

SIEBERT FINANCIAL CORP
Form 10-K
March 31, 2009

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

Form 10-K

(Mark One)

**ANNUAL REPORT UNDER SECTION
13 OR 15(d)
OF THE SECURITIES EXCHANGE
ACT OF 1934
For the fiscal year ended: December 31, 2008**

**TRANSITION REPORT UNDER
SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT
OF 1934
For the transition period from _____ to _____**

Commission file number 0-5703

Siebert Financial Corp.

(Exact name of registrant as specified in its charter)

**New York
(State or other jurisdiction of
incorporation or organization)**

**885 Third Avenue, New York, New York
(Address of principal executive offices)**

**11-1796714
(I.R.S. Employer
Identification No.)**

**10022
(Zip Code)**

**(212) 644-2400
Registrant's telephone number**

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Securities registered pursuant to Section 12(b) of the Exchange Act:

Title of each class
NONE

Name of each exchange on which registered
NONE

Securities registered under Section 12(g) of the Exchange Act:

COMMON STOCK, PAR VALUE \$.01 PER SHARE
(Title of class)

Indicate by checkmark if the registrant is a well known seasoned issuer, as defined in Rule 405 of the Securities Act.
YES NO

Indicate by checkmark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. YES NO

Indicate by checkmark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES NO

Indicate by checkmark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by checkmark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. (See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act).

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by checkmark whether the registrant is a shell company (as defined in Rule 12b-2). YES NO

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The aggregate market value of the Common Stock held by non-affiliates of the registrant (based upon the last sale price of the Common Stock reported on the Nasdaq Stock Market as of the last business day of the registrant's most recently completed second fiscal quarter (June 30, 2008)), was \$6,551,775.

The number of shares of the Registrant's outstanding Common Stock, as of March 17, 2009, was 23,214,132 shares.

Documents Incorporated by Reference: Definitive Proxy Statement to be filed pursuant to Regulation 14A of the Exchange Act on or before April 30, 2009, incorporated by reference into Part III.

Special Note Regarding Forward-Looking Statements

Statements in this Annual Report on Form 10-K, as well as oral statements that may be made by the Company or by officers, directors or employees of the Company acting on the Company's behalf, that are not statements of historical or current fact constitute forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward looking statements involve risks and uncertainties and known and unknown factors that could cause the actual results of the Company to be materially different from historical results or from any future expressed or implied by such forward looking statements, including without limitation: changes in general economic and market conditions; changes and prospects for changes in interest rates; fluctuations in volume and prices of securities; demand for brokerage and investment banking services; competition within and without the discount brokerage business, including the offer of broader services; competition from electronic discount brokerage firms offering greater discounts on commissions than the Company; the prevalence of a flat fee environment; decline in participation in equity or municipal finance underwritings; limited trading opportunities; the method of placing trades by the Company's customers; computer and telephone system failures; the level of spending by the Company on advertising and promotion; trading errors and the possibility of losses from customer non-payment of amounts due; other increases in expenses and changes in net capital or other regulatory requirements.

PART I

Item 1. BUSINESS

General

Siebert Financial Corp. (the Company) is a holding company that conducts its retail discount brokerage and investment banking business through its wholly-owned subsidiary, Muriel Siebert & Co., Inc., a Delaware corporation (Siebert). Muriel F. Siebert, the first woman member of the New York Stock Exchange, is our Chairwoman and President and owns approximately 90% of our outstanding common stock, par value \$.01 per share (the Common Stock).

Our principal offices are located at 885 Third Avenue, New York, New York 10022, and our phone number is (212) 644-2400. Our Internet address is www.siebertnet.com. Our SEC filings are available through our website, where you are able to obtain copies of the Company's public filings free of charge. Our Common Stock trades on the Nasdaq Global Market under the symbol SIEB.

Business Overview

Siebert's principal activity is providing Internet and traditional discount brokerage and related services to retail investors and, through its wholly owned subsidiary, Siebert Woman's Financial Network, Inc (WFN), providing products, services and information all uniquely devoted to women's financial needs. Through its Capital Markets division, Siebert also offers institutional clients equity execution services on an agency basis, as well as equity and fixed income underwriting and investment banking services. We believe that we are the largest Woman-Owned Business Enterprise (WBE) in the capital markets business in the country. In addition, Siebert, Brandford, Shank & Co., LLC (SBS), a company in which Siebert holds a 49% ownership interest, is the largest Minority and Women's Business Enterprise (MWBE) in the tax-exempt underwriting business in the country.

The Retail Division

Discount Brokerage and Related Services. Siebert became a discount broker on May 1, 1975, a date that would later come to be known as May Day. Siebert believes that it has been in business and a member of The New York Stock Exchange, Inc. (the NYSE) longer than any other discount broker. In 1998, Siebert began to offer its customers access to their accounts through SiebertNet, its Internet website. Siebert's focus in its discount brokerage business is to serve retail clients seeking a wide selection of quality investment services, including trading through a broker on the telephone, through a wireless device or via the Internet, at commissions that are substantially lower than those of full-commission firms and competitive with the national discount brokerage firms. Siebert clears its securities transactions on a fully disclosed basis through National Financial Services Corp. (NFS), a wholly owned subsidiary of Fidelity Investments.

Siebert serves investors who