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SECURITIES AND EXCHANGE COMMISSION

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DIVISION OF TRADING & MARKETS

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

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, 2012 AND ENDING December 31, 2012
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: **Meridien Financial Group, Inc.**

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

10 Dorrance Street
(No. and Street)
Providence R.I. 02903
(City) (State) (Zip Code)

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

Michael L. Balasco 401-272-4700
(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Batchelor, Frechette, McCrory, Michael & Co.
(Name - if individual, state last, first, middle name)
40 Westminster Street Providence R.I. 02903
(Address) (City) (State) (Zip Code)

CHECK ONE:

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

* 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, **Michael L. Balasco, Principal & President**, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of **Meridien Financial Group, 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

Title

Notary Public

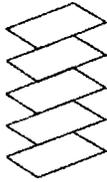
This report** contains (check all applicable boxes):

- (a) Facing page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Cash Flows.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.
- (o) Independent Auditor's Report on Internal Control

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

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**BATCHELOR
FRECHETTE
McCRORY
MICHAEL & CO.**

CERTIFIED PUBLIC ACCOUNTANTS
& BUSINESS CONSULTANTS

Paul D. Frechette
Edward F. McCrory
David P. Michael
Jean Saylor
George F. Warner
Michael S. Resnick
Stephen Noyes

INDEPENDENT AUDITORS' REPORT

To the Stockholders
Meridien Financial Group, Inc.
Providence, Rhode Island

Report on the Financial Statements

We have audited the accompanying statements of financial condition of Meridien Financial Group, Inc. as of December 31, 2012 and 2011, and the related statements of income, changes in stockholders' equity (deficit) and cash flows for the years 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.

Auditors' Responsibility

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 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 misstatement 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 evaluating the appropriateness of accounting policies used and 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.

-1-

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INDEPENDENT AUDITORS' REPORT (CONTINUED)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Meridien Financial Group, Inc. as of December 31, 2012 and 2011, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Ratchel E. Erskette,
McCrory, Michael & Co.*

Providence, Rhode Island
February 14, 2013

MERIDIEN FINANCIAL GROUP, INC.

STATEMENTS OF FINANCIAL CONDITION
December 31, 2012 and 2011

ASSETS	2012	2011
Cash	\$ 107,180	\$ 133,800
Commissions receivable	73,576	115,752
Note receivable, related party	100	86,800
Prepaid expenses	1,390	2,945
Furniture and office equipment, at cost, less accumulated depreciation 2012 \$73,001; 2011 \$87,868	42,348	40,162
Deferred tax asset	26,898	-
	\$ 251,492	\$ 379,459
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
LIABILITIES		
Accounts payable	\$ 11,200	\$ 13,850
Commissions payable	126,313	148,276
Income taxes payable	800	800
Deferred tax liability	-	3,657
	138,313	166,583
STOCKHOLDERS' EQUITY (DEFICIT)		
Common stock, no par value, authorized 400 shares; issued 374 shares	20,125	20,125
Additional paid-in capital	129,000	129,000
Retained earnings (deficit)	(35,946)	63,751
	113,179	212,876
	\$ 251,492	\$ 379,459

See Notes to Financial Statements

MERIDIEN FINANCIAL GROUP, INC.

STATEMENTS OF INCOME
Years Ended December 31, 2012 and 2011

	2012	2011
REVENUES	\$ 1,508,890	\$ 1,925,980
EXPENSES		
Compensation costs	987,775	1,253,237
Secretarial services:		
Affiliate	351,900	292,640
Other	-	8,000
Office supplies and expense	87,545	75,152
Rent	56,200	49,200
Travel and entertainment	29,971	31,999
Professional fees	29,235	39,209
Telephone	24,189	23,576
Depreciation	15,963	14,510
Postage and printing	15,459	6,961
Insurance	15,299	13,516
Dues, subscriptions and licenses	15,197	14,913
Advertising	3,122	1,500
Maintenance	2,836	2,542
Contributions	1,256	814
Continuing education	1,139	1,407
Miscellaneous	-	86
Utilities	-	1,200
	1,637,086	1,830,462
Operating income (loss)	(128,196)	95,518
OTHER INCOME (EXPENSE)		
Interest income	45	52
Miscellaneous income	269	-
Loss on disposal of equipment	(1,570)	(577)
	(1,256)	(525)
Income (loss) before income taxes	(129,452)	94,993
INCOME TAXES (BENEFIT)	(29,755)	23,617
Net income (loss)	\$ (99,697)	\$ 71,376

See Notes to Financial Statements

MERIDIEN FINANCIAL GROUP, INC.

**STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
Years Ended December 31, 2012 and 2011**

	Common Stock	Additional Paid-in Capital	Retained Earnings (Deficit)
Balances at January 1, 2011	\$ 20,125	\$ 129,000	\$ (7,625)
Net income	-	-	71,376
Balances at December 31, 2011	<u>\$ 20,125</u>	<u>\$ 129,000</u>	<u>\$ 63,751</u>
Balances at January 1, 2012	\$ 20,125	\$ 129,000	\$ 63,751
Net loss	-	-	(99,697)
Balances at December 31, 2012	<u>\$ 20,125</u>	<u>\$ 129,000</u>	<u>\$ (35,946)</u>

See Notes to Financial Statements

MERIDIEN FINANCIAL GROUP, INC.

STATEMENTS OF CASH FLOWS
Years Ended December 31, 2012 and 2011

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	\$ (99,697)	\$ 71,376
Adjustments to reconcile net income (loss) to net cash (used in) provided by operating activities:		
Depreciation	15,963	14,510
Loss on disposal of equipment	1,570	577
Deferred taxes	(30,555)	22,817
Changes in assets and liabilities:		
(Increase) decrease in:		
Commissions receivable	42,176	(30,377)
Prepaid expenses	1,555	88
Increase (decrease) in:		
Accounts payable	(2,650)	3,554
Commissions payable	(21,963)	11,384
Net cash (used in) provided by operating activities	(93,601)	93,929
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(19,719)	(5,110)
Disbursements under note receivable, related party	-	(86,800)
Collections under note receivable, related party	86,700	-
Net cash provided by (used in) investing activities	66,981	(91,910)
Net increase (decrease) in cash	(26,620)	2,019
CASH		
Beginning	133,800	131,781
Ending	\$ 107,180	\$ 133,800

See Notes to Financial Statements

MERIDIEN FINANCIAL GROUP, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2012 and 2011

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of business: Meridien Financial Group, Inc. (the Company) is a Rhode Island broker/dealer regulated by the Financial Industry Regulatory Authority and a member of the Securities Investors Protection Corporation. The Company's principal business activity consists of the generation of commission income from the sale of mutual funds, variable life insurance, variable annuities and shares in registered investment companies.

The Company operates under the provisions of Paragraph (k)(1) - Limited business (mutual funds and/or variable annuities only) of Rule 15c3-3 of the Securities and Exchange Commission and, accordingly, is exempt from the remaining provisions of that Rule.

A summary of the Company's significant accounting policies follows:

Commission receivable: The Company carries its receivables at cost. On a periodic basis, management evaluates its commission receivable and establishes an allowance for doubtful accounts, based on a history of past write offs and collections and current credit conditions. The Company has deemed an allowance for such loss is unnecessary, since historically these losses have been minimal and immaterial.

Income recognition: Commission revenue is earned from the sale of mutual funds, variable life insurance, and variable annuities to customers. Commission revenue and related expenses are recorded on the date of the transaction.

Property, equipment and depreciation: Property and equipment are stated at cost. Depreciation is computed using both straight-line and accelerated methods for financial reporting purposes and is based on estimates of useful lives, ranging from 5 to 10 years.

Deferred taxes: Deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carryforwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

Income taxes: The amount of current and deferred taxes payable or refundable is recognized as of the date of the financial statements, utilizing currently enacted tax laws and rates. Deferred tax expenses or benefits are recognized in the financial statements for the changes in deferred tax liabilities or assets between years.

The Company recognizes and measures its unrecognized tax benefits in accordance with FASB ASC 740, *Income Taxes*. Under that guidance the Company assesses the likelihood, based on their technical merit, that tax positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. The measurement of unrecognized tax benefits is adjusted when new information is available, or when an event occurs that requires a change.

The open tax years are 2009-2012.

MERIDIEN FINANCIAL GROUP, INC.

NOTES TO FINANCIAL STATEMENTS
December 31, 2012 and 2011

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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. Actual results could differ from those estimates.

Advertising costs: The Company charges advertising costs to expense as incurred. Advertising costs for the years ended 2012 and 2011 were \$3,122 and \$1,500, respectively.

Note 2. CASH

The Company maintains its cash accounts in one commercial bank. At times, the amount in the accounts may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash.

Note 3. RELATED PARTY TRANSACTIONS

The Company rents space from a company affiliated through common ownership on a month-to-month basis. In addition, the Company is charged monthly for administrative services provided by the affiliate.

Amounts charged to expense as a result of transactions with the related party during the years ended December 31, 2012 and 2011 consisted of the following:

	2012	2011
Rent and utilities	\$ 56,200	\$ 50,400
Administrative services	351,900	292,640
	<u>\$ 408,100</u>	<u>\$ 343,040</u>

In addition, the Company paid commissions and management fees of \$519,985 and \$791,339 to the stockholders of the Company during 2012 and 2011, respectively. Commissions payable included \$43,026 and \$28,548 to the stockholders of the Company during 2012 and 2011, respectively.

Note 4. NOTE RECEIVABLE, RELATED PARTY

The Company has a note receivable due from a related party. As of December 31, 2012 and 2011, the outstanding balance on this note was \$100 and \$86,800, respectively. The note is due on demand and interest is being accrued at the Applicable Federal Rate of 0.24%. There was no accrued interest income outstanding as of December 31, 2012.

MERIDIEN FINANCIAL GROUP, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2012 and 2011

Note 5. INCOME TAXES (BENEFIT)

The components of the income tax provision for the years ended December 31, 2012 and 2011 are as follows:

	2012	2011
Current		
State	\$ 800	\$ 800
Deferred		
Federal	(19,464)	14,287
State	(11,091)	8,530
	(30,555)	22,817
	\$ (29,755)	\$ 23,617

Note 6. DEFERRED INCOME TAXES

The net deferred tax amounts included in the accompanying balance sheets include the following amounts of deferred tax assets and liabilities at December 31, 2012 and 2011:

	2012	2011
Deferred tax assets		
Federal	\$ 17,263	\$ -
State	9,635	-
	26,898	-
Deferred tax liabilities		
Federal	-	2,201
State	-	1,456
	-	3,657
	\$ 26,898	\$ 3,657

Unused net operating losses and contributions available to the Company as a reduction of future taxable income and tax liabilities are as follows at December 31, 2012:

	Net Operating Loss	Contribution
Last Year Available		
2017	\$ -	\$ 1,256
2029	19,237	-
2032	126,043	-
	\$ 145,280	\$ 1,256

MERIDIEN FINANCIAL GROUP, INC.

NOTES TO FINANCIAL STATEMENTS
December 31, 2012 and 2011

Note 7. OPERATING LEASE

The Company leases software and online hosting services under noncancelable operating lease arrangements that extend through July 2014. Future minimum lease payments to be made under the leases are as follows:

<u>Years ending</u>	
2013	\$ 6,006
2014	2,205
	<u>\$ 8,211</u>

Note 8. NET CAPITAL REQUIREMENTS

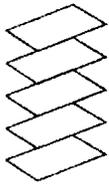
Pursuant to the net capital provision of Rule 15c3-1 of the Securities Exchange Act of 1934, the Company is required to maintain a minimum net capital of \$5,000 or 6 2/3% of total aggregate indebtedness, whichever is greater. In addition, the Company's ratio of aggregate indebtedness to net capital cannot exceed 15 to 1. Net capital and the related net capital ratio may fluctuate on a daily basis. At December 31, 2012, the Company had net capital of \$19,117, which was in excess of its required net capital of \$7,241. At December 31, 2011, the Company had net capital of \$63,304, which was in excess of its required net capital of \$10,862. At December 31, 2012 and 2011, the Company's ratio of aggregate indebtedness to net capital was 5.68 to 1 and 2.57 to 1, respectively.

Note 9. STATEMENT PURSUANT TO PARAGRAPH (d) OF RULE 17a-5

There are no material differences between the computation of net capital and the corresponding computation prepared by and included in the Company's unaudited Part IIA Focus Report filing as of December 31, 2012 and 2011.

Note 10. SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 14, 2013, the date the financial statements were available to be issued and determined that there have been no events that have occurred that would require adjustments to the financial statements.



**BATCHELOR
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McCRORY
MICHAEL & CO.**

CERTIFIED PUBLIC ACCOUNTANTS
& BUSINESS CONSULTANTS

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Stephen Noyes

**INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION
REQUIRED BY RULE 17A-5 UNDER THE SECURITIES EXCHANGE ACT OF 1934**

To the Stockholders
Meridien Financial Group, Inc.
Providence, Rhode Island

We have audited the financial statements of Meridien Financial Group, Inc. as of and for the years ended December 31, 2012 and 2011, and have issued our report thereon dated February 14, 2013, which contained an unqualified opinion on those financial statements. Our audits were performed for the purpose of forming an opinion on the financial statements as a whole. The supplementary information contained in Schedules I, II, III, and IV, 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 in Schedules I, II, III, and IV 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 in Schedules I, II, III, and IV is fairly stated in all material respects in relation to the financial statements as a whole.

*Batchelor Frechette,
McCrory, Michael & Co.*

Providence, Rhode Island
February 14, 2013

MERIDIEN FINANCIAL GROUP, INC.

SCHEDULE I

**COMPUTATION OF AGGREGATE INDEBTEDNESS AND NET CAPITAL
UNDER RULE 15c3-1 OF THE SECURITIES AND EXCHANGE COMMISSION
December 31, 2012 and 2011**

	2012	2011
AGGREGATE INDEBTEDNESS		
Accounts payable	\$ 11,200	\$ 13,850
Commissions payable	126,313	148,276
Income taxes payable	800	800
Less: Nonaggregate indebtedness liabilities	(29,701)	-
Total aggregate indebtedness	\$ 108,612	\$ 162,926
 Minimum required net capital	 \$ 7,241	 \$ 10,862
NET CAPITAL		
Stockholders' equity	\$ 113,179	\$ 212,876
Deductions:		
Furniture and office equipment	42,348	40,162
Prepaid expenses	1,390	2,945
Deferred taxes	26,898	-
Notes receivable, related party	100	86,800
Nonallowable receivables, 12b-1 fees	23,326	19,665
Net capital	19,117	63,304
 Minimum required net capital	 7,241	 10,862
Capital in excess of minimum requirement	\$ 11,876	\$ 52,442
 Ratio of aggregate indebtedness to net capital	 5.68 to 1	 2.57 to 1

MERIDIEN FINANCIAL GROUP, INC.

SCHEDULE II

**COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENT
UNDER RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION
December 31, 2012 and 2011**

The Company has been exempt from Rule 15c3-3 under paragraph (k)(1), limited business (mutual funds and/or variable annuities only).

MERIDIEN FINANCIAL GROUP, INC.

SCHEDULE III

**INFORMATION RELATING TO POSSESSION OR CONTROL REQUIREMENTS UNDER
RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION
December 31, 2012 and 2011**

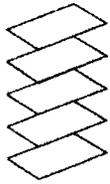
The Company does not carry any customer accounts. Thus, testing of the system and procedures to comply with the requirement to maintain physical possession or control of customers' fully paid and excess margin securities was not applicable.

MERIDIEN FINANCIAL GROUP, INC.

SCHEDULE IV

**SEGREGATION REQUIREMENTS AND FUNDS IN SEGREGATION FOR
CUSTOMERS' REGULATED COMMODITY FUTURES AND OPTIONS ACCOUNTS
December 31, 2012 and 2011**

SEGREGATION REQUIREMENTS	N/A
FUNDS ON DEPOSIT IN SEGREGATION	N/A



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**INDEPENDENT AUDITORS' REPORT ON APPLYING AGREED-UPON
PROCEDURES RELATED TO AN ENTITY'S SIPC ASSESSMENT RECONCILIATION**

To the Stockholders
Meridien Financial Group, Inc.
Providence, Rhode Island

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 (Form SIPC-7) to the Securities Investor Protection Corporation (SIPC) for the year ended December 31, 2012, which were agreed to by Meridien Financial Group, Inc. (the Company), the Securities and Exchange Commission, the Financial Industry Regulatory Authority, Inc, and SIPC, solely to assist you and these other specified parties in evaluating the Company's compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). The Company's management is responsible for the Company'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. There was no assessment payment in Form SIPC-7; therefore, there were no disbursement records to review or bank records to review to ensure checks cleared in a timely manner.
2. Compared the amounts reported on the audited Form X-17A-5 Part III 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 no differences.
3. No adjustments were reported in Form SIPC-7. As such, there were no procedures to be performed surrounding the adjustments.
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting the adjustments, noting no differences.

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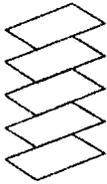
5. Compared the overpayment applied on Form SIPC-7 to the prior year overpayment identified by SIPC, noting no differences.

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.

*Rachelon Ereskette,
McCoy, Michael & Co.*

Providence, Rhode Island
February 14, 2013



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Stephen Noyes

REPORT ON INTERNAL CONTROL REQUIRED BY SEC RULE 17A-5(G)(1)

To the Stockholders
Meridien Financial Group, Inc.
Providence, Rhode Island

In planning and performing our audit of the financial statements of Meridien Financial Group, 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 our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company, including consideration of control activities for safeguarding securities. This study included tests of such practices and procedures that we considered relevant to the objectives stated in Rule 17a-5(g), in the following:

- (1) Making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under Rule 17a-3(a)(11).

Because Meridien Financial Group, Inc. 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 Regulation T of the Board of Governors of the Federal Reserve System.
- (3) Obtaining and maintaining physical possession or control of all fully paid and excess margin securities of customers as required by rule 15c3-3.

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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 paragraphs. 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 paragraphs 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 conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraphs.

Because of inherent limitations in any internal control structure and the practices and procedures referred to above, errors 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 control deficiency or a combination of control 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 the 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 Securities and Exchange Commission and the Financial Industry Regulatory Authority, Inc., 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 and should not be used by anyone other than these specified parties.

*Rachel L. Trovati,
McCoy, Michael & Co.*

Providence, Rhode Island

February 14, 2013