

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  
8-44663

M:

FEB 29 2012

Wash DC 122

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 01/01/11 AND ENDING 12/31/11  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: SHIELDS Securities, Inc.

OFFICIAL USE ONLY  
FIRM I.D. NO.

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

890 WINTER ST., Suite 160,

WALTHAM

(No. and Street)

MA

(City)

(State)

02451  
(Zip Code)

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

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

LISA A. Roche CPA

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

51 SUMMER ST. \* MILFORD

(Address)

(City)

MA

(State)

01757

(Zip Code)

CHECK ONE:

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

Mail

FEB 29 2012

WASH DC 122

**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)

Potential persons who are to respond to the information contained in this form are not required unless the form displays a currently valid OMB c



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OATH OR AFFIRMATION

I, JANICE L. SHIELDS, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of SHIELDS SECURITIES, INC of December 31, 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:

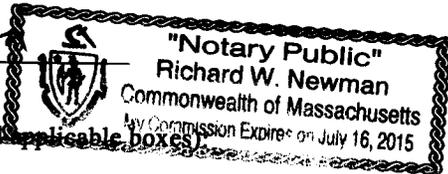
Janice L. Shields

Signature

President

Title

Richard W. Newman  
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).

# Lisa A. Roche, CPA

Certified Public Accountant

51 Sumner Street, Suite C  
Milford, MA 01757

Phone: 508-634-2800  
Fax: 508-634-2880  
l.rochecpa@verizon.net

To the Directors of  
Shields Securities, Inc.

We have audited the accompanying balance sheets of Shields Securities, Inc. as of December 31, 2011 and 2010, and the related statements of income, retained earnings and cash flows for the years then ended. These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. 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 audits provide 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 Shields Securities, Inc. as of December 31, 2011 and 2010, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules of other income and expenses are presented for purposes of additional analysis and is not a required part of the basic financial statements. 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.

*Lisa A. Roche, CPA*

Milford, Massachusetts  
January 23, 2012

SHIELDS SECURITIES, INC.  
BALANCE SHEET  
DECEMBER 31, 2011 AND 2010  
(see accountants' report)

ASSETS

	<u>2011</u>	<u>2010</u>
Current assets:		
Cash	\$ 29,978	\$ 41,430
Prepaid expenses	1,568	2,614
	<hr/>	<hr/>
Total assets	\$ 31,546	\$ 44,044
	<hr/> <hr/>	<hr/> <hr/>

LIABILITIES AND STOCKHOLDER'S EQUITY

Current liabilities:		
Accounts payable	\$ 5,265	\$ 6,689
MA corporate excise tax payable	912	912
Credit card payable	1,600	800
	<hr/>	<hr/>
Total current liabilities	7,777	8,401
	<hr/>	<hr/>
Stockholder's equity:		
Common stock, .01 par; 200,000 shares authorized 10,000 shares issued and outstanding	100	100
Additional paid-in capital	9,900	9,900
Retained earnings	13,769	25,643
	<hr/>	<hr/>
Total stockholder's equity	23,769	35,643
	<hr/>	<hr/>
Total liabilities and stockholder's equity	\$ 31,546	\$ 44,044
	<hr/> <hr/>	<hr/> <hr/>

(See notes to financial statements)

C

SHIELDS SECURITIES, INC.  
STATEMENT OF INCOME AND RETAINED EARNINGS  
YEARS ENDED DECEMBER 31, 2011 AND 2010  
(see accountants' report)

	<u>2011</u>	<u>2010</u>
Income	\$ 10,000	\$ 6,332
Operating expenses:		
Professional fees	19,380	17,155
Broker/Dealer fees	1,365	2,640
Education expenses	100	140
Insurance	448	363
Dues, licenses & fees	125	275
Total operating expenses	<u>(21,418)</u>	<u>20,573</u>
Operating income (loss)	<u>(11,418)</u>	<u>(14,241)</u>
Other income and expenses		
Interest income	0	0
Interest expense	0	0
Net income before income taxes	<u>(11,418)</u>	<u>(14,241)</u>
Massachusetts corporate excise tax (Note 3)	<u>(456)</u>	<u>(456)</u>
Net income (loss)	<u>(11,874)</u>	<u>(14,697)</u>
Retained earnings, beginning	25,643	40,340
S Distribution	0	0
Retained earnings, ending	<u><u>\$ 13,769</u></u>	<u><u>\$ 25,643</u></u>

(See notes to financial statements)

E

SHIELDS SECURITIES, INC.  
 STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY  
 YEARS ENDED DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
Stockholders' equity, beginning	\$ 35,643	\$ 50,340
Net income (loss)	(11,874)	(14,697)
S Distribution	0	0
Stockholders' equity, ending	<u>\$ 23,769</u>	<u>\$ 35,643</u>

(See notes to financial statements)

D

SHIELDS SECURITIES, INC.  
STATEMENT OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2011 AND 2010  
(see accountants' report)

	<u>2011</u>	<u>2010</u>
Net cash flows from operating activities:		
Net income (loss)	\$ (11,874)	\$ (14,697)
Adjustments for differences between income flows and cash flows from operating activities:		
Decrease in prepaid expenses	1,046	(1,690)
Increase in credit card payable	800	800
Decrease in accounts payable	(1,424)	2,679
	<hr/>	<hr/>
Net cash flow used in operating activities	(11,452)	(12,908)
	<hr/>	<hr/>
Net increase (decrease) in cash	(11,452)	(12,908)
Cash, beginning	41,430	54,338
	<hr/>	<hr/>
Cash, ending	\$ 29,978	\$ 41,430
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(See notes to financial statements)

SHIELDS SECURITIES, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010

- 1 - The company's principle business activity is as follows:

The company conducts private placements and purchasers' representative assignments.

- 2 - Summary of significant accounting policies:

The financial statements are prepared on the accrual basis with recognition given to accounts receivable, accounts payable, and items of accrued income and expenses.

- 3 - Massachusetts corporate excise tax:

Shields Securities, Inc. elected to become a S corporation at inception on April 19, 1991. S-corporations are not subject to federal or State income taxes as the stockholders report the income on their personal returns. The Commonwealth of Massachusetts assesses an excise tax on the asset balances as of year end.