(c) Statement of Income (Loss).
(d) Statement of 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).

- (o) Footnotes
(p) Statement of Cash Flows

*Financial Statements
For the 52 Week
Periods Ended
July 29, 2011 and
July 30, 2010*

First Georgetown Securities, Inc.



DIXON HUGHES GOODMAN LLP
Certified Public Accountants and Advisors

First Georgetown Securities, Inc.

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DIXON HUGHES GOODMAN LLP
Certified Public Accountants and Advisors

Report of Independent Registered Public Accounting Firm

Board of Directors
First Georgetown Securities, Inc.

We have audited the accompanying statement of financial condition of ***First Georgetown Securities, Inc.*** (a Delaware corporation) as of July 29, 2011, and the related statements of income, changes in stockholder's equity and cash flows for the 52 week period 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 management of ***First Georgetown Securities, Inc.*** Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements as of July 30, 2010, were audited by Goodman & Company, LLP, who merged into Dixon Hughes Goodman LLP as of April 1, 2011, and whose report dated September 27, 2010, expressed an unqualified opinion on those statements.

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 2011 financial statements referred to above present fairly, in all material respects, the financial position of ***First Georgetown Securities, Inc.*** as of July 29, 2011, and the results of its operations and its cash flows for the 52 week period then ended in conformity with accounting principles generally accepted in the United States of America.

Dixon Hughes Goodman LLP

Rockville, Maryland
September 24, 2011

First Georgetown Securities, Inc.

Statements of Financial Condition

July 29, 2011 and July 30, 2010	2011	2010
Assets		
Current assets		
Cash and cash equivalents	\$ 10,750	\$ 4,413
Accounts receivable - broker and dealer - net	81,099	64,202
Trading securities owned at fair value	276,314	225,237
Deferred income taxes	570	666
Employee advances	1,453	-
Prepaid expenses	3,683	3,694
Total current assets	373,869	298,212
Property and equipment - net	5,707	8,403
	\$ 379,576	\$ 306,615
Liabilities and Stockholder's Equity		
Current liabilities		
Accounts payable	\$ 16,798	\$ 9,148
Accrued payroll and commissions	22,949	21,460
Retirement plan contribution payable	104,266	51,770
Accrued vacation	2,716	3,172
Payroll taxes withheld and accrued	7,961	2,496
Income taxes payable	7,785	5,935
Deferred income taxes	566	372
Total current liabilities	163,041	94,353
Stockholder's equity		
Common stock, \$.01 par value 25,000 shares authorized, issued and outstanding	250	250
Additional paid-in capital	546,667	546,667
Accumulated deficit	(330,382)	(334,655)
	216,535	212,262
	\$ 379,576	\$ 306,615

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

First Georgetown Securities, Inc.

Statements of Income

52 Week Periods Ended July 29, 2011 and July 30, 2010	2011	2010
Revenue		
Commissions	\$ 595,173	\$ 627,912
Interest	39,549	35,679
Advisory fees	460,436	374,292
Trading income	40,887	24,236
Dividends	50	107
Miscellaneous Income	42,137	-
Total revenue	1,178,232	1,062,226
Operating expenses		
Employee compensation and benefits	650,998	513,297
Floor brokerage and ticket charges	185,899	226,450
Other operating expenses	283,883	265,353
Taxes other than income	32,482	31,038
Communciations	12,488	19,345
Total operating expenses	1,165,750	1,055,483
Income before income taxes	12,482	6,743
Income taxes	8,209	6,306
Net income	\$ 4,273	\$ 437

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

First Georgetown Securities, Inc.

Statement of Changes in Stockholder's Equity

52 Week Periods Ended July 29, 2011 and July 30, 2010

	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Total
Balance - July 31, 2009	\$ 250	\$ 546,667	\$ (335,092)	\$ 211,825
Net income	-	-	437	437
Balance - July 30, 2010	\$ 250	\$ 546,667	\$ (334,655)	\$ 212,262
Net income	-	-	4,273	4,273
Balance - July 29, 2011	\$ 250	\$ 546,667	\$ (330,382)	\$ 216,535

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

First Georgetown Securities, Inc.

Statements of Cash Flows

52 Week Periods Ended July 29, 2011 and July 30, 2010	2011	2010
Cash flows from operating activities		
Net income	\$ 4,273	\$ 437
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation	2,696	2,701
Bad debt expense (recovery)	(41,762)	(14,564)
Deferred taxes	290	(180)
Change in:		
Accounts receivable - broker and dealer - gross	24,865	20,002
Trading securities owned at fair value	(51,077)	(24,028)
Employee advances	(1,453)	-
Prepaid expenses	11	808
Accounts payable	7,650	(135)
Accrued payroll and commissions	1,489	12,280
Retirement plan contribution payable	52,496	2,756
Accrued vacation	(456)	76
Payroll taxes withheld and accrued	5,465	(2,400)
Income taxes payable	1,850	2,397
Net cash from operating activities	<u>6,337</u>	<u>150</u>
Cash flows from investing activities		
Purchases of property and equipment	-	(728)
Net change in cash and cash equivalents	<u>6,337</u>	<u>(578)</u>
Cash and cash equivalents - beginning of year	<u>4,413</u>	<u>4,991</u>
Cash and cash equivalents - end of year	<u>\$ 10,750</u>	<u>\$ 4,413</u>
Supplemental disclosure of cash flow information		
Income taxes paid	\$ 6,359	\$ 4,089

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

First Georgetown Securities, Inc.

Notes to Financial Statements

July 29, 2011 and July 30, 2010

1. Organization and Nature of Business

First Georgetown Securities, Inc. (Company), a Delaware corporation, is organized to engage in the buying and selling of securities for businesses and the general public and is a broker-dealer registered with the United States Securities and Exchange Commission. The Company is a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC). The Company is an introducing broker that accepts customer orders but elects to clear orders through a clearing broker for cost efficiencies. National Financial Services, LLC, a wholly owned subsidiary of Fidelity Investments Company, maintains all customer brokerage accounts. The Company's fiscal year ends on the last Friday of July.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying policies of the Company are in accordance with accounting principles generally accepted in the United States of America (GAAP) applied on a consistent basis with that of the preceding period.

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents consist of highly liquid investments with an initial maturity of three months or less. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Accounts Receivable - Broker and Dealer

Accounts receivable - broker and dealer represent receivables due from the clearing broker, National Financial Services, LLC. The Company considers allowances for doubtful accounts based on factors surrounding the credit risk of specific customers, historical trends, projection of trends, and other information. Management of the Company periodically reviews the collectibility of accounts receivable, and those accounts that are considered not collectible are written off as bad debts. During the period ending July 30, 2010, the Company wrote off \$474 in accounts receivable. No receivables were written off during 2011.

Trading Securities

Proprietary securities transactions in regular-way trades are recorded on the trade date, as if they had settled. Profit and loss arising from all securities and commodities transactions entered into for the account and risk of the Company are recorded on a trade date basis. Customers' securities and commodities transactions are reported on a settlement date basis with related commission income and expenses reported on a trade date basis. The Company's financial instruments are recorded at fair value.

Property and Equipment

Acquisitions of property and equipment are recorded at cost. Improvements and replacements of property and equipment are capitalized. Maintenance and repairs that do not improve or extend the lives of property and

equipment are charged to expense as incurred. When assets are sold or retired, their cost and related accumulated depreciation are removed from the accounts and any gain or loss is reported in the statement of operations. Depreciation is provided over the estimated useful life of each class of depreciable assets and is computed using the straight-line method for financial statement purposes and on accelerated methods for income tax purposes.

Revenue Recognition

Commissions and related clearing expenses are recorded on a trade-date basis as securities transactions occur.

Investment advisory fees are received quarterly but are recognized as earned on a pro rata basis over the term of the contract.

Advertising Costs

The Company expenses advertising costs as they are incurred. Advertising expense was \$2,974 and \$2,942 for July 29, 2011 and July 30, 2010, respectively.

Income Taxes

Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes related primarily to the different methods of depreciation and accrued vacation pay which is recognized for financial statement reporting but is deferred for tax purposes. A valuation allowance is recognized if, based on the weight of available evidence, it is more likely than not that some portion or all of the deferred tax asset will not be realized. Future realization of the tax benefit of an existing temporary difference ultimately depends on the existence of sufficient taxable income of the appropriate character (for example, ordinary income or capital gain) within the carryforward period available under the tax law.

Tax positions must meet a recognition threshold of more-likely-than-not in order for the benefit of those tax positions to be recognized in the Company's financial statements. The Company has determined that it does not have any material uncertain tax positions as of July 29, 2011 and July 30, 2010, respectively. Interest and penalties, if any, are reflected in income tax expense in the accompanying statements of income. Fiscal years ending on or after July 25, 2008 remain subject to examination by federal and state tax authorities.

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.

Subsequent Events

In preparing these financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through September 24, 2011, the date the financial statements were available to be issued.

3. Accounts Receivable

Accounts receivable consisted of the following at July 29, 2011 and July 30, 2010:

	<u>2011</u>	<u>2010</u>
Accounts receivable - broker and dealer	\$ 81,099	\$ 105,962
Allowance for doubtful accounts	-	(41,760)
	<u>\$ 81,099</u>	<u>\$ 64,202</u>

4. Fair Value Measurements

Fair value as defined under GAAP is an exit price, representing 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. GAAP establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include:

- Level 1: Observable inputs such as quoted prices in active markets.
- Level 2: Inputs other than quoted prices in active markets that are either directly or indirectly observable.
- Level 3: Unobservable inputs about which little or no market data exists, therefore, requiring an entity to develop its own assumptions.

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels.

When quoted prices are available in active markets for identical instruments, investment securities are classified within Level 1 of the fair value hierarchy. Level 1 investments include common stocks.

Level 2 investment securities include money market accounts for which quoted prices are not available in active markets for identical instruments. The Company utilizes a third party pricing service to determine the fair value of each of these investment securities. Because quoted prices in active markets for identical assets are not available, these prices are determined using observable market information such as quotes from less active markets and/or quoted prices of securities with similar characteristics.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Company's assets accounted for fair value on a recurring basis as of July 29, 2011 and July 30, 2010:

Assets at Fair Value as of July 29, 2011				
	Level 1	Level 2	Level 3	Total
Money market funds	\$ -	\$ 276,233	\$ -	\$ 276,233
Common stocks	81	-	-	81
Total assets at fair value	\$ 81	\$ 276,233	\$ -	\$ 276,314

Assets at Fair Value as of July 30, 2010				
	Level 1	Level 2	Level 3	Total
Money market funds	\$ -	\$ 225,183	\$ -	\$ 225,183
Common stocks	54	-	-	54
Total assets at fair value	\$ 54	\$ 225,183	\$ -	\$ 225,237

5. Property and Equipment

Major classes of property and equipment consisted of the following at July 29, 2011 and July 30, 2010:

	Estimated Useful Life	2011	2010
Furniture and fixtures	5-7 years	\$ 65,733	\$ 65,733
Leasehold improvements	5 years	7,935	7,935
		73,668	73,668
Accumulated depreciation		(67,961)	(65,265)
		\$ 5,707	\$ 8,403

Total depreciation expense was \$2,696 and \$2,701 for 2011 and 2010, respectively.

6. Net Capital Requirements

Pursuant to the net capital requirements under the Securities Exchange Act of 1934 of Rule 15c3-1, the Company's required ratio of aggregate indebtedness (as defined) to net capital (as defined) may not exceed 15 to 1. Net capital and related ratios normally fluctuate on a daily basis. In addition, the Company must maintain a minimum net capital of \$100,000. On July 29, 2011 and July 30, 2010, the Company had net capital (as computed in accordance with the regulations of the Securities and Exchange Commission) of \$198,153 and \$194,049, respectively, and the ratio of aggregate indebtedness to net capital was .82 and .49 to 1, respectively.

7. Accumulated Deficit

In 1975, the corporations of Baxter, Blyden, Selheimer & Company, Inc. and Bronwen Corporation were merged. The successor corporation formed was First Georgetown Securities, Inc. As a result of this merger, a deficit was created in the stockholder's equity section of the Company from operations prior to 1975 and prior to the control of current management. The deficit does not represent obligations of the Company.

8. Income Taxes

The provision for income taxes consists of the following:

	<u>2011</u>	<u>2010</u>
Current federal income taxes	\$ 5,596	\$ 4,697
Current state income taxes	2,323	1,789
Deferred federal income tax liability (benefit)	207	(129)
Deferred state income tax liability (benefit)	83	(51)
	<u>\$ 8,209</u>	<u>\$ 6,306</u>

Deferred income tax assets as of July 29, 2011 and July 30, 2010 is as follows:

	<u>2011</u>	<u>2010</u>
Accrued vacation	\$ 570	\$ 666

Deferred income tax liability as of July 29, 2011 and July 30, 2010 is as follows:

	<u>2011</u>	<u>2010</u>
Accumulated depreciation	\$ 566	\$ 372

9. Operating Leases

The Company leases office space and four automobiles under long-term lease agreements, which are classified as operating leases. The car leases expire between 2012 and 2014 and the office space lease expires in January 2014. The office space lease contains escalation clauses for operating expenses. The Company's rent expense for office space was \$81,337 and \$78,924 for 2011 and 2010, respectively.

The following is a schedule of future minimum rental payments required under the above leases for years ending the last Friday in July:

2012	\$ 103,622
2013	96,083
2014	49,499
	<u>\$ 249,204</u>

10. Retirement Plan

The Company sponsors a Simplified Employee Pension Plan (Plan) that covers all employees. At management's discretion, the Company funds the Plan 100% with available resources. An employee must work for one year to become eligible for contributions. Contributions to the plan are limited to 25% of employees' eligible compensation for the 52 week period ended July 29, 2011 and 12.5% for the 52 week period ended July 30, 2010. The Company elected to make contributions of \$104,266 and \$51,770 for July 29, 2011 and July 30, 2010, respectively.

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DIXON HUGHES GOODMAN LLP
Certified Public Accountants and Advisors

***Report of Independent Registered Public Accounting Firm on
Supplementary Information Required by Rule 17a-5 of the
Securities and Exchange Commission***

Board of Directors
First Georgetown Securities, Inc.

We have audited the accompanying financial statements of *First Georgetown Securities, Inc.* as of and for the 52 week period ended July 29, 2011, and have issued our report thereon dated September 24, 2011. That audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedule 1 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 a whole.

Dixon Hughes Goodman LLP

Rockville, Maryland
September 24, 2011

First Georgetown Securities, Inc.

***Computation of Net Capital for Brokers and Dealers Pursuant to
Rule 15c3-1 Under the Securities Exchange Act of 1934 - Schedule I***

July 29, 2011

Stockholder's equity

Stockholder's equity qualified for net capital \$ 216,535

Nonallowable assets and miscellaneous capital charges

Petty cash	300
Employee advances	1,453
Prepaid expenses	3,683
Property and equipment	5,707
Accounts receivable	982
Reserve for unsecured debt	130
Deferred tax asset	570
Trading and investment securities	5,557
	<u>18,382</u>

Net capital \$ 198,153

**Amounts included in total liabilities which represent
aggregate indebtedness** \$ 163,041

**Minimum net capital required (the greater of \$100,000 or 6-2/3%
of aggregate indebtedness)** \$ 100,000

Net capital in excess of minimum requirements \$ 98,153

Ratio of aggregate indebtedness to net capital 82%

Note There are no material differences between the amounts presented above and the amounts reported on the Company's unaudited FOCUS Report as of July 29, 2011.

The Company is exempt from reserve requirements and possession on control requirements under Rule 15c3-3(k)(2)(ii).



DIXON HUGHES GOODMAN LLP
Certified Public Accountants and Advisors

***Report of Independent Registered Public Accounting Firm on
Internal Control Required by SEC Rule 17a-5(g)(1) for a Broker-Dealer Claiming
an Exemption From SEC Rule 15c3-3***

Board of Directors
First Georgetown Securities, Inc.

In planning and performing our audit of the financial statements of ***First Georgetown Securities, Inc.*** (Company), as of and for the 52 week period ended July 29, 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 (or aggregate debits) and net capital under Rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of 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 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 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 accounting principles generally accepted in the United States of America. 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 over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those responsible for oversight of the Company's financial reporting.

A *material weakness* is a deficiency or combination of deficiencies in internal control over financial reporting, such that there is a remote possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected 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 July 29, 2011, to meet the SEC's objectives.

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

Dixon Hughes Goodman LLP

Rockville, Maryland
September 24, 2011