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

CM

SEC FILE NUMBER
8-22324

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

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: GILBERT DONIGER & CO., INC

OFFICIAL USE ONLY

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

FIRM I.D. NO.

780 THIRD AVENUE

(No. and Street)

NEW YORK

NY

10017

(City)

(State)

(Zip Code)

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

BRUCE DONIGER

(212) 888-5151

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

SRV CPA, PC

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

4 EXECUTIVE BOULEVARD, SUITE 304

SUFFERN

NY

10901

(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)

SEC 1410 (06-02)

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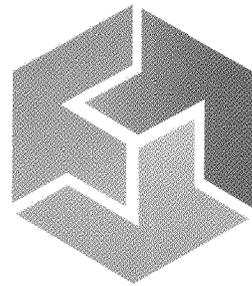
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GILBERT DONIGER & CO., INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2012



SRV

Certified Public Accountants

GILBERT DONIGER & CO., INC.

FINANCIAL STATEMENTS

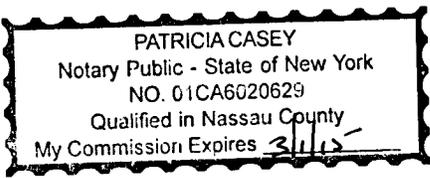
DECEMBER 31, 2012

OATH OR AFFIRMATION

I, BRUCE DONIGER, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of GILBERT DONIGER & CO., INC, as of DECEMBER 31, 2012, 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: [Handwritten Signature]
Title: President

[Handwritten Signature]
Notary Public



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

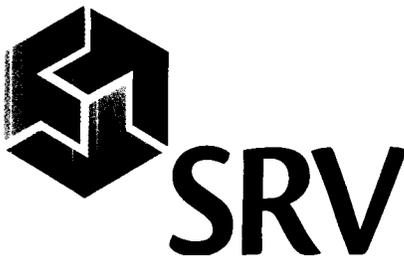
- (a) Facing Page.
(b) Statement of Financial Condition.
(c) Statement of Income (Loss).
(d) Statement of Changes in Financial Condition.
(e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
(f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
(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).

GILBERT DONIGER & CO., INC.

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Suffern, New York 10901

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Independent Auditor's Report

To the Shareholder
Gilbert Doniger & Co., Inc.

Report on the Financial Statements

We have audited the accompanying statement of financial condition of Gilbert Doniger & Co., Inc. (the "Company") as of December 31, 2012, and the related statements of income, changes in stockholder's equity, and cash flows for the year then ended that are filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Gilbert Doniger & Co., Inc. as of December 31, 2012, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary schedules are presented for purposes of additional analysis and are not a required part of the financial statements, but is supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934. 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 in the supplementary schedules has been subjected to the auditing procedures applied in the audit of 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 in the supplementary schedules is fairly stated in all material respects in relation to the financial statements as a whole.

SRV CPA, PC

Suffern, New York
February 20, 2013

GILBERT DONIGER & CO., INC.

STATEMENT OF FINANCIAL CONDITION

	DECEMBER 31,
	2012
ASSETS	
Cash and cash equivalents	\$ 122,470
Commissions receivable	79,425
Deposit with clearing organization	25,000
Other assets	4,362
Deferred tax asset	1,700
	<hr/>
	\$ 232,957
	<hr/> <hr/>
LIABILITIES AND STOCKHOLDER'S EQUITY	
Liabilities	
Accrued expenses and taxes payable	\$ 7,143
Deferred rent	5,829
Total liabilities	<hr/> 12,972
Contingencies	
Stockholder's equity	
Common stock - \$10 par value; authorized - 2,000 shares; issued and outstanding - 1,800 shares	18,000
Additional paid-in-capital	252,385
Accumulated deficit	(50,400)
Total stockholder's equity	<hr/> 219,985
	<hr/> <hr/>
	\$ 232,957
	<hr/> <hr/>

GILBERT DONIGER & CO., INC.

STATEMENT OF INCOME

	YEAR ENDED DECEMBER 31, 2012
Revenue	
Commissions and fees	\$ 635,356
Interest	165
Total revenue	<u>635,521</u>
Expenses	
Salaries - officer	134,300
- others	244,600
Payroll taxes and fringe benefits	28,128
Clearance fees	67,992
Rent	49,820
Insurance	48,408
Telephone	25,272
Professional fees	12,153
Office and other	7,811
Regulatory dues and fees	5,582
Total expenses	<u>624,066</u>
Income before income taxes	11,455
Income tax expense	
Federal, state and local	<u>4,905</u>
Net income	<u><u>\$ 6,550</u></u>

GILBERT DONIGER & CO., INC.

STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY

	<u>Common Stock</u>	<u>Additional Paid-In Capital</u>	<u>Accumulated Deficit</u>	<u>Total Stockholder's Equity</u>
Balance - January 1, 2012	\$ 18,000	\$ 252,385	\$ (56,950)	\$ 213,435
Net income	<u>-.-</u>	<u>-.-</u>	<u>6,550</u>	<u>6,550</u>
Balance - December 31, 2012	<u>\$ 18,000</u>	<u>\$ 252,385</u>	<u>\$ (50,400)</u>	<u>\$ 219,985</u>

GILBERT DONIGER & CO., INC.

STATEMENT OF CASH FLOWS

	YEAR ENDED DECEMBER 31, 2012
Cash flows from operating activities	
Net income	\$ 6,550
<i>Adjustments to reconcile net income to net cash provided by operating activities:</i>	
(Increase) decrease in operating assets:	
Commissions receivable	84,194
Other assets	(3,259)
Deferred tax asset	2,800
Increase (decrease) in operating liabilities:	
Accrued expenses and taxes payable	(73,403)
Deferred rent	(733)
Net cash provided by operating activities	<u>16,149</u>
Increase in cash and cash equivalents	16,149
Cash and cash equivalents - beginning of year	<u>106,321</u>
Cash and cash equivalents - end of year	<u><u>\$ 122,470</u></u>

GILBERT DONIGER & CO., INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2012

Note 1 - Organization and Business Activity

Gilbert Doniger & Co., Inc. (the "Company") was incorporated in the State of New York in December 1977 and is engaged in business as an introducing broker/dealer in New York City. The Company is registered with the Securities and Exchange Commission (SEC) and is a member of the Financial Industry Regulatory Authority (FINRA). The Company's customers are located throughout the United States and the customers' accounts are carried by a clearing broker.

Note 2 - Summary of Significant Accounting Policies

Revenue Recognition and Commissions Receivable - Commissions and related clearing expenses are recorded on a trade date basis as security transactions occur.

Clearing Transactions - The Company transmits all transactions through a clearing broker who maintains the customers' accounts.

Cash and Cash Equivalents - For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalent.

Income Taxes - The Company has elected to be taxed as a C-corporation pursuant to the Internal Revenue Code and applicable state laws. Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes. Income tax expense is based on income reported in the accompanying statements of operations adjusted for differences that will never enter into the computation of taxes payable under applicable tax laws.

Deferred taxes are recognized for differences between the basis of assets and liabilities for financial statement and income tax purposes. Temporary differences giving rise to the deferred tax asset consist primarily of the excess of depreciation for tax purposes over the amount for financial reporting purposes and operating loss carry-forwards available to offset future taxable income. Deferred tax assets and liabilities are identified separately as current or noncurrent based on the classification of the related asset or liability. A deferred tax asset or liability not associated with an asset or liability for financial reporting purposes is classified as current or noncurrent according to the expected reversal date of the temporary difference

The Company accounts for certain tax positions in accordance with the Income Tax Topic of the FASB - Accounting Standards Codification. The Income Taxes Topic of the FASB - Accounting Standards Codification prescribes a recognition threshold and measurement process for financial statement recognition of uncertain tax positions taken or expected to be taken in a tax return. It also provides guidance related to uncertain tax positions such as recognition, de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition.

GILBERT DONIGER & CO., INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2012

Note 2 – Summary of Significant Accounting Policies (continued)

Use of Estimates in Financial Statements – The preparation of financial statements in conformity with general accepted accounting principles (“GAAP”), requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 3 – Operating Lease

The Company entered into a new lease agreement during 2011 which expires in June 2016. The lease agreement contains a rent holiday; therefore the Company recognizes the rent expense on a straight-line basis. At December 31, 2012, the future annual minimum lease payments under this operating lease are as follows:

2013	\$	49,820
2014		49,820
2015		49,820
2016		<u>22,834</u>
	\$	<u>172,294</u>

Rent expense for the year ended December 31, 2012 amounted to \$49,820.

Note 4 – Net Capital Requirement

The Company is subject to the SEC Uniform Net Capital Rule (Rule 15c3-1), which requires that the maintenance of minimum net capital and requires that the ratio of aggregated indebtedness to net capital, both as defined, shall not exceed 15 times net capital, as defined. At December 31, 2012, the Company’s net capital ratio was 0.06:1.0, and its net capital was \$214,523 as compared with required net capital of \$50,000.

Note 5 – Income Taxes

The Company has accounts for income taxes under the Provisions of the Income Tax Topic of the FASB Accounting Standards Codification which states, among other things, that deferred tax assets and liabilities shall be classified as current or noncurrent based on the classification of the related asset or liability for financial reporting. A deferred tax asset or liability not associated with an asset or liability for financial reporting purposes is classified as current or noncurrent according to the expected reversal date in the temporary difference.

The Company’s current deferred tax asset at December 31, 2012 amounted to \$1,700. The Company has a federal net operating loss carry forward of approximately \$5,600, which begins to expire in 2028.

GILBERT DONIGER & CO., INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2012

Note 5 – Income Taxes (continued)

The income tax expense for the year ended December 31, 2012:

Federal:		
Current	\$	165
Deferred		1,350
State and local:		
Current		1,940
Deferred		1,450
	\$	<u>4,905</u>

The Company recognizes tax benefits only to the extent that the Company believes it is “more likely than not” that its tax positions will be sustained upon examination by the taxing authorities. Management believes that all of the positions taken on its federal and state income tax returns would more likely than not be sustained upon examination. The Company’s income tax returns 2009, 2010 and 2011 are subject to possible federal and state examination, generally for three years after they are filed.

Note 6 – Financial Instruments with off Balance Sheet Risk

The Company is engaged in various trading and brokerage activities whose counterparties include primarily broker-dealers, banks, and other financial institutions. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty. It is the Company’s policy to review, as necessary, the credit standing of each counterparty.

The Company’s exposure to risk associated with nonperformance of customers in fulfilling their contractual obligations pursuant to securities transactions can be directly impacted by volatile trading markets which may impair a customer’s ability to liquidate the collateral at an amount equal to the original contracted amount. The agreement between the Company and its clearing broker provides that the Company is obligated to assume any exposure related to such nonperformance by its customers. The Company seeks to control the aforementioned risks by requiring customers to maintain marginal collateral in compliance with the clearing broker’s internal guidelines. The Company monitors its customer’s activity by reviewing information it receives from its clearing broker on a daily basis and requiring customers to deposit additional collateral, or reduce position, when necessary.

Note 7 – Indemnifications

In normal course of its business, the Company indemnifies and guarantees certain service providers, such as clearing and custody agents, trustees and administrators, against specified potential losses in connection with their acting as an agent of, or providing services to, the Company or its affiliates.

GILBERT DONIGER & CO., INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2012

Note 7 – Indemnifications (continued)

The Company also indemnifies some clients against potential losses incurred in the event specified third-party service providers, including sub-custodians and third-party brokers, improperly executed transactions. 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.

The Company provides representations and warranties to counterparties in connection with a variety of commercial transactions and occasionally indemnifies them against potential losses caused by the breach of those representations and warranties. The Company may also provide standard indemnifications to some counterparties to protect them in the event additional taxes are owed or payments are withheld, due either to a change in or adverse application of certain tax laws. 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.

Note 8 – Cash Segregated under Federal and other Regulations

The Company is not required to maintain a special reserve bank account for the protection of customers as required by Rule 15c3-3 of the SEC under Section K(2)ii of the rule.

Note 9 – Cash Flow Disclosures

Supplemental disclosure of cash flow information for the year end December 31, 2012:

Cash paid for income taxes	<u>\$ 405</u>
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Note 10 – Subsequent Events

Subsequent events were considered through February 20, 2013, which is the date the financial statements were available to be issued.

GILBERT DONIGER & CO., INC.

SCHEDULE OF COMPUTATION OF NET CAPITAL AND AGGREGATE INDEBTEDNESS UNDER SEC RULE 15c3-1

	<u>DECEMBER 31,</u> <u>2012</u>
Total stockholder's equity	\$ 219,985
Deductions and/or charges	
Non-allowable assets	<u>(6,062)</u>
Net capital before haircuts on securities positions	213,923
Haircuts on securities	<u>-.-</u>
Net capital	213,923
Less: Minimum capital requirements	<u>50,000</u>
Excess net capital	<u><u>\$ 163,923</u></u>

COMPUTATION OF AGGREGATE INDEBTEDNESS

Accrued expenses and taxes payable	\$ 7,143
Deferred rent	<u>5,829</u>
Aggregate indebtedness	<u><u>\$ 12,972</u></u>
Ratio of aggregate indebtedness to net capital	<u><u>.06:1.0</u></u>

GILBERT DONIGER & CO., INC.

SCHEDULE OF RECONCILIATION OF NET CAPITAL PER FOCUS REPORT WITH AUDIT REPORT

	DECEMBER 31,
	2012
	<hr/>
Net capital - per FOCUS Report	\$ 213,286
Audit adjustment to record tax provision	(5,100)
Audit adjustment to correct payroll expenses	4,600
Audit adjustment to correct deferred rent	1,237
Difference on focus report	<hr/> (100)
Net capital - per audit report	<hr/> <u>\$ 213,923</u>

GILBERT DONIGER & CO., INC.

**INFORMATION RELATING TO POSSESSION OR CONTROL REQUIREMENTS UNDER
SEC RULE 15C3-3 OF THE SECURITIES AND EXCHANGE COMMISSION
DECEMBER 31, 2012**

NOT APPLICABLE



Scialo, Reimann & Varley
4 Executive Boulevard, Suite 304
Suffern, New York 10901

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Independent Auditor's Report on Internal Control

To the Shareholder
Gilbert Doniger & Co., Inc.

In planning and performing our audit of the financial statements of Gilbert Doniger & Co., Inc. (the "Company") as of and for the year ended December 31, 2012 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 an 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 difference 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 previously 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 or the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projections of any evaluation of them to future

periods are subject to the risk that may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

A deficiency in internal controls 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 and correct 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, 2012, to meet the SEC's objectives.

This report is intended solely for the information and use of management, the SEC and other regulatory agencies which 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 used by anyone other than these specified parties.

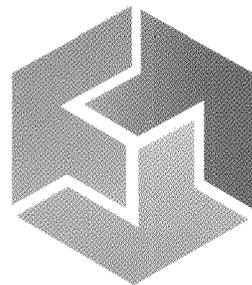
SRV CPA, PC

Suffern, New York
February 20, 2013

GILBERT DONIGER & CO., INC.

AGREED UPON PROCEDURES

DECEMBER 31, 2012



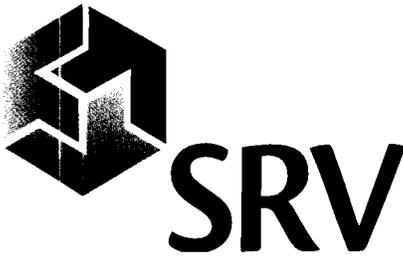
SRV

Certified Public Accountants

GILBERT DONIGER & CO., INC.

AGREED UPON PROCEDURES

DECEMBER 31, 2012



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Suffern, New York 10901

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

To the Shareholder
Gilbert Doniger & Co., 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 (SPIC) for the year ended December 31, 2012, which were agreed to by Gilbert Doniger & Co., Inc. and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., and SIPC, solely to assist you and the other specified parties in evaluating Gilbert Doniger & Co., Inc.'s compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). Gilbert Doniger & Co., Inc.'s management is responsible for Gilbert Doniger & Co., 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 record entries (copy of disbursement) noting no differences;
2. Compared the amounts reported on the audited Form X-17A-5 for the year ended December 31, 2012, as applicable, with the amounts reported in Form SIPC-7 for the year ended December 31, 2012, noting a difference of \$32,449 on item number 2a Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030);
3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers noting no differences;
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers 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.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

SRV, CPA PC

Suffern, New York
February 20, 2013