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SECURITIES AND EXCHANGE COMMISSION
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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- 66976

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: M.E.S.A. Securities, Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

85 Fifth Avenue

(No. and Street)

New York

(City)

NY

(State)

10003

(Zip Code)

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

Brian Richards

212-792-3950

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Cornick, Garber & Sandler, LLP

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

825 Third Avenue

(Address)

New York

(City)

NY

(State)

10022

(Zip Code)

CHECK ONE:

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

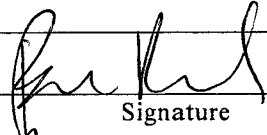
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*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

KH 4/11


OATH OR AFFIRMATION

I, Brian Richards, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of M.E.S.A. 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
President 03-13-12

Title



Notary Public

JOHNATHAN FLORES
Notary Public, State of New York
No. 01FL6197825
Qualified in Kings County
Commission Expires December 08, 2012

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) Independent Auditors' Report on Internal Control Structure.
- (p) Statement of Cash Flows.

M.E.S.A. SECURITIES, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2011

Independent Auditors' Report

**Board of Directors
M.E.S.A. SECURITIES, INC.**

We have audited the accompanying statement of financial condition of M.E.S.A. SECURITIES, INC. as at December 31, 2011, and the related statements of income, changes in shareholders' 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 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 generally accepted auditing standards in the United States. 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 M.E.S.A. Securities, Inc. as at 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.

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 and 2 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.

Cornick Garber + Sandler, LLP
CERTIFIED PUBLIC ACCOUNTANTS

**New York, New York
March 12, 2012**

Cornick, Garber & Sandler, LLP

825 Third Avenue, New York, NY 10022-9524 T 212.557.3900 F 212.557.3936

50 Charles Lindbergh Blvd., Uniondale, NY 11553-3600 T 516.542.9030 F 516.542.9035

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M.E.S.A. SECURITIES, INC.

STATEMENT OF FINANCIAL CONDITION

AS AT DECEMBER 31, 2011

ASSETS

Cash	\$ 4,683,847
Investments	769,894
Accounts receivable	557,941
Prepaid expenses	62,088
Property and equipment (at cost, less \$342,152 accumulated depreciation)	272,867
Note receivable (plus \$34,973 accrued interest)	134,973
Deposits and other assets	2,084
TOTAL	<u><u>\$ 6,483,694</u></u>

LIABILITIES

Accounts payable and accrued expenses	\$ 3,148,114
Deferred revenue	244,681
Payroll taxes payable	59,424
Income taxes payable	12,530
Deferred rent	71,462
Deferred income taxes	144,000
Total liabilities	<u>3,680,211</u>

Commitments

SHAREHOLDERS' EQUITY

Series A redeemable preferred stock - no par or stated value, 12 shares authorized; 11 shares issued	--
Common stock - no par value, 200 shares authorized; 20 shares issued, at stated value	1,000
Additional paid-in capital	2,848,285
Deficit	(45,802)
Total shareholders' equity	<u>2,803,483</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u><u>\$ 6,483,694</u></u>

The notes to financial statements are made a part hereof.

M.E.S.A. SECURITIES, INC.

STATEMENT OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 2011

Revenues:

Advisory, consulting and placement fee income	\$ 8,539,957
Unrealized loss on investments	<u>(359,053)</u>

Net revenues **8,180,904**

Expenses:

Professional fees	\$ 586,714	
Payroll	6,120,599	
Payroll taxes	246,721	
Travel and entertainment (net of \$125,691 reimbursed expenses)	183,823	
Rent and other facility expenses	419,713	
Insurance	224,214	
Utilities	43,907	
Depreciation	116,397	
Business materials	92,798	
Bad debt expense	155,527	
Other service expenses	83,104	
Business development	150,978	
Employee benefits	66,317	
Office expenses	42,316	<u>8,533,128</u>

Operating income before other income (expenses) and income taxes **(352,224)**

Other income (expenses)

Loss on disposal of property and equipment	(24,850)	
Interest income	22,926	<u>(1,924)</u>

Loss before income taxes **(354,148)**

Income tax credit **118,450**

NET LOSS **\$ (235,698)**

The notes to financial statements are made a part hereof.

M.E.S.A. SECURITIES, INC.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2011

	Capital Stock		Additional Paid-in Capital	Retained Earnings (Deficit)	Total Shareholders' Equity
	Preferred Stock Shares	Common Stock Shares			
Balance - January 1, 2011	11	20	3,068,285	189,896	\$ 3,259,181
Net loss				(235,698)	(235,698)
Dividends paid			(220,000)		(220,000)
Balance - December 31, 2011	11	20	\$ 2,848,285	\$ (45,802)	\$ 2,803,483

The notes to financial statements are made a part hereof.

M.E.S.A. SECURITIES, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2011

INCREASE (DECREASE) IN CASH

Cash flows from operating activities:

Net loss \$ (235,698)

Adjustments to reconcile results of operations to net cash effect of operating activities:

Depreciation 116,397

Bad debt expense 155,527

Accrued interest on note receivable (15,000)

Loss on investments held 359,054

Loss on disposal of property and equipment 24,850

Net change in asset and liability accounts:

Accounts receivable 256,298

Prepaid expenses and other current assets 5,619

Deposits and other assets (50)

Accounts payable and accrued expenses 982,285

Deferred revenue (81,152)

Deferred rent (3,657)

Deferred taxes (159,000)

Payroll taxes payable (28,717)

Total adjustments 1,612,454

Net cash provided by operating activities 1,376,756

Cash flows from investing activities:

Acquisition of property and equipment (6,176)

Cash flows from financing activities:

Dividends paid (220,000)

NET INCREASE IN CASH 1,150,580

Cash - January 1, 2011 3,533,267

CASH - DECEMBER 31, 2011 \$ 4,683,847

Supplementary disclosure of cash paid for income taxes \$ 28,050

The notes to financial statements are made a part hereof.

M.E.S.A. SECURITIES, INC.

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2011

NOTE A - Principal Business Activity and Summary of Significant Accounting Policies

Organization

M.E.S.A. Securities, Inc. (the "Company") is a broker-dealer registered with the Securities and Exchange Commission ("SEC") and is a member of the Financial Industry Regulatory Authority ("FINRA"). The Company engages in the private placement of securities on a best efforts basis and the provision of consulting and advisory services. Revenue from consulting and advisory services is recognized as services are performed. Revenue from private placements is recognized when the transaction closes.

Summary of Significant Accounting Policies

Cash

The Company maintains cash balances at one financial institution. Recently enacted federal legislation provides for unlimited FDIC insurance on amounts maintained in non-interest bearing accounts through December 31, 2012. Approximately \$3,392,000 of the Company's cash exceeded the U.S. federally insured limits at December 31, 2011.

Investments

Investments are stated at fair value as determined by management and unrealized appreciation or depreciation is included in net assets and reflected in the statement of operations.

The Company records its investments at fair value as specified in the Financial Accounting Standards Board standard on "Fair Value Measurements" which establishes a hierarchy for measuring fair value. That standard provides a hierarchy of three levels of input data for determining the fair value of an asset or liability; Level 1 is quoted prices for identical items in active, liquid and visible markets, Level 2 is observable information for similar items in active or inactive markets and Level 3 is unobservable inputs to be used in situations where markets don't exist or are illiquid.

(Continued)

M.E.S.A. SECURITIES, INC.

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2011

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NOTE A - Principal Business Activity and Summary of Significant Accounting Policies
(Continued)

Investments (Continued)

In connection with its current and prior years' private placements, advisory and consulting deals, the Company has received certain equity interests and warrants for the purchase of equity interests in its customers. The Company calculates the fair value of its warrants using the Black-Scholes model which is a mathematical calculation where the fair value of the warrant is a function of the present market value of the underlying security, the exercise price, the time frame until expiration of the warrant, the risk-free discount rate and the average volatility in the price of the underlying security. Because of the inherent uncertainty of valuation, these estimated values may differ significantly from the values that would have been used had a ready market for the non-publicly traded securities existed and the differences could be material.

Accounts Receivable

Trade accounts receivable from customers are recorded at net realizable value, which includes an appropriate allowance for estimated uncollectible accounts. The allowance for estimated doubtful accounts is based on the Company's history of write-offs, the level of past due accounts, and its relationship with, and the economic status of, its customers.

Depreciation of Property and Equipment

Depreciation is computed on the straight-line method for financial accounting purposes and on accelerated methods for income tax purposes at rates which are designed to write off the assets over their estimated useful lives. Leasehold improvements are amortized over the lesser of their estimated useful lives or the remaining term of the lease.

Use of Estimates and Subsequent Events

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Management believes that the estimates utilized in preparing its financial statements are reasonable and prudent. Actual results could differ from the estimates. The Company has considered subsequent events occurring through March 12, 2012, the date its financial statements became available for distribution, in evaluating its estimates and in the preparation of its financial statements.

(Continued)

M.E.S.A. SECURITIES, INC.

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2011

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NOTE A - Principal Business Activity and Summary of Significant Accounting Policies
(Continued)

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 temporary differences in the recognition of income and expenses for financial and tax reporting purposes. The deferred tax assets and liabilities represent the future tax consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled and are calculated using enacted income tax rates.

The Company's federal, state and local income tax returns have not been examined by the taxing authorities in recent years. Years ended December 31, 2008, 2009 and 2010 remain open to examination by federal, state and local income tax authorities.

NOTE B - Net Capital Requirements

The Company is subject to the SEC Uniform Net Capital Rule 15c3-1, which requires the maintenance of minimum net capital, as defined, equal to the greater of \$5,000 or 6 $\frac{2}{3}$ % of aggregate indebtedness, as defined. At December 31, 2011, the Company had net capital of \$1,147,560 which was \$911,695 in excess of its required net capital of \$235,865. Under certain circumstances, withdrawals of capital may be restricted (see Note F).

NOTE C - Fair Value Measurements

The Company treats its investments of \$769,894 as Level 3 investments (Note A) at December 31, 2011 in accordance with the provisions of the Financial Accounting Standard Board standard on "Fair Value Measurements".

Such investments are comprised of:

	<u>Beginning Balance</u>	<u>Unrealized Gains and (Losses) Related to Assets Held at Year End</u>	<u>Ending Balance</u>
Common stock:			
Entertainment	\$ 425,000	\$ (13)	\$424,987
Common stock warrants:			
Entertainment	<u>703,948</u>	<u>(359,041)</u>	<u>344,907</u>
(Continued)	<u>\$1,128,948</u>	<u>\$(359,054)</u>	<u>\$769,894</u>

M.E.S.A. SECURITIES, INC.
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2011

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NOTE D - Property and Equipment

Property and equipment at December 31, 2011 are comprised of:

Cost:	
Computer equipment	\$ 91,383
Office furniture	142,855
Leasehold improvements	<u>380,781</u>
Total	615,019
Less accumulated depreciation	<u>(342,152)</u>
Net	<u>\$272,867</u>

Computer equipment and office furniture are depreciated over their estimated useful life of 5 years. Leasehold improvements are being depreciated over the remaining term of the lease.

Depreciation expense for the year ended December 31, 2011 is \$116,397.

NOTE E - Income Taxes

Income taxes on the statement of income are summarized as follows:

Currently payable:	
New York State	\$ 5,750
Massachusetts	500
New Jersey	500
California	800
New York City	<u>33,000</u>
Balance	40,550
Net change in deferred income taxes (see Note A)	<u>(159,000)</u>
Total credit	<u>\$ (118,450)</u>

(Continued)

M.E.S.A. SECURITIES, INC.

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2011

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NOTE E - Income Taxes (Continued)

Significant temporary differences that give rise to deferred tax assets (liabilities) and the tax effects as of December 31, 2011 were as follows:

Deferred tax asset:	
Net operating loss carryforwards	\$ 23,000
Deferred tax liability:	
Unrealized gain on investments	(128,000)
Depreciation	<u>(39,000)</u>
Net deferred tax liability	<u>\$(144,000)</u>

At December 31, 2011, the Company has net operating loss carryforwards of approximately \$63,000 to offset future taxable income through 2031.

NOTE F - Shareholders' Equity

In July 2009, the Company's Certificate of Incorporation was amended to authorize the issuance of 12 shares of Series A redeemable preferred stock (the "Preferred Stock"), no par value. The original issue price of \$250,000 per share, plus accrued but unpaid dividends, is redeemable by the Company on the fifth anniversary of their issue. However, the preferred stock can only be redeemed if it would not cause the Company's net capital, as calculated pursuant to SEC Rule 15c3-1, to fall below \$500,000. The Company also has the option to redeem all of the Preferred Stock at any time after the date of issuance for \$275,000 per share plus accrued but unpaid dividends, subject to the same restriction as above.

Holders of the Preferred Stock are not entitled to vote on any matter submitted to a vote of the shareholders of the corporation.

(Continued)

M.E.S.A. SECURITIES, INC.

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2011

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NOTE F - Shareholders' Equity (Continued)

The Preferred Stock shareholders are entitled to receive dividends at the rate of 8% per share a year based on the issue price of \$250,000 subject to adjustment for stock dividends, stock splits, combinations or recapitalizations, as defined. Dividends are cumulative and accrue from date of issue, whether or not declared by Board of Directors. On November 6, 2011, the Company's board of directors declared a dividend to all Preferred Stock shareholders on record at that date. At December 31, 2011, the cumulative dividends in arrears on the Preferred Stock were \$33,041. Through December 31, 2011, eleven shares of preferred stock had been issued for a total of \$2,750,000.

Upon sale or liquidation of the Company's assets, the holders of the Preferred Stock have preference over the holders of the Common Stock.

NOTE G - Concentration of Risk

The Company deals exclusively with companies in the media and entertainment industries.

NOTE H - Commitments

The Company's lease for office space in New York City expires in November 2014, and provides for periodic increases of minimum rent, plus escalation charges. The average annual rent under this lease is approximately \$250,000.

In February 2012, the Company entered into a lease agreement for office space in Los Angeles, California. The lease, which provides for periodic increases of minimum rent, is scheduled to commence in May 2012 and expire in August 2016. The average annual rent under this lease is approximately \$60,000.

(Continued)

M.E.S.A. SECURITIES, INC.

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2011

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NOTE H - Commitments (Continued)

At December 31, 2011, future minimum annual payments under these leases are due as follows:

Year ending December 31:	
2012	\$ 283,573
2013	334,823
2014	322,964
2015	64,135
2016	66,059
2017	<u>45,138</u>
Total	<u>\$ 1,116,692</u>

The Company leases additional office space in California on a month-to-month basis for approximately \$2,000 per month.

Rent expense was approximately \$420,000 for the year ended December 31, 2011.

NOTE I - Retirement Benefit Plan

The Company's 401(k) profit sharing plan provides for contributions by the Company of a discretionary matching percentage of the amount contributed by eligible employees. In addition, the plan provides for special discretionary contributions up to the maximum allowable as a deduction for income tax purposes. No contributions were made for the year ended December 31, 2011.

NOTE J - Note Receivable

On September 2, 2009, the Company loaned a customer \$100,000. The note, plus interest of 15%, is payable on March 2, 2015.

SCHEDULE 1

M.E.S.A. SECURITIES, INC.

**COMPUTATION OF NET CAPITAL UNDER RULE
15c3-1 OF THE SECURITIES AND EXCHANGE COMMISSION**

AS AT DECEMBER 31, 2011

Net Capital:

Shareholders' equity before liabilities subordinated to claims of general creditors and nonallowable assets		\$ 2,803,483
Add liabilities subordinated to claims of general creditors:		
Deferred taxes		<u>144,000</u>
Shareholders' equity before nonallowable assets		2,947,483
Nonallowable assets:		
Petty cash	\$ 76	
Investments	769,894	
Accounts receivable	557,941	
Prepaid expenses and other current assets	62,088	
Property and equipment	272,867	
Note receivable	134,973	
Deposits and other assets	<u>2,084</u>	<u>1,799,923</u>
Net capital		1,147,560
Minimum net capital required		<u>235,865</u>
Excess net capital		<u>\$ 911,695</u>

Capital Ratio:

Ratio of aggregate indebtedness to net capital 3.08

**Reconciliation with Company's computation of net capital
(included in Part IIA of Form X-17A-5 as of December 31, 2011)**

Net capital as reported in Company's Part IIA (unaudited) FOCUS Report		\$ 962,560
Deferred tax liabilities		144,000
Adjustment to deferred income tax liability		<u>41,000</u>
Balance - December 31, 2011 (as above)		<u>\$ 1,147,560</u>

M.E.S.A. SECURITIES, INC.

**COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS
FOR BROKER AND DEALERS PURSUANT TO RULE 15c3-3 UNDER
THE SECURITIES EXCHANGE ACT OF 1934**

AS AT DECEMBER 31, 2011

The Company does not carry any customer accounts and is exempt from Securities and Exchange Rule 15c3-3 under paragraph (k)(2)(i) because it does not hold funds or securities for, or owe money or securities to, its customers.

**To the Board of Directors
M.E.S.A. Securities, Inc.**

In planning and performing our audit of the financial statements and supplemental schedule of M.E.S.A. Securities, Inc. (the "Company") for the year ended December 31, 2011, we considered its internal control structure, including procedures for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

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 tests of such practices and procedures that we considered relevant to the objectives stated in Rule 17a-5(g) in making the periodic computations of aggregate indebtedness and net capital under Rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of 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
2. Recordation of differences required by Rule 17a-13
3. 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 an internal control structure and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures 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 an internal control structure 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 preparation of financial statements in accordance 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 any internal control structure or the practices and procedures referred to above, errors or irregularities 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.

**To the Board of Directors
M.E.S.A. Securities, Inc.**

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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 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 paragraph 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 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 were adequate at December 31, 2011 to meet the SEC's objectives.

This report is intended solely for the use of the Board of Directors, management, the SEC, 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 should not be used by anyone other than these specified parties.

Cornick, Garber + Sandler, LLP
CERTIFIED PUBLIC ACCOUNTANTS

**New York, New York
March 12, 2012**

**Independent Accountants' Report on Applying Agreed-Upon Procedures
Related to an Entity's SIPC Assessment Reconciliation**

**Board of Directors
M.E.S.A. Securities, Inc.**

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying Schedule of Assessment and Payments [General Assessment Reconciliation (Form SIPC-7)] to the Securities Investor Protection Corporation (SIPC) for the period from January 1, 2011 to December 31, 2011, which were agreed to by M.E.S.A. Securities, Inc. and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., and SIPC, solely to assist you and the other specified partners in evaluating M.E.S.A. Securities, Inc.'s compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). M.E.S.A. Securities, Inc.'s management is responsible for the M.E.S.A. Securities, Inc.'s compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our findings are as follows:

1. Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records entries noting no differences;
2. Compared the total revenue amounts of the audited Form X-17A-5 for the year ended December 31, 2011, as applicable, with the amounts reported in Form SIPC-7 for the year ended December 31, 2011 noting no differences;
3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers relating to additions to and deductions from revenues noting no differences; and
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers referenced above supporting the adjustments noting no differences.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

**Independent Accountants' Report on Applying Agreed-Upon Procedures
Related to an Entity's SIPC Assessment Reconciliation**

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**Board of Directors
M.E.S.A. Securities, Inc.**

This report is intended solely for the information and use of the management of M.E.S.A. Securities, Inc and specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

Cornick, Garber + Sandler, LLP
CERTIFIED PUBLIC ACCOUNTANTS

**New York, New York
March 12, 2012**

**SCHEDULE OF SECURITIES INVESTOR PROTECTION
CORPORATION ASSESSMENTS AND PAYMENTS (FORM SIPC-7)**

FOR THE YEAR ENDED DECEMBER 31, 2011

Form SIPC-7 General Assessment for the year	\$ 19,948
Less payment made with interim SIPC-6	<u>10,717</u>
Amount due with SIPC-7 - paid in February 2012	<u><u>\$ 9,231</u></u>

SIPC Collection Agent: Securities and Protection Corporation