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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 FILE NUMBER  
8- 50730

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3/28

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 JANUARY 1, 2011 AND ENDING DECEMBER 31, 2011  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: ASG SECURITIES, INC.

OFFICIAL USE ONLY  
FIRM I.D. NO.

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

218 EAST COMMERCIAL BLVD, SUITE 208-L

(No. and Street)

FT. LAUDERDALE

FLORIDA

33308

(City)

(State)

(Zip Code)

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

MICHAEL SCILLIA, DIRECTOR

(954) 254-0044

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

ROTH, JONAS, MITTELBERG & HARTNEY, CPA'S, P.A.

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

8370 WEST FLAGLER STREET, SUITE 125, MIAMI

FLORIDA

33144

(Address)

(City)

(State)

(Zip Code)

**CHECK ONE:**

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

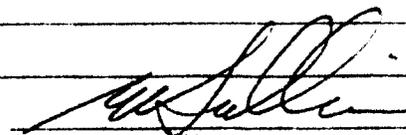
**FOR OFFICIAL USE ONLY**

\*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)

Handwritten signature/initials

OATH OR AFFIRMATION

I, MICHAEL SCILLIA, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of ASG SECURITIES, INC., as of DECEMBER 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:

  
Signature  
Chairman  
Title

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.
- (o) Independent Accountant's Report on Internal Control.

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



ASG SECURITIES, INC.  
FINANCIAL STATEMENTS  
DECEMBER 31, 2011

ROTH, JONAS, MITTELBERG,  
& HARTNEY, CPA's, P.A.  
CERTIFIED PUBLIC ACCOUNTANTS

ASG SECURITIES, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2011

ROTH, JONAS, MITTELBERG  
& HARTNEY, CPA's, P.A.  
CERTIFIED PUBLIC ACCOUNTANTS

ROBERT ROTH, CPA  
PETER F. JONAS, CPA  
RICKEY I. MITTELBERG, CPA  
JOHN C. HARTNEY, CPA

INDEPENDENT AUDITORS REPORT

To the Board of Directors and Member  
of ASG Securities, Inc.

We have audited the accompanying statement of financial condition of ASG Securities, Inc. as of December 31, 2011, and the related statements of operations, changes in stockholders' equity, 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 and supplementary information referred to below 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 ASG Securities, Inc. as of December 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information contained in Schedules 1, 2 and 3 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934 has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*ROTH, JONAS, MITTELBERG & HARTNEY, CPA's, P.A.*

Miami, Florida  
February 27, 2012

ASG SECURITIES, INC.STATEMENT OF FINANCIAL CONDITIONDECEMBER 31, 2011ASSETSCURRENT ASSETS

|  |               |
|--|---------------|
| Cash in Bank                             | \$ 9,376      |
| Accounts Receivable, No Reserve Required | <u>69,978</u> |

|                      |  |           |
|----------------------|--|-----------|
| Total Current Assets |  | \$ 79,354 |
|----------------------|--|-----------|

PROPERTY AND EQUITY, Net of Depreciation  
of \$ 0

26,750

OTHER ASSETS

|             |            |
|-------------|------------|
| Deposit     | \$ 10,000  |
| CRD Account | <u>100</u> |

|                    |  |               |
|--------------------|--|---------------|
| Total Other Assets |  | <u>10,100</u> |
|--------------------|--|---------------|

|                     |  |                   |
|---------------------|--|-------------------|
| <u>TOTAL ASSETS</u> |  | <u>\$ 116,204</u> |
|---------------------|--|-------------------|

LIABILITIES AND STOCKHOLDERS' EQUITYCURRENT LIABILITIES

|                                       |          |
|---------------------------------------|----------|
| Accounts Payable and Accrued Expenses | \$ 1,200 |
|---------------------------------------|----------|

|                           |  |                 |
|---------------------------|--|-----------------|
| Total Current Liabilities |  | <u>\$ 1,200</u> |
|---------------------------|--|-----------------|

STOCKHOLDERS' EQUITY

|   |                    |
|---|--------------------|
| Preferred Stock - No Par Value; Stated<br>Value \$10.00 Per Share<br>1,000,000 Shares Authorized,<br>11,400 Shares Issued and Outstanding | \$ 114,000         |
| Common Stock - \$.001 Par Value;<br>Authorized - 10,000,000 Shares;<br>Outstanding- 100,000 Shares  | 100                |
| Additional Paid-In Capital  | 2,477,010          |
| Retained Earnings (Deficit)   | <u>(2,476,106)</u> |

|                            |  |                |
|----------------------------|--|----------------|
| Total Stockholders' Equity |  | <u>115,004</u> |
|----------------------------|--|----------------|

|   |  |                   |
|---|--|-------------------|
| <u>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</u> |  | <u>\$ 116,204</u> |
|---|--|-------------------|

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

ASG SECURITIES, INC.STATEMENT OF OPERATIONSFOR THE YEAR ENDED DECEMBER 31, 2011

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|   |               |                  |
|---|---------------|------------------|
| <u>REVENUES</u>   |               |                  |
| Fees  |               | \$ 110,188       |
| <u>OPERATING EXPENSES</u>   |               |                  |
| Clearing and Other Related Costs  | \$ 23,550     |                  |
| Taxes, Other Than Income Taxes  | 559           |                  |
| Other Administrative Expenses   | <u>66,875</u> |                  |
| Total Operating Expenses  |               | <u>90,984</u>    |
| <u>PROFIT BEFORE CORPORATE INCOME TAXES</u>   |               | \$ 19,204        |
| <u>CORPORATE INCOME TAX</u>   |               | <u>3,370</u>     |
| <u>NET PROFIT BEFORE CORPORATE INCOME TAX CREDIT</u>                                |               | \$ 15,834        |
| <u>CORPORATE INCOME TAX CREDIT, DUE TO AVAILABILITY OF<br/>NET OPERATING LOSSES</u> |               | <u>3,370</u>     |
| <u>NET PROFIT</u>   |               | <u>\$ 19,204</u> |

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

## ASG SECURITIES, INC.

## STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2011

|  | Preferred Stock |                   | Common Stock   |               | Additional<br>Paid-in<br>Capital | Retained<br>Earnings<br>(Deficit) | Total<br>Stockholders'<br>Equity |
|--|-----------------|-------------------|----------------|---------------|----------------------------------|-----------------------------------|----------------------------------|
|  | Shares          | Amount            | Shares         | Amount        |                                  |                                   |                                  |
| Balance -<br>January 1, 2011           | 3,700           | \$ 37,000         | 100,000        | \$ 100        | \$2,485,860                      | \$ (2,495,310)                    | \$ 27,650                        |
| Capital Distribution<br>To Stockholder | -               | -                 | -              | -             | (8,850)                          | -                                 | (8,850)                          |
| Sales of<br>Preferred Stock            | 7,700           | 77,000            | -              | -             | -                                | -                                 | 77,000                           |
| Net Profit for the<br>Period           | -               | -                 | -              | -             | -                                | 19,204                            | 19,204                           |
| Balance -<br>December 31, 2011         | <u>11,400</u>   | <u>\$ 114,000</u> | <u>100,000</u> | <u>\$ 100</u> | <u>\$2,477,010</u>               | <u>\$ (2,476,106)</u>             | <u>\$ 115,004</u>                |

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

ASG SECURITIES, INC.STATEMENT OF CASH FLOWSFOR THE YEAR ENDED DECEMBER 31, 2011OPERATING ACTIVITIES

Net Profit \$ 19,204

Adjustments to Reconcile Net Income to Net

Cash Used in Operating Activities:

Changes in Operating Assets and Liabilities:

(Increase) in Accounts Receivable (69,978)

(Increase) in Other Assets (81)

(Decrease) in Accounts Payable and Accrued Expenses (1,696)NET CASH (USED IN) OPERATING ACTIVITIES

\$ (52,551)

INVESTING ACTIVITIESPurchase of Property and Equipment \$ (26,750)NET CASH (USED IN) INVESTING ACTIVITIES

(26,750)

FINANCING ACTIVITIES

Sale of Preferred Stock \$ 77,000

Capital Distribution to Stockholders (8,850)NET CASH PROVIDED BY FINANCING ACTIVITIES\$ 68,150(DECREASE) IN CASH

\$ (11,151)

CASH AT BEGINNING OF YEAR20,527CASH AT END OF YEAR\$ 9,376SUPPLEMENTAL CASH FLOW DISCLOSURES

Interest Paid

\$ -

Income Taxes Paid

\$ -

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

ASG SECURITIES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011

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NOTE 1 - ORGANIZATION AND BUSINESS

Organization and Business - The Company was incorporated under the laws of the State of Delaware on December 17, 1997, for the purpose of selling investment products and securities and other services related to investment advisement, money management, or other business services. On February 13, 2004, the Company reincorporated in the State of Florida. Essentially all of the operations of the Company ceased in July, 2003, but the Company is actively conducting its investment banking business and maintaining its license on an active basis.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies followed in the preparation of the financial statements. The policies are based on United States generally accepted accounting principles.

Customers, Broker-Dealers, Trading Inventory and Investment Balances - The Company is a registered broker-dealer and maintains its accounts on a settlement date basis; however, the accompanying financial statements are prepared on a trade date basis. The Company is an introducing broker, and as such, clears all transactions through a correspondent broker which carries all customer and company accounts and maintains physical custody of customer and company securities. There were no brokerage transactions during the year ended December 31, 2011.

Income Taxes - For income tax purposes, the Company will account for all trading securities owned on a market value basis. The Company uses the liability method to determine its income tax expense, requiring that deferred tax assets and liabilities are computed based on differences between financial reporting and tax basis of assets and liabilities, and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse.

Use of Estimates - The financial statements have been prepared in conformity with United States generally accepted accounting principles and, as such, include amounts based on informed estimates and judgments of management with consideration given to materiality. Actual results could differ from those estimates.

Deferred Tax Assets - For financial reporting purposes, deferred tax assets are reduced by a valuation allowance if, based on the weight of the available evidence, it is more likely than not that all or some portion of the deferred tax assets will not be realized. The ultimate realization of the deferred tax assets depends on the Company's ability to generate sufficient taxable income in the future.

ASG SECURITIES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011

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NOTE 2 - SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents - For purposes of the statement of cash flows, the Company considers highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents. The Company's cash balances consist of cash held at one commercial bank.

Government and Other Regulation - The Company's business is subject to significant regulation by various governmental agencies and self-regulatory organizations. Such regulation includes, among other things, periodic examinations by these regulatory bodies to determine whether the Company is conducting and reporting its operations in accordance with the applicable requirements of these organizations.

Revenue Recognition - The Company recognizes its revenue as services are provided and collection is reasonably assured.

Subsequent Events - The Company has evaluated subsequent events for recognition and disclosure through February 27, 2012, which is the date the financial statements were issued.

Loss Contingencies - Loss contingencies, including claims and legal actions arising in the ordinary course of business are recorded as liabilities when the likelihood of loss is probable and an amount or range of loss can be reasonably estimated. Management does not believe there are presently such matters that will have a material effect on the financial statements.

NOTE 3 - NET CAPITAL RULE

As a broker-dealer registered with the Securities and Exchange Commission, the Company must comply with the provisions of the Commission's "Net Capital" rule, which provide that "aggregate indebtedness", as defined, shall not exceed 15 times "Net Capital", as defined, and the "Net Capital", shall not be less than \$5,000. At December 31, 2011 the Company's "Net Capital" exceeded its minimum requirement.

ASG SECURITIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2011

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NOTE 4 - COMMITMENTS

The Company is presently using office space under an office sharing arrangement at an annual charge of \$3,000 to the Company. This office sharing arrangement is on a month to month basis.

As of December 31, 2011, the Company has three employment agreements in place. Two (2) of these agreements are with key personnel to provide executive and director leadership and the remuneration is based on amounts that vary based on levels of service provided. The agreements also provide remuneration in the form of specified commissions that depending on the type of introduced transactions. The other agreement is with an outside person to provide accounting services for the Company and prepare reporting forms to regulatory agencies. This agreement calls for remuneration based on an hourly rate. All of these agreements are of a fixed term with renewal options available.

NOTE 5 - INCOME TAXES

Deferred tax assets and liabilities are provided for significant income and expense items recognized in different years for tax and financial reporting purposes and net operating losses available to offset future taxable income.

At December 31, 2011, the Company recorded a full valuation allowance for the deferred tax assets as the Company's ability to realize these benefits is not "more likely than not". Accordingly, no deferred tax assets are reported in the accompanying statement of financial position at December 31, 2011. The Company has available at December 31, 2011, approximately \$ 2,460,000 of unused operating loss carryforwards that may be applied against future taxable income and will expire in years through 2028. This loss carryforward includes the operations of the Company prior to reincorporating in the State of Florida.

NOTE 6 - PREFERRED STOCK

During the year ended December 31, 2011, the Company sold 7,700 shares of preferred stock for a total consideration of \$77,000.

ASG SECURITIES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011

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NOTE 7 - AGREEMENT WITH CLEARING ORGANIZATION

In September 2007, the Company entered into a fully disclosed clearing agreement with First Southwest Company which ended in March 2011. The Company can still use the clearing organization under different terms than a fully disclosed clearing arrangement. As of December 31, 2011, the status of the Company's relationship with clearing organization is "inactive".

NOTE 8 - DEPOSIT ON LEASE

The Company has entered into a three (3) year lease for office space in Tampa, Florida, at a monthly rental of \$2,000. The lease will commence when the landlord completes certain renovations and the space becomes suitable for the Company. If the landlord is unable to timely provide the space, the lease can be terminated at the discretion of the Company or the landlord. In connection with entering this lease the Company has provided a security deposit in the amount of \$ 10,000.

SUPPLEMENTARY INFORMATION

ASG SECURITIES, INC.COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1OF THE SECURITIES AND EXCHANGE COMMISSIONAS OF DECEMBER 31, 2011NET CAPITAL

|  |                 |
|--|-----------------|
| Total Stockholders' Equity Reported By Company                               | \$ 115,004      |
| Less: Non-Allowable Assets and Other Deductions:                             | <u>106,828</u>  |
| Net Capital Before Haircuts on Security Positions                            | \$ 8,176        |
| Haircuts on Securities, Computed, where Applicable,<br>Pursuant to 15c3-1(f) | <u>-</u>        |
| Net Capital  | <u>\$ 8,176</u> |

NOTE - There are no significant differences in the computation of adjusted net capital between the unaudited broker-dealer focus report and the audited annual report.

ASG SECURITIES, INC.

COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1

OF THE SECURITIES AND EXCHANGE COMMISSION

AS OF DECEMBER 31, 2011

AGGREGATE INDEBTEDNESS

Items Included in Statement of Financial Condition:

|                                       |                 |                 |
|---------------------------------------|-----------------|-----------------|
| Accounts Payable and Accrued Expenses | <u>\$ 1,200</u> |                 |
| Total Aggregate Indebtedness          |                 | <u>\$ 1,200</u> |

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

|  |  |              |
|--|--|--------------|
| Minimum Net Capital Required (6 2/3 Percent of Total Aggregate Indebtedness) |  | <u>\$ 80</u> |
|--|--|--------------|

|                                 |  |                 |
|---------------------------------|--|-----------------|
| Minimum Net Capital Requirement |  | <u>\$ 5,000</u> |
|---------------------------------|--|-----------------|

|  |  |                 |
|--|--|-----------------|
| Excess Net Capital (Net Capital Less Net Capital Required) |  | <u>\$ 3,176</u> |
|--|--|-----------------|

|   |  |                 |
|---|--|-----------------|
| Net Capital Less Greater of 10% of Aggregate Indebtedness or 120% of Minimum Net Capital Required |  | <u>\$ 2,176</u> |
|---|--|-----------------|

|   |  |               |
|---|--|---------------|
| Percentage of Aggregate Indebtedness to Net Capital |  | <u>14.68%</u> |
|---|--|---------------|

COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT

Non-Applicable

ASG SECURITIES, INC.STATEMENT OF CHANGES IN LIABILITIES SUBORDINATEDTO CLAIMS OF GENERAL CREDITORSFOR THE YEAR ENDED DECEMBER 31, 2011

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|                            |                    |
|----------------------------|--------------------|
| Balance, Beginning of Year | \$ -               |
| Additions                  | -                  |
| Decreases                  | <u>-</u>           |
| Balance, End of Year       | <u><u>\$ -</u></u> |

ASG SECURITIES, INC.

INFORMATION RELATING TO POSSESSION OR CONTROL REQUIREMENTS

UNDER RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION

AS OF DECEMBER 31, 2011

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The Company claims an exemption from Rule 15c3-3 under Section (k) (2) (ii) in that all customer transactions clear through another broker-dealer on a fully disclosed basis. In September 2007, the Company entered into a correspondent agreement with First Southwest Company.

SUPPLEMENTARY REPORT ON INTERNAL CONTROL

Independent Auditor's Report on Internal  
Accounting Control Required by SEC Rule 17a-5

To the Board of Directors and Member  
of ASG Securities, Inc.

In planning and performing our audit of the financial statements and supplemental schedules of ASG Securities, Inc. (the Company), as of and for the year ended December 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 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 judgements 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 United States 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 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 December 31, 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, the New York Stock Exchange, Inc., the Financial Industry Regulatory Authority, 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.

*ROTH, JONAS, MITTELBERG & HARTNEY, CPA's, P.A.*

ROTH, JONAS, MITTELBERG & HARTNEY, CPA's, P.A.

Miami, Florida

February 27, 2012