

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 |
| | <hr/> |
| 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 |
| | <hr/> |
| 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.