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

SEC FILE NUMBER
8-65311

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** (MM/DD/YY) AND ENDING **December 31, 2011** (MM/DD/YY)

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: **Maymont Partners, Inc.**

OFFICIAL USE ONLY
FIRM I.D. NO.

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

1801 Libbie Avenue, Suite 104
(No. and Street)

Richmond	**VA**	**23226**
(City)	(State)	(Zip Code)

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

John W. Fryback **(804) 497-3956**
(Area Code – Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

McGladrey & Pullen, LLP
(Name – *if individual, state last, first, middle name*)

7200 Glen Forest Drive, Suite 200	**Richmond**	**VA**	**23226**
(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)*

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OATH OR AFFIRMATION

I, John W. Fryback, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Maymont Partners, 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:

JULIE ELEZAJ
Notary Public
Connecticut
My Commission Expires Dec 31, 2016

Notary Public

Signature

Chief Executive Officer

Title

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. (Bound under separate cover)
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.
- ☒ (o) Independent auditor's report on internal control

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

Maymont Partners, Inc.

Financial Report
December 31, 2011

Maymont Partners, Inc.

Financial Report
December 31, 2011

Contents

McGladrey

Independent Auditor's Report

To the Stockholders
Maymont Partners, Inc.
Richmond, Virginia

We have audited the accompanying statements of financial condition of Maymont Partners, Inc. (the Company) as of December 31, 2011 and 2010, and the related statements of operations, changes in subordinated borrowings, changes in stockholders' equity (deficit) and cash flows for the years 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 audits.

We conducted our audits 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 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 Maymont Partners, 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 accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company has suffered recurring losses from operations and has an accumulated stockholders' deficit. This raises substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information contained in Schedule I required by Rule 17a-5 under the Securities Exchange Act of 1934 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. The information 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.

McGladrey & Pullen, LLP

Richmond, Virginia
February 28, 2012

Maymont Partners, Inc.

Statements Of Financial Condition
December 31, 2011 And 2010

Assets		**2011**		2010
Cash	**$**	**167,719**	$	157,572
Commissions receivable, less allowance for doubtful accounts of $0 and $40,000 for 2011 and 2010, respectively		**1,348**		2,981
Prepaid expenses and other assets		**3,113**		319
Total assets	**$**	**172,180**	$	160,872
Liabilities And Stockholders' Equity (Deficit)				
Liabilities				
Commissions payable	**$**	**4,386**	$	7,612
Accounts payable and accrued expenses		**11,727**		39,418
Total liabilities		**16,113**		47,030
Commitments And Contingencies (Notes 5, 10 and 11)				
Subordinated borrowings		**1,100,000**		500,000
Stockholders' Deficit				
Common stock, no par value; authorized 5,000 shares; issued and outstanding 1,000 shares		**-**		-
Retained deficit		**(943,933)**		(386,158)
		(943,933)		(386,158)
Total liabilities and stockholders' equity (deficit)	**$**	**172,180**	$	160,872

See Notes To Financial Statements.

Maymont Partners, Inc.

Statements Of Operations
Years Ended December 31, 2011 And 2010

		2011		2010
Revenue:				
Commissions	$	18,875	$	231,011
Interest income		56		317
Total revenue		18,931		231,328
Expenses:				
Compensation		359,752		407,654
Professional fees		166,797		150,161
Travel and entertainment		13,924		21,365
Regulatory fees		11,849		16,665
Other		11,105		9,280
Occupancy		7,800		9,450
Commissions		2,733		49,456
Interest expense		1,582		-
Technology and telecommunications		1,164		7,187
Depreciation		-		2,161
Total expenses		576,706		673,379
Net loss	$	(557,775)	$	(442,051)

See Notes To Financial Statements.

Maymont Partners, Inc.

Statements Of Changes In Subordinated Borrowings
Years Ended December 31, 2011 And 2010

Subordinated borrowings at January 1, 2010	$ -
Issuance of subordinated notes (Note 5)	500,000
Subordinated borrowings at December 31, 2010	500,000
Issuance of subordinated notes (Note 5)	**600,000**
Subordinated borrowings at December 31, 2011	**$ 1,100,000**

See Notes To Financial Statements.

Maymont Partners, Inc.

Statements Of Changes In Stockholders' Equity (Deficit)
Years Ended December 31, 2011 And 2010

	Common Stock	Retained Earnings (Deficit)	Total Equity (Deficit)
Balance, January 1, 2010	$ -	$ 215,893	$ 215,893
Net loss	-	(442,051)	(442,051)
Distributions to stockholders	-	(160,000)	(160,000)
Balance, December 31, 2010	-	(386,158)	(386,158)
Net loss	**-**	**(557,775)**	**(557,775)**
Balance, December 31, 2011	**$ -**	**$ (943,933)**	**$ (943,933)**

See Notes To Financial Statements.

Maymont Partners, Inc.

Statements Of Cash Flows
Years Ended December 31, 2011 And 2010

	2011	2010
Cash Flows From Operating Activities		
Net loss	$ (557,775)	$ (442,051)
Adjustments to reconcile net loss to net cash used in operating activities:		
Conversion of demand note and interest to compensation	-	30,751
Depreciation	-	2,161
Changes in assets and liabilities:		
Decrease (increase) in:		
Commissions receivable	1,633	56,347
Prepaid expenses and other assets	(2,794)	10,840
Increase (decrease) in:		
Commissions payable	(3,226)	(33,722)
Accounts payable and accrued expenses	(27,691)	13,649
Net cash used in operating activities	(589,853)	(362,025)
Cash Flows From Investing Activities		
Proceeds from sale of furniture, equipment, and vehicle	-	47,099
Purchase of furniture, equipment, and vehicle	-	(3,360)
Net cash provided by investing activities	-	43,739
Cash Flows From Financing Activities		
Payments of note payable	-	(41,980)
Proceeds from issuance of subordinated notes	600,000	500,000
Distributions to stockholders	-	(160,000)
Net cash provided by financing activities	600,000	298,020
Net increase (decrease) in cash	10,147	(20,266)
Cash		
Beginning	157,572	177,838
Ending	$ 167,719	$ 157,572

See Notes To Financial Statements.

Note 1. Nature Of Business And Significant Accounting Policies

Nature of business: Maymont Partners, Inc. (the Company), is a registered broker-dealer with the Securities and Exchange Commission (SEC), and a member of the Financial Industry Regulatory Authority (FINRA). The Company places private limited partnership interests or shares in hedge funds and funds of funds with institutions and accredited individual investors. The Company does not require the services of a clearing firm in order to conduct its business.

The Company operates under the exemptive provisions of paragraph (k)(2)(i) of rule 15c3-3 of the SEC. Therefore, the Company does not have customer accounts and thus does not carry margin accounts, or receive customer funds or securities which it would have to transmit promptly in connection with its activities as a broker or dealer. The Company does not otherwise hold funds or securities for or owe money to customers, nor does it have financial transactions between the broker or dealer and customers through which bank accounts have been designated as Special Accounts for the Exclusive Benefit of Customers of the Company.

A summary of significant accounting policies follows:

The Company follows accounting standards established by the Financial Accounting Standards Board (the FASB) to ensure consistent reporting of financial condition, results of operation, and cash flows. References to Generally Accepted Accounting Principles (GAAP) in these footnotes are to the FASB Accounting Standards Codification, sometimes referred to as the Codification or ASC.

Use of estimates: The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the 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. Significant estimates in the financial statements include commission revenue and related commission expenses. Actual results could differ from those estimates.

Commission revenue and expenses: The Company recognizes fee revenue from new private placement investment transactions on a trade-date basis as placement transactions occur. Ongoing revenue earned from previous placement transactions (Trailing Commissions) is recognized as earned based on the terms of the underlying placement agreements, which are based on the estimated net asset values of the private placement investments. Commission expenses, and related payables, are amounts paid to registered representatives of the Company based on a percentage of the estimated commissions revenue generated. Changes in revenue earned for Trailing Commissions, and related commission expenses, are recorded as a change in estimate during the period in which the change occurs.

Commissions receivable: Commissions receivable represents amounts due from other parties for transactions executed through December 31, 2011 and 2010, less an estimate made for doubtful receivables based on a review of all outstanding amounts. Management determines the allowance for doubtful accounts by reserving against receivables deemed doubtful as to collection. Commissions receivable are written off when deemed uncollectible. Recoveries of amounts receivable previously written off are recorded as income when received. Due to the doubtful collectability, interest is not accrued on past due commissions receivable balances.

Note 1. Nature Of Business And Significant Accounting Policies (Continued)

Credit risk: The Company maintains deposits with high-quality financial institutions in amounts that at times may exceed federally insured limits; however, the Company does not believe it is exposed to any significant credit risk.

Concentrations: Two investment managers, one of which is a related party (see Note 8), accounted for approximately 88 percent and 94 percent of the total commissions revenue during the years ended December 31, 2011 and 2010, respectively. Commissions receivable due from those customers included in the statements of financial condition totaled $823 and $2,981 as of December 31, 2011 and 2010, respectively.

Income taxes: The Company may recognize the tax benefit from an uncertain tax position only if it is more-likely-than-not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. The guidance on accounting for uncertainty in income taxes also addresses de-recognition, classification, interest and penalties on income taxes, and accounting in interim periods. The Company would recognize any interest and penalties on income taxes as a component of income tax expense in the statements of operations.

Note 2. Business Considerations

The Company is compensated by its clients' investments in hedge fund products, which products the Company's salesmen have introduced to such clients. The latter half of 2008 saw massive global market disruption which resulted in reduced interest in hedge fund investments, along with significant redemptions from hedge funds, both of which continued for several subsequent years. Nevertheless, during this difficult time, the Company has remained optimistic and, in 2011, the Company expanded its sales force.

These factors caused the earnings of the Company to decrease significantly. This resulted in the Company experiencing a loss of $557,775 for the year ended December 31, 2011. Additionally, the Company has an accumulated stockholders' deficit of $943,933 and subordinated borrowings from stockholders of $1,100,000 as of December 31, 2011.

Going into 2012, the products sold by the Company are performing well and growing in asset size; the Company also continues to enhance its sales efforts with new products, several of which have been introduced this year. Given the more favorable market factors, the Company is optimistic about its prospects going forward.

Note 3. Income Tax Status

The Company, with the consent of its stockholders, has elected to be taxed under sections of federal and the Commonwealth of Virginia income tax law, which provide that, in lieu of corporation income taxes, the stockholders separately account for their pro rata shares of the Company's items of income, deductions, losses and credits. As a result of this election, no income taxes have been recognized in the accompanying financial statements.

Management has evaluated the Company's tax positions and concluded that the Company had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance. Generally, the Company is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for years before 2008.

Note 4. Change in Ownership

Effective October 18, 2010, the majority stockholder relinquished his shares in the Company. Those shares were re-assigned to two new stockholders and the two existing minority stockholders maintained their ownership share.

The previous majority stockholder purchased the Company vehicle at fair market value and through ownership of a separate company, purchased the fixed assets of the Company at their net book value and assumed all obligations of an existing lease on the office space.

Note 5. Subordinated Borrowings

The Company has received several loans from two minority stockholders that are evidenced by Subordinated Loan Agreements. Within each Subordinated Loan Agreement the stockholders agree to a scheduled maturity date repayment no earlier than three years from the inception date, thereby qualifying the loan as equity subordination in relation to the Company's net capital requirements pursuant to the Securities and Exchange Commission Uniform Net Capital Rule (SEC Rule 15c3-1).

On February 4, 2011, the Company was notified by FINRA that final regulatory approval had not been granted for classification of the $200,000 loan provided on November 23, 2010, as equity subordination. At the instructions of FINRA, the Company submitted further documentation to FINRA in connection with the $200,000 loan and received FINRA approval for treatment as equity subordination on February 11, 2011.

The borrowings under subordination agreements at December 31, 2011 and 2010, are as follows:

	2011	2010
Subordinated note dated September 6, 2010, due September 27, 2013, interest free	$ 300,000	$ 300,000
Subordinated note dated November 23, 2010, and modified on February 9, 2011, due February 15, 2014, interest rate of 0.35% payable annually	200,000	200,000
Subordinated note dated February 28, 2011, due March 15, 2014, interest rate of 0.35% payable annually	200,000	-
Subordinated note dated May 28, 2011, due June 6, 2014, interest rate of 0.35% payable annually	400,000	-
	$ 1,100,000	$ 500,000

The subordinated borrowings are with a related party and are available in computing net capital under the SEC Rule 15c3-1. To the extent that such borrowings are required for the Company's continued compliance with minimum net capital requirements, they may not be repaid. Payment of all or any portion of the principal prior to the scheduled maturity date may be made at any time subsequent to one year from the effective date with prior written approval by FINRA. The scheduled maturity date may be extended an additional year unless on or before the day thirteen months preceding the scheduled maturity date, the lenders shall notify the Company in writing, with a written copy to FINRA, that such scheduled maturity date shall not be extended.

Note 6. Net Capital Requirements

The Company is a broker-dealer subject to the SEC Rule 15c3-1, which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. Rule 15c3-1 also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1. At December 31, 2011, the Company had net capital of $152,026, which was $147,026 in excess of its required net capital of $5,000. The Company's net capital ratio was .106 to 1.

Note 7. Demand Notes

During 2009, the Company loaned funds pursuant to secured demand notes to a registered representative of the Company, who became a new stockholder in 2010 (see Note 4). The notes bear interest at a rate equal to the current LIBOR rate plus 1.85 percent per annum, compounded annually, based on the actual days the notes are outstanding. During 2010, the Company forgave all principal and interest totaling $30,751. The Company included this amount in compensation on the statements of operations for the year ended December 31, 2010.

Note 8. Related Party Transactions

Two minority stockholders of the Company are also stockholders of a Registered Investment Advisor from which the Company derives commission revenue. Commission revenue earned from this Registered Investment Advisor totaled $4,913 and $13,155 for the years ended December 31, 2011 and 2010, respectively, of which $823 and $2,981 were receivable as of December 31, 2011 and 2010, respectively.

On April 1, 2010, the Company entered into a service agreement with James River Financial Corp., which is also owned by two minority stockholders of the Company, to provide staffing and support services to the Company. The Company incurred service fee charges of $96,000 and $72,000 for the years ended December 31, 2011 and 2010, respectively.

The Company received partial reimbursement from a former stockholder for his personal use of the Company's vehicle. Amounts received by the Company for the year ended December 31, 2010, totaled $1,259. The former stockholder purchased the Company vehicle at fair market value from the Company during the year ended December 31, 2010 (see Note 4).

Note 9. Retirement Plan

The Company had a salary deferral plan under Section 401(k) of the Internal Revenue Code for its eligible employees. The plan allowed eligible employees to defer compensation up to the maximum statutory limit. Employer contributions were at the discretion of the Company. In 2010, the Company elected to contribute $1,335 and later terminated the plan.

Note 10. Commitments

The Company entered into a lease agreement for office space commencing July 1, 2010, with the lease expiring on July 1, 2013. The amount of the non-cancelable future minimum lease payments under the operating lease:

2012	$ 7,800
2013	3,900
	$ 11,700

Note 11. Indemnifications

The Company provides representations and warranties to counterparties in connection with a variety of transactions and occasionally indemnifies them against potential losses caused by the breach of those representations and warranties. These indemnifications generally are standard contractual terms and are entered into in the normal course of business. The maximum potential amount of future payments that the Company could be required to make under these indemnifications cannot be estimated. However, the Company believes that it is unlikely it will have to make material payments under these arrangements and has not recorded any contingent liability in the financial statements for these indemnifications.

Maymont Partners, Inc. Schedule I

Computation Of Net Capital Under SEC Rule 15c3-1
December 31, 2011

Net Capital		
Stockholders' equity	$	(943,933)
Subordinated borrowings allowable in computation of net capital		1,100,000
Nonallowable assets		
Commissions receivable		(928)
Prepaid expenses and other assets		(3,113)
Total nonallowable assets		(4,041)
Net capital	$	152,026
Aggregate Indebtedness	$	16,113
Computation of Basic Net Capital Requirements		
Minimum net capital requirement (the greater of $5,000 or 6 2/3% of aggregate indebtedness)	$	5,000
Excess net capital	$	147,026
Ratio of aggregate indebtedness to net capital		.106 to 1

Note: There are no material differences between the preceding computation and the Company's corresponding unaudited Part II of Form X-17A-5 as of December 31, 2011.

McGladrey

Independent Auditor's Report
On Internal Control

To the Stockholders
Maymont Partners, Inc.
Richmond, Virginia

In planning and performing our audit of the financial statements of Maymont Partners, 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 (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 compliance with 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 the 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 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 deficiency in internal control 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 a 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 was not designed to identify all deficiencies in internal control that might be material weaknesses and, therefore, there can be no assurance that all material weaknesses have been identified. We did not identify any deficiencies in internal control and control activities for safeguarding securities that we consider to be material weaknesses, as defined above.

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 Stockholders, management, the SEC, 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.

McGladrey & Pullen, LLP

Richmond, Virginia
February 28, 2012