

FOLIO*fn* INVESTMENTS, INC.

Statement of Financial Condition

(unaudited)
June 30, 2009

Assets

Cash and cash equivalents	\$881,943
Cash segregated under federal and other regulations	9,328,769
Dividends and interest receivable	11,238
Deposits with clearing organizations	2,677,752
Receivable from customers	3,579,802
Other receivables	339,357
Receivable from broker-dealers and clearing organizations	78,909
Securities owned, at market value:	
Corporate equity securities	682,253
Prepaid expenses and other assets	12,752,948
Deferred Tax Assets	276,040
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Total assets	<u>\$30,609,011</u>

Liabilities & Stockholders' Equity

Liabilities:	
Payable to customers	\$9,512,780
Payable to broker-dealers and clearing organizations	2,061,231
Accounts payable and accrued expenses	1,101,603
Deferred tax liabilities	276,040
Due to parent	781,820
Deferred revenue	697,374
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Total liabilities	<u>14,430,848</u>
Stockholders' equity:	
Common stock, \$.0001 par value, 1,000 shares authorized, 1,000 shares issued and outstanding	1
Additional paid-in capital	22,391,694
Accumulated deficit	(6,213,532)
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Total stockholders' equity	<u>16,178,163</u>
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Total liabilities and stockholders' equity	<u>\$30,609,011</u>

CAPITAL REQUIREMENTS

FOLIO*fn* Investments, Inc. (the "Company") is subject to the Securities and Exchange Commission Uniform Net Capital Rule 15c3-1 (the "Rule"). The Company has elected the alternative method of compliance allowed under the Rule whereby "required net capital," as defined, is the greater of 2% of "aggregate debit items," as defined, arising from customer transactions or \$250,000. The Rule prohibits the Company from engaging in any securities transactions should its "net capital" fall below required amounts and may require the Company to restrict its business activities if its net capital falls below amounts defined in the Rule. In computing net capital, items not readily convertible into cash are generally excluded, and the Company's position in marketable securities is valued below current market quotations. Net capital and related excess net capital may fluctuate daily. At June 30, 2009, the Company's required net capital was \$250,000 and its current net capital was \$14,208,468. The Company's current net capital exceeded the Rule requirements by \$13,958,468.