

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

FORM  
X-17A-5

FOCUS REPORT  
(FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT)  
PART II 11

(Please read instructions before preparing Form)

This report is being filed pursuant to (Check Applicable Block(s)):

- 1) Rule 17a-5(a)  16      2) Rule 17a-5(b)  17      3) Rule 17a-11  18  
4) Special request by designated examining authority  19      5) Other  26

NAME OF BROKER-DEALER

SEC. FILE NO.

COASTAL SECURITIES, INC. 13

8-43227 14

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

FIRM ID NO.

5555 SAN FELIPE, SUITE 2200 20

27834 15

(No. and Street)

FOR PERIOD BEGINNING (MM/DD/YY)

07/01/09 24

HOUSTON 21 TX 22 77056 23

AND ENDING (MM/DD/YY)

09/30/09 25

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT (Area code) - Telephone No.

30

31

NAME(S) OF SUBSIDIARIES OR AFFILIATES CONSOLIDATED IN THIS REPORT

OFFICIAL USE

32

33

34

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DOES RESPONDENT CARRY ITS OWN CUSTOMER ACCOUNTS ? YES  40 NO  41

CHECK HERE IF RESPONDENT IS FILING AN AUDITED REPORT  42

EXECUTION:

The registrant/broker or dealer submitting this Form and its attachments and the person(s) by whom it is executed represent hereby that all information contained therein is true, correct and complete. It is understood that all required items, statements, and schedules are considered integral parts of this Form and that the submission of any amendment represents that all unamended items, statements and schedules remain true, correct and complete as previously submitted.

Dated the \_\_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_\_

Manual Signatures of:

1) \_\_\_\_\_  
Principal Executive Officer or Managing Partner

2) \_\_\_\_\_  
Principal Financial Officer or Partner

3) \_\_\_\_\_  
Principal Operations Officer or Partner

ATTENTION - Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C. 78:f (a) )

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FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART II

BROKER OR DEALER

COASTAL SECURITIES, INC.

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STATEMENT OF FINANCIAL CONDITION

as of (MM/DD/YY) 09/30/09 99

SEC FILE NO. 8-43227 98

Consolidated  198

Unconsolidated  199

	<u>ASSETS</u>			
	<u>Allowable</u>	<u>Nonallowable</u>	<u>Total</u>	
1. Cash . . . . .	\$ 366,446		\$ 366,446	200 750
2. Cash segregated in compliance with federal and other regulations . . . . .	276,239		276,239	210 760
3. Receivable from brokers or dealers and clearing organizations:				
A. Failed to deliver:				
1. Includable in "Formula for Reserve Requirements" . . . . .	220			220 770
2. Other . . . . .	230			230 770
B. Securities borrowed:				
1. Includable in "Formula for Reserve Requirements" . . . . .	240			240 780
2. Other . . . . .	250			250 780
C. Omnibus accounts:				
1. Includable in "Formula for Reserve Requirements" . . . . .	260			260 790
2. Other . . . . .	270			270 790
D. Clearing Organizations:				
1. Includable in "Formula for Reserve Requirements" . . . . .	280			280 800
2. Other . . . . .	290			290 800
E. Other . . . . .	300	\$ 550		300 810
4. Receivables from customers:				
A. Securities accounts:				
1. Cash and fully secured accounts . . . . .	310			310 560
2. Partly secured accounts . . . . .	320		560	320 560
3. Unsecured Accounts . . . . .			570	570 570
B. Commodity accounts . . . . .	330		580	330 580
C. Allowance for doubtful accounts . . . . .	( 335 )	( 590 )		( 335 ) 820
5. Receivables from non-customers:				
A. Cash and fully secured accounts . . . . .	340			340 830
B. Partly secured and unsecured accounts . . . . .	350		600	350 830
6. Securities purchased under agreements to resell . . . . .	360		605	360 840
7. Securities and spot commodities owned, at market value:				
A. Banker's acceptances, certificates of deposit and commercial paper . . . . .	370			370
B. U.S. and Canadian government obligations . . . . .	619,790,500			380
C. State and municipal government obligations . . . . .	13,310,256			390
D. Corporate obligations . . . . .	400			400

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART II

BROKER OR DEALER  
COASTAL SECURITIES, INC.

as of 09/30/09

STATEMENT OF FINANCIAL CONDITION

		<u>ASSETS (continued)</u>		
		<u>Allowable</u>	<u>Nonallowable</u>	<u>Total</u>
E. Stocks and warrants	\$	410		
F. Options		420		
G. Arbitrage		422		
H. Other securities		424		
I. Spot Commodities		430		
J. Total inventory - includes encumbered securities of . . .	\$	120		\$ 633,100,756 850
8. Securities owned not readily marketable:				
A. At Cost . . . . .	\$	130	440	\$ 610 860
9. Other investments not readily marketable:				
. . . . .	\$	140		
B. At estimated fair value . . . . .		450	620	870
10. Securities borrowed under subordination agreements and partners' individual and capital securities accounts, at market value:				
A. Exempted securities . . . . .	\$	150		
B. Other . . . . .	\$	160	460	630 880
11. Secured demand notes-market value of collateral:				
A. Exempted securities . . . . .	\$	170		
B. Other . . . . .	\$	180	470	640 890
12. Memberships in exchanges:				
A. Owned, at market value . . . . .	\$	190		
B. Owned at cost . . . . .			650	
C. Contributed for use of company, at market value . . . . .			660	900
13. Investment in and receivables from affiliates, subsidiaries and associated partnerships . . . . .		480	670	910
14. Property, furniture, equipment, leasehold improvements and rights under lease agreements:				
At cost (net of accumulated depreciation and amortization) . . . . .		490	148,541 680	148,541 920
15. Other Assets:				
A. Dividends and interest receivable . . . . .		3,114,924 500	194,756 690	
B. Free shipments . . . . .		510	700	
C. Loans and advances . . . . .		520	710	
D. Miscellaneous . . . . .		530	393,577 720	
E. Collateral accepted under SFAS 140 . . . . .		536		
F. SPE Assets . . . . .		537		3,703,257 930
16. TOTAL ASSETS . . . . .	\$	636,858,365 540	\$ 736,874 740	\$ 637,595,239 940

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART II

BROKER OR DEALER

COASTAL SECURITIES, INC.

as of 09/30/09

STATEMENT OF FINANCIAL CONDITION  
LIABILITIES AND OWNERSHIP EQUITY

<u>Liabilities</u>	<u>A.I.</u> <u>Liabilities</u> *	<u>Non-A.I.</u> <u>Liabilities</u> *	<u>Total</u>
17. Bank loans payable:			
A. Includable in "Formula for Reserve Requirements" .....	\$ <u>1030</u>	\$ <u>1240</u>	\$ <u>1460</u>
B. Other .....	<u>1040</u>	42,518,101 <u>1250</u>	42,518,101 <u>1470</u>
18. Securities sold under repurchase agreements.		312,311,056 <u>1260</u>	312,311,056 <u>1480</u>
19. Payable to brokers or dealers and clearing organizations:			
A. Failed to receive:			
1. Includable in "Formula for Reserve Requirements" .....	<u>1050</u>	<u>1270</u>	<u>1490</u>
2. Other .....	<u>1060</u>	<u>1280</u>	<u>1500</u>
B. Securities loaned:			
1. Includable in "Formula for Reserve Requirements" .....	<u>1070</u>		<u>1510</u>
2. Other .....	<u>1080</u>	<u>1290</u>	<u>1520</u>
C. Omnibus accounts:			
1. Includable in "Formula for Reserve Requirements" .....	<u>1090</u>		<u>1530</u>
2. Other .....	<u>1095</u>	<u>1300</u>	<u>1540</u>
D. Clearing organizations:			
1. Includable in "Formula for Reserve Requirements" .....	<u>1100</u>		<u>1550</u>
2. Other .....	<u>1105</u>	148,215,329 <u>1310</u>	148,215,329 <u>1560</u>
E. Other .....	<u>1110</u>	86,494,455 <u>1320</u>	86,494,455 <u>1570</u>
20. Payable to customers:			
A. Securities accounts - including free credits of .....	\$ <u>950</u>		<u>1580</u>
B. Commodities accounts .....	<u>1130</u>	<u>1330</u>	<u>1590</u>
21. Payable to non customers:			
A. Securities accounts .....	<u>1140</u>	<u>1340</u>	<u>1600</u>
B. Commodities accounts .....	<u>1150</u>	<u>1350</u>	<u>1610</u>
22. Securities sold not yet purchased at market value - including arbitrage of .....	\$ <u>960</u>	506,797 <u>1360</u>	506,797 <u>1620</u>
23. Accounts payable and accrued liabilities and expenses:			
A. Drafts payable .....	<u>1160</u>		<u>1630</u>
B. Accounts payable .....	<u>1170</u>		<u>1640</u>
C. Income taxes payable .....	<u>1180</u>		<u>1650</u>
D. Deferred income taxes .....		<u>1370</u>	<u>1660</u>
E. Accrued expenses and other liabilities ..	7,655,961 <u>1190</u>		7,655,961 <u>1670</u>
F. Other .....	<u>1200</u>	<u>1380</u>	<u>1680</u>
G. Obligation to return securities .....		<u>1386</u>	<u>1686</u>
H. SPE Liabilities .....		<u>1387</u>	<u>1687</u>

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\*Brokers or Dealers electing the alternative net capital requirement method need not complete these columns.

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART II

BROKER OR DEALER

COASTAL SECURITIES, INC.

as of 09/30/09

STATEMENT OF FINANCIAL CONDITION  
LIABILITIES AND OWNERSHIP EQUITY (continued)

	<u>Liabilities</u>	<u>A.I.</u> <u>Liabilities</u> *	<u>Non-A.I.</u> <u>Liabilities</u> *	<u>Total</u>
24. Notes and mortgages payable:				
A. Unsecured .....	\$	<u>1210</u>		\$ <u>1690</u>
B. Secured .....		<u>1211</u>	\$ <u>1390</u>	<u>1700</u>
25. Liabilities subordinated to claims of general creditors:				
1. from outsiders .....			<u>1400</u>	<u>1710</u>
A. Cash borrowings:     \$	<u>0970</u>			
2. Includes equity subordination(15c3-1(d)) of .....	<u>0980</u>			
B. Securities borrowings, at market value: from outsiders     \$	<u>0990</u>		<u>1410</u>	<u>1720</u>
C. Pursuant to secured demand note collateral agreements: .....			<u>1420</u>	<u>1730</u>
1. from outsiders     \$	<u>1000</u>			
2. Includes equity subordination(15c3-1(d)) of .....	<u>1010</u>			
D. Exchange memberships contributed for use of company, at market value .....			<u>1430</u>	<u>1740</u>
E. Accounts and other borrowings not qualified for net capital purposes .....		<u>1220</u>	<u>1440</u>	<u>1750</u>
26. TOTAL LIABILITIES .....	\$	<u>7,655,961</u> <u>1230</u>	\$ <u>590,045,738</u> <u>1450</u>	\$ <u>597,701,699</u> <u>1760</u>
<u>Ownership Equity</u>				
27. Sole proprietorship .....				\$ <u>1770</u>
28. Partnership - limited partners .....	\$	<u>1020</u>		<u>1780</u>
29. Corporation: .....				
A. Preferred stock .....				<u>1791</u>
B. Common stock .....				<u>1792</u>
C. Additional paid- in capital .....			26,837,967	<u>1793</u>
D. Retained Earnings .....			13,055,573	<u>1794</u>
E. Total .....			39,893,540	<u>1795</u>
F. Less capital stock in treasury .....			( )	<u>1796</u>
30. TOTAL OWNERSHIP EQUITY .....				\$ <u>39,893,540</u> <u>1800</u>
31. TOTAL LIABILITIES AND OWNERSHIP EQUITY .....				\$ <u>637,595,239</u> <u>1810</u>

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\* Brokers or Dealers electing the alternative net capital requirement method need not complete these columns.

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART II

BROKER OR DEALER  
COASTAL SECURITIES, INC.

as of 09/30/09

COMPUTATION OF NET CAPITAL

1. Total ownership equity (from Statement of Financial Condition - Item 1800)	\$	39,893,540	3480
2. Deduct: Ownership equity not allowable for Net Capital	(		3490
3. Total ownership equity qualified for Net Capital		39,893,540	3500
4. Add:			
A. Liabilities subordinated to claims of general creditors allowable in computation of net capital			3520
B. Other (deductions) or allowable credits (List)			3525
5. Total capital and allowable subordinated liabilities	\$	39,893,540	3530
6. Deductions and/or charges:			
A. Total non-allowable assets from			
Statement of Financial Condition (Notes B and C)	\$	736,874	3540
1. Additional charges for customers' and non-customers' security accounts			3550
2. Additional charges for customers' and non-customers' commodity accounts			3560
B. Aged fail-to-deliver:			3570
1. number of items		3450	
C. Aged short security differences-less reserve of	\$	3460	3580
number of items		3470	
D. Secured demand note deficiency			3590
E. Commodity futures contracts and spot commodities - proprietary capital charges			3600
F. Other deductions and/or charges		3,393,713	3610
G. Deductions for accounts carried under Rule 15c3-1(a)(6), (a)(7) and (c)(2)(x)			3615
H. Total deductions and/or charges	(	4,130,587	3620
7. Other additions and/or allowable credits (List)			3630
8. Net Capital before haircuts on securities positions	\$	35,762,953	3640
9. Haircuts on securities: (computed, where applicable, pursuant to 15c3-1(f)):			
A. Contractual securities commitments	\$		3660
B. Subordinated securities borrowings			3670
C. Trading and investment securities:			
1. Bankers' acceptances, certificates of deposit and commercial paper			3680
2. U.S. and Canadian government obligations		1,469,535	3690
3. State and municipal government obligations		804,860	3700
4. Corporate obligations			3710
5. Stocks and warrants			3720
6. Options			3730
7. Arbitrage			3732
8. Other securities			3734
D. Undue concentration		35,253	3650
E. Other (List)		3,162	3736
10. Net Capital	\$	33,450,143	3750

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FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART II

BROKER OR DEALER

COASTAL SECURITIES, INC.

as of 09/30/09

**COMPUTATION OF BASIC NET CAPITAL REQUIREMENT**

**Part A**

11. Minimal net capital required (6-2/3% of line 19)	\$	510,398	3756
12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	\$	250,000	3758
13. Net capital requirement (greater of line 11 or 12)	\$	510,398	3760
14. Excess net capital (line 10 less 13)	\$	32,939,745	3770
15. Excess net capital at 1000% (line 10 less 10% of line 19)	\$	32,684,547	3780

**COMPUTATION OF AGGREGATE INDEBTEDNESS**

16. Total A.I. liabilities from Statement of Financial Condition	\$	7,655,961	3790
17. Add:			
A. Drafts for immediate credit	\$	3800	
B. Market value of securities borrowed for which no equivalent value is paid or credited	\$	3810	
C. Other unrecorded amounts (List)	\$	3820	3830
18. Deduct: Adjustment based on deposits in Special Reserve Bank Accounts(15c3-1(c)(1)(vii))	\$		3838
19. Total aggregate indebtedness	\$	7,655,961	3840
20. Percentage of aggregate indebtedness to net capital (line 19 divided by line 10)	%	22.89	3850
21. Percentage of aggregate indebtedness to net capital <u>after</u> anticipated capital withdrawals (line 19 divided by line 10 less item 4880 page 12)	%	22.89	3853

**COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT**

**Part B**

22. 2% of combined aggregate debit items as shown in Formula for Reserve Requirements pursuant to Rule 15c3-3 prepared as of the date of net capital computation including both brokers or dealers and consolidated subsidiaries' debits	\$	3870	
23. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note(A)	\$	3880	
24. Net capital requirement (greater of line 22 or 23)	\$		
25. Excess net capital (line 10 less 24)	\$	3910	
26. Percentage of Net Capital to Aggregate Debits (line 10 divided by line 17 page 8)	%		3851
27. Percentage of Net Capital, <u>after</u> anticipated capital withdrawals, to Aggregate Debits item 10 less Item 4880 page 12 divided by line 17 page 8)	%		3854
28. Net capital in excess of the greater of: 5% of combined aggregate debit items or 120% of minimum net capital requirement	\$	3920	

**OTHER RATIOS**

**Part C**

29. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1 (d)	%	3860	
30. Options deductions/Net Capital ratio (1000% test) total deductions exclusive of liquidating equity under Rule 15c3-1(a)(6), (a)(7) and (c)(2)(x) divided by Net Capital	%		3852

**NOTES:**

- (A) The minimum net capital requirement should be computed by adding the minimum dollar net capital requirement of the reporting broker dealer and, for each subsidiary to be consolidated, the greater of:
1. Minimum dollar net capital requirement, or
  2. 6-2/3% of aggregate indebtedness or 2% of aggregate debits if alternate method is used.
- (B) Do not deduct the value of securities borrowed under subordination agreements or secured demand notes covered by subordination agreements not in satisfactory form and the market values of memberships in exchanges contributed for use of company (contra to item 1740) and partners' securities which were included in non-allowable assets.
- (C) For reports filed pursuant to paragraph (d) of Rule 17a-5, respondent should provide a list of material non-allowable assets.

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART II**

BROKER OR DEALER

COASTAL SECURITIES, INC.

as of 09/30/09

**COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS  
FOR BROKER-DEALERS UNDER RULE 15c3-3  
(See Rule 15c3-3, Exhibit A and Related Notes)**

**CREDIT BALANCES**

1. Free credit balances and other credit balances in customers' security accounts (see Note A, Exhibit A, Rule 15c3-3)	\$	4340	
2. Monies borrowed collateralized by securities carried for the accounts of customers (see Note B)		4350	
3. Monies payable against customers' securities loaned (see Note C)		4360	
4. Customers' securities failed to receive (see Note D)		4370	
5. Credit balances in firm accounts which are attributable to principal sales to customers		4380	
6. Market value of stock dividends, stock splits and similar distributions receivable outstanding over 30 calendar days		4390	
7. ** Market value of short security count differences over 30 calendar days old		4400	
8. ** Market value of short securities and credits (not to be offset by longs or by debits) in all suspense accounts over 30 calendar days		4410	
9. Market value of securities which are in transfer in excess of 40 calendar days and have not been confirmed to be in transfer by the transfer agent or the issuer during the 40 days		4420	
10. Other (List)		4425	
11. TOTAL CREDITS	\$		4430

**DEBIT BALANCES**

12. ** Debit balances in customers' cash and margin accounts excluding unsecured accounts and accounts doubtful of collection net of deductions pursuant to Note E, Exhibit A, Rule 15c3-3	\$	4440	
13. Securities borrowed to effectuate short sales by customers and securities borrowed to make delivery on customers' securities failed to deliver		4450	
14. Failed to deliver of customers' securities not older than 30 calendar days		4460	
15. Margin required and on deposit with the Options Clearing Corporation for all option contracts written or purchased in customer accounts (see Note F)		4465	
16. Margin related to security futures products written, purchased or sold in customer accounts required and on deposit with a clearing agency or a derivative clearing organization (see note G)		4467	
17. Other (List)		4469	
18. ** Aggregate debit items	\$		4470
19. ** Less 3% (for alternative method only - see Rule 15c3-1(f)(5)(i))		( )	4471
20. ** TOTAL 15c3-3 DEBITS			4472

**RESERVE COMPUTATION**

21. Excess of total debits over total credits (line 20 less line 11)	\$	4480	
22. Excess of total credits over total debits (line 11 less line 20)		4490	
23. If computation permitted on a monthly basis, enter 105% of excess of total credits over total debits		4500	
24. Amount held on deposit in "Reserve Bank Account(s)", including value of qualified securities, at end of reporting period		4510	
25. Amount of deposit (or withdrawal) including value of qualified securities	\$	4515	4520
26. New amount in Reserve Bank Account(s) after adding deposit or subtracting withdrawal including value of qualified securities	\$	4525	4530
27. Date of deposit (MMDDYY)			4540

**FREQUENCY OF COMPUTATION**

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28. Daily 4332 Weekly 4333 Monthly 4334

\*\* In the event the Net Capital Requirement is computed under the alternative method, this "Reserve Formula" shall be prepared in accordance with the requirements of paragraph (f) of Rule 15c3-1.

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART II**

BROKER OR DEALER

COASTAL SECURITIES, INC.

as of 09/30/09

**COMPUTATION FOR DETERMINATION OF PAIB RESERVE REQUIREMENTS  
FOR BROKER-DEALERS**

**CREDIT BALANCES**

1. Free credit balances and other credit balances in proprietary accounts of introducing brokers (PAIB) .....	\$		2110
2. Monies borrowed collateralized by securities carried for PAIB .....			2120
3. Monies payable against PAIB securities loaned (see Note 2- PAIB) .....			2130
4. PAIB securities failed to receive .....			2140
5. Credit balances in firm accounts which are attributable to principal sales to PAIB .....			2150
6. Other (List) .....			2160
7. TOTAL PAIB CREDITS .....	\$		2170

**DEBIT BALANCES**

8. Debit balances in PAIB excluding unsecured accounts and accounts doubtful of collection .....	\$		2180
9. Securities borrowed to effectuate short sales by PAIB and securities borrowed to make delivery on PAIB securities failed to deliver .....			2190
10. Failed to deliver of PAIB securities not older than 30 calendar days .....			2200
11. Margin required and on deposit with the Options Clearing Corporation for all option contracts written or purchased in PAIB accounts .....			2210
12. Margin related to security futures products written, purchased or sold in PAIB accounts required and on deposit with a clearing agency or a derivative clearing organization .....			2215
13. Other (List) .....			2220
14. TOTAL PAIB DEBITS .....	\$		2230

**RESERVE COMPUTATION**

15. Excess of total PAIB debits over total PAIB credits (line 14 less line 7) .....	\$		2240
16. Excess of total PAIB credits over total PAIB debits (line 7 less line 14) .....			2250
17. Excess debits in customer reserve formula computation .....			2260
18. PAIB Reserve Requirement (line 16 less line 17) .....			2270
19. Amount held on deposit in "Reserve Bank Account(s)", including \$ <u>2275</u> value of qualified securities, at end of reporting period .....			2280
20. Amount of deposit (or withdrawal) including \$ <u>2285</u> value of qualified securities .....			2290
21. New amount in Reserve Bank Account(s) after adding deposit or subtracting \$ <u>2295</u> value of qualified securities .....	\$		2300
22. Date of deposit (MMDDYY) .....			2310

**FREQUENCY OF COMPUTATION**

23. Daily 2315 Weekly 2320 Monthly 2330

OMIT PENNIES

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART II

BROKER OR DEALER COASTAL SECURITIES, INC.	as of <u>09/30/09</u>
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COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS  
FOR BROKER-DEALERS UNDER RULE 15c3-3 (continued)

EXEMPTIVE PROVISIONS

26. If an exemption from Rule 15c3-3 is claimed, identify below the section upon which such exemption is based (check one only)

A. (k) (1)-\$2,500 capital category as per Rule 15c3-1	\$	<u>4550</u>
B. (k) (2)(A)-"Special Account for the Exclusive Benefit of customers" maintained	X	<u>4560</u>
C. (k) (2)(B)-All customer transactions cleared through another broker-dealer on a fully disclosed basis.		
Name of clearing firm <u>4335</u>		<u>4570</u>
D. (k) (3)-Exempted by order of the Commission		<u>4580</u>

Information for Possession or Control Requirements Under Rule 15c3-3

State the market valuation and the number of items of:

1. Customers' fully paid securities and excess margin securities not in the respondent's possession or control as of the report date (for which instructions to reduce to possession or control had been issued as of the report date) but for which the required action was not taken by respondent within the time frames specified under Rule 15c3-3. Notes A and B	\$	<u>4586</u>
A. Number of items		<u>4587</u>
2. Customers' fully paid securities and excess margin securities for which instructions to reduce to possession or control had not been issued as of the report date, excluding items arising from "temporary lags which result from normal business operations" as permitted under Rule 15c3-3. Notes B,C and D		<u>4588</u>
A. Number of items	\$	<u>4589</u>
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3. The system and procedures utilized in complying with the requirement to maintain physical possession or control of customers' fully paid and excess margin securities have been tested and are functioning in a manner adequate to fulfill the requirements of Rule 15c3-3 . . . Yes <u>X</u> <u>4584</u> No <u>4585</u>		

NOTES

- A--Do not include in item one customers' fully paid and excess margin securities required by Rule 15c 3-3 to be in possession or control but for which no action was required by the respondent as of the report date or required action was taken by respondent within the time frames specified under Rule 15c3-3.
- B--State separately in response to items one and two whether the securities reported in response thereto were subsequently reduced to possession or control by the respondent.
- C--Be sure to include in item two only items not arising from "temporary lags which result from normal business operations" as permitted under Rule 15c3-3.
- D--Item two must be responded to only with report which is filed as of the date selected for the broker's or dealer's annual audit of financial statements, whether or not such date is the end of a calendar quarter. The response to item two should be filed within 60 calendar days after such date, rather than with the remainder of this report. This information may be required on a more frequent basis by the Commission or the designated examining authority in accordance with Rule 17a-5(a)(2)(iv).

SUPPLEMENT TO  
FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART II

BROKER OR DEALER

COASTAL SECURITIES, INC.

as of

09/30/09

STATEMENT OF SEGREGATION REQUIREMENTS AND FUNDS IN SEGREGATION  
FOR CUSTOMERS TRADING ON U.S. COMMODITY EXCHANGES

SEGREGATION REQUIREMENTS (Section 4d(2) of the CEAct)

1. Net ledger balance			
A. Cash		\$	7010
B. Securities (at market)			7020
2. Net unrealized profit (loss) in open futures contracts traded on a contract market			7030
3. Exchange traded options			
A. Add market value of open option contracts purchased on a contract market			7032
B. Deduct market value of open option contracts granted (sold) on a contract market		(	7033)
4. Net equity (deficit) (add lines 1, 2, and 3)			7040
5. Accounts liquidating to a deficit and accounts with debit balances			
- gross amount			7045
Less: amount offset by customer owned securities		(	7047)
6. Amount required to be segregated (add lines 4 and 5)		\$	7060

FUNDS IN SEGREGATED ACCOUNTS

7. Deposited in segregated funds bank accounts			
A. Cash			7070
B. Securities representing investments of customers' funds (at market)			7080
C. Securities held for particular customers or option customers in lieu of cash (at market)			7090
8. Margins on deposit with derivatives clearing organizations of contract markets			
A. Cash		\$	7100
B. Securities representing investments of customers' funds (at market)			7110
C. Securities held for particular customers or option customers in lieu of cash (at market)			7120
9. Net settlement from (to) derivatives clearing organizations of contract markets			7130
10. Exchange traded options			
A. Value of open long option contracts			7132
B. Value of open short option contracts		(	7133)
11. Net equities with other FCMs			
A. Net liquidating equity			7140
B. Securities representing investments of customers' funds (at market)			7160
C. Securities held for particular customers or option customers in lieu of cash (at market)			7170
12. Segregated funds on hand (describe: _____)			7150
13. Total amount in segregation (add lines 7 through 12)			7180
14. Excess (deficiency) funds in segregation (subtract line 6 from line 13)		\$	7190

SUPPLEMENT TO  
FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART II

BROKER OR DEALER  COASTAL SECURITIES, INC.	as of <u>09/30/09</u>
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STATEMENT OF SEGREGATION REQUIREMENTS AND FUNDS IN SEGREGATION  
FOR CUSTOMERS' DEALER OPTIONS ACCOUNTS

1. Amount required to be segregated in accordance with Commission regulation 32.6		\$ _____	7200
2. Funds in segregated accounts			
A. Cash	\$ _____		7210
B. Securities (at market)	_____		7220
C. Total		_____	7230
3. Excess (deficiency) funds in segregation (subtract line 2.C from line 1)		\$ _____	7240

SUPPLEMENT TO  
FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART II

BROKER OR DEALER  
COASTAL SECURITIES, INC.

as of 09/30/09

STATEMENT OF SECURED AMOUNTS AND FUNDS HELD IN SEPARATE ACCOUNTS  
FOR FOREIGN FUTURES AND FOREIGN OPTIONS CUSTOMERS  
PURSUANT TO COMMISSION REGULATION 30.7

FOREIGN FUTURES AND FOREIGN OPTIONS SECURED AMOUNTS - SUMMARY

I. Check the appropriate box to identify the amount shown on line 1. below.

- 7300 Secured amounts in only U.S. - domiciled customers' accounts
- 7310 Secured amounts in U.S. and foreign - domiciled customers' accounts
- 7320 Net liquidating equities in all accounts of customers trading on foreign boards of trade
- 7330 Amount required to be set aside pursuant to law, rule or regulation of a foreign government or a rule of a self-regulatory organization authorized thereunder.

II. Has the FCM changed the method of calculating the amount to be set aside in separate accounts since the last financial report it filed ?

- Yes  7340 If yes, explain the change below
- No  7350

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1. Amount to be set aside in separate section 30.7 accounts	\$ _____ <input type="checkbox"/> 7360
2. Total funds in separate section 30.7 accounts (page T10-4, line 8)	_____ <input type="checkbox"/> 7370
3. Excess (deficiency) - (subtract line 1 from line 2)	\$ _____ <input type="checkbox"/> 7380

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SUPPLEMENT TO  
FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART II

BROKER OR DEALER  COASTAL SECURITIES, INC.	as of <u>09/30/09</u>
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STATEMENT OF SECURED AMOUNTS AND FUNDS HELD IN SEPARATE ACCOUNTS  
FOR FOREIGN FUTURES AND FOREIGN OPTIONS CUSTOMERS  
PURSUANT TO COMMISSION REGULATION 30.7

FUNDS DEPOSITED IN SEPARATE REGULATION 30.7 ACCOUNTS

1. Cash in banks			
A. Banks located in the United States	\$	7500	
B. Other banks designated by the Commission			
Name(s):		7510	7520
			7530
2. Securities			
A. In safekeeping with banks located in the United States	\$	7540	
B. In safekeeping with other banks designated by the Commission			
Name(s):		7550	7560
			7570
3. Equities with registered futures commission merchants			
A. Cash	\$	7580	
B. Securities		7590	
C. Unrealized gain (loss) on open futures contracts		7600	
D. Value of long option contracts		7610	
E. Value of short option contracts		( 7615 )	7620
4. Amounts held by clearing organizations of foreign boards of trade			
Name(s):		7630	
A. Cash	\$	7640	
B. Securities		7650	
C. Amount due to (from) clearing organizations - daily variation		7660	
D. Value of long option contracts		7670	
E. Value of short option contracts		( 7675 )	7680
5. Amounts held by members of foreign boards of trade			
Name(s):		7690	
A. Cash	\$	7700	
B. Securities		7710	
C. Unrealized gain (loss) on open futures contracts		7720	
D. Value of long option contracts		7730	
E. Value of short option contracts		( 7735 )	7740
6. Amounts with other depositories designated by a foreign board of trade			
Name(s):		7750	7760
7. Segregated funds on hand (describe: _____ )			
			7765
8. Total funds in separate section 30.7 accounts (to page T10-3 line 2)			
	\$	7770	

A. If any securities shown are other than the types of securities referred to in CFTC Regulation 1.25, attach a separate schedule detailing the obligations shown on each such line.

SUPPLEMENT TO  
FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART II

BROKER OR DEALER

COASTAL SECURITIES, INC.

as of 09/30/09

COMPUTATION OF CFTC MINIMUM NET CAPITAL REQUIREMENT

Net Capital required

A. Risk-Based Requirement

i. Amount of Customer Risk

Maintenance Margin requirement 7415

ii. Enter 8% of line A.i

7425

iii. Amount of Non-Customer Risk

Maintenance Margin requirement 7435

iv. Enter 4% of line A.iii

7445

v. Add lines A.ii and A.iv.

7455

B. Minimum Dollar Amount Requirement

(Enter \$500,000 if a member of NFA)

7465

C. Other NFA Requirement

7475

D. Minimum CFTC Net Capital Requirement.

Enter the greatest of lines A, B or C

7490

Note: If amount on Line D (7490) is greater than minimum net capital requirement computed on Line 3760 (Page 6) then enter this greater amount on Line 3760. The greater of the amount required by SEC or CFTC is the minimum net capital requirement.

CFTC Early Warning Level

7495

Note: If the minimum CFTC Net Capital Requirement computed on Line D (7490) is the:

- (1) Risk Based Requirement, enter 110% of Line A (7455) or
- (2) Minimum Dollar Amount Requirement, enter 150% of Line B (7465) or
- (3) Other NFA Requirement, enter 150% of Line C (7475).

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT**

**PART II**

<b>BROKER OR DEALER</b> COASTAL SECURITIES, INC.	as of <u>09/30/09</u>
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Ownership Equity and Subordinated Liabilities maturing or proposed to be withdrawn within the next six months and accruals, (as defined below), which have not been deducted in the computation of Net Capital.

Type of Proposed withdrawal or Accrual (See below for code to enter)	Name of Lender or Contributor	Insider or Outsider ? (In or Out)	Amount to be withdrawn (cash amount and/or Net Capital Value of Securities)	(MMDDYY) Withdrawal or Maturity Date	Expect to Renew (Yes or No)
<input type="text" value="4600"/>	<input type="text" value="4601"/>	<input type="text" value="4602"/>	<input type="text" value="4603"/>	<input type="text" value="4604"/>	<input type="text" value="4605"/>
<input type="text" value="4610"/>	<input type="text" value="4611"/>	<input type="text" value="4612"/>	<input type="text" value="4613"/>	<input type="text" value="4614"/>	<input type="text" value="4615"/>
<input type="text" value="4620"/>	<input type="text" value="4621"/>	<input type="text" value="4622"/>	<input type="text" value="4623"/>	<input type="text" value="4624"/>	<input type="text" value="4625"/>
<input type="text" value="4630"/>	<input type="text" value="4631"/>	<input type="text" value="4632"/>	<input type="text" value="4633"/>	<input type="text" value="4634"/>	<input type="text" value="4635"/>
<input type="text" value="4640"/>	<input type="text" value="4641"/>	<input type="text" value="4642"/>	<input type="text" value="4643"/>	<input type="text" value="4644"/>	<input type="text" value="4645"/>
<input type="text" value="4650"/>	<input type="text" value="4651"/>	<input type="text" value="4652"/>	<input type="text" value="4653"/>	<input type="text" value="4654"/>	<input type="text" value="4655"/>
<input type="text" value="4660"/>	<input type="text" value="4661"/>	<input type="text" value="4662"/>	<input type="text" value="4663"/>	<input type="text" value="4664"/>	<input type="text" value="4665"/>
<input type="text" value="4670"/>	<input type="text" value="4671"/>	<input type="text" value="4672"/>	<input type="text" value="4673"/>	<input type="text" value="4674"/>	<input type="text" value="4675"/>
<input type="text" value="4680"/>	<input type="text" value="4681"/>	<input type="text" value="4682"/>	<input type="text" value="4683"/>	<input type="text" value="4684"/>	<input type="text" value="4685"/>
<input type="text" value="4690"/>	<input type="text" value="4691"/>	<input type="text" value="4692"/>	<input type="text" value="4693"/>	<input type="text" value="4694"/>	<input type="text" value="4695"/>

TOTAL \$

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\* To agree with the total on Recap (Item No. 4880)

Instructions: Detail listing must include the total of items maturing during the six month period following the report date, regardless of whether or not the capital contribution is expected to be renewed. The schedule must also include proposed capital withdrawals scheduled within the six month period following the report date including the proposed redemption of stock and payments of liabilities secured by fixed assets (which are considered allowable assets in the capital computation pursuant to Rule 15c3-1(c) (2) (iv)), which could be required by the lender on demand or in less than six months.

WITHDRAWAL CODE:	DESCRIPTION
1	Equity Capital
2.	Subordinated Liabilities
3.	Accruals
4.	15c3-1(c) (2) (iv) Liabilities

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
Capital Withdrawals  
PART II

BROKER OR DEALER  
COASTAL SECURITIES, INC.

as of 09/30/09

RECAP

Ownership Equity and Subordinated Liabilities maturing or proposed to be withdrawn within the next six months and accruals, which have not been deducted in the computation of Net Capital.

1. Equity Capital

A. Partnership Capital:

1. General Partners	\$	4700
2. Limited		4710
3. Undistributed Profits		4720
4. Other (describe below)		4730
5. Sole Proprietorship		4735

B. Corporation Capital:

1. Common Stock		4740
2. Preferred Stock		4750
3. Retained Earnings (Dividends and Other)		4760
4. Other (describe below)		4770

2. Subordinated Liabilities

A. Secured Demand Notes		4780
B. Cash Subordinations		4790
C. Debentures		4800
D. Other (describe below)		4810

3. Other Anticipated Withdrawals

A. Bonuses		4820
B. Voluntary Contributions to Pension or Profit Sharing Plans		4860
C. Other (describe below)		4870

Total \$ 4880

4. Description of Other

STATEMENT OF CHANGES IN OWNERSHIP EQUITY  
(SOLE PROPRIETORSHIP, PARTNERSHIP OR CORPORATION)

1. Balance, beginning of period	\$	34,931,135	4240
A. Net income (loss)		7,634,468	4250
B. Additions (Includes non-conforming capital of	\$	4262	4260
C. Deductions (Includes non-conforming capital of	\$	4272	4270
2. Balance, end of period (From Item 1800)	\$	39,893,540	4290

STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED  
TO CLAIMS OF GENERAL CREDITORS

3. Balance, beginning of period	\$	4300
A. Increases		4310
B. Decreases	(	4320
4. Balance, end of period (From item 3520)	\$	4330

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**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART II**

BROKER OR DEALER

COASTAL SECURITIES, INC.

as of 09/30/09

**FINANCIAL AND OPERATIONAL DATA**

	<u>Valuation</u>	<u>Number</u>
1. Month end total number of stock record breaks unresolved over three business days.		
A. breaks long .....	\$ <u>4890</u>	<u>4900</u>
B. breaks short .....	\$ <u>4910</u>	<u>4920</u>
2. Is the firm in compliance with Rule 17a-13 regarding periodic count and verification of securities positions and locations at least once in each calendar quarter ? (Check one) .....	Yes <input checked="" type="checkbox"/> <u>4930</u>	No <input type="checkbox"/> <u>4940</u>
A) If response is negative attach explanation of steps being taken to comply with Rule 17a-13.		
3. Personnel employed at end of reporting period:		
A. Income producing personnel .....		70 <u>4950</u>
B. Non-income producing personnel (all other) .....		42 <u>4960</u>
C. Total .....		112 <u>4970</u>
4. Actual number of tickets executed during current month of reporting period .....		2,016 <u>4980</u>
5. Number of corrected customer confirmations mailed after settlement date .....		<u>4990</u>
	<u>No. of Items</u>	<u>Debit (Short Value)</u>
6. Money differences .....	<u>5000</u> \$	<u>5010</u> \$
7. Security suspense accounts .....	<u>5040</u> \$	<u>5050</u> \$
8. Security difference accounts .....	<u>5080</u> \$	<u>5090</u> \$
9. Commodity suspense accounts .....	<u>5120</u> \$	<u>5130</u> \$
10. Open transactions with correspondents, other brokers, clearing organizations, depositories and interoffice and intercompany accounts which could result in a charge-unresolved amounts over 30 calendar days .....	<u>5160</u> \$	<u>5170</u> \$
11. Bank account reconciliations-unresolved amounts over 30 calendar days .....	<u>5200</u> \$	<u>5210</u> \$
12. Open transfers over 40 calendar days, not confirmed .....	<u>5240</u> \$	<u>5250</u> \$
13. Transactions in reorganization accounts-over 60 calendar days .....	<u>5280</u> \$	<u>5290</u> \$
14. Total .....	<u>5320</u> \$	<u>5330</u> \$
	<u>No. of Items</u>	<u>Ledger Amount</u>
15. Failed to deliver 5 business days or longer (21 business days or longer in the case of Municipal Securities) .....	<u>5360</u> \$	<u>5361</u> \$
16. Failed to receive 5 business days or longer (21 business days or longer in the case of Municipal Securities) .....	<u>5363</u> \$	<u>5364</u> \$
17. Security concentrations (See instructions in Part I):		
A. Proprietary positions .....	\$	1,084,705 <u>5370</u>
B. Customers' accounts under Rule 15c3-3 .....	\$	<u>5374</u>
18. Total of personal capital borrowings due within six months .....	\$	<u>5378</u>
19. Maximum haircuts on underwriting commitments during the period .....	\$	<u>5380</u>
20. Planned capital expenditures for business expansion during next six months .....	\$	<u>5382</u>
21. Liabilities of other individuals or organizations guaranteed by respondent .....	\$	<u>5384</u>
22. Lease and rentals payable within one year .....	\$	1,050,639 <u>5386</u>
23. Aggregate lease and rental commitments payable for entire term of the lease		
A. Gross .....	\$	1,853,326 <u>5388</u>
B. Net .....	\$	1,853,326 <u>5390</u>

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