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MORGAN GROUP HOLDING CO

Form 10-K

March 22, 2010

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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934

For the fiscal year ended: December 31, 2009

or

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 333-73996

MORGAN GROUP HOLDING CO.

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(Exact name of Registrant as specified in its charter)

Delaware

13-4196940

State of other jurisdiction
incorporation or organization

(I.R.S. Employer
Identification No.)

401 Theodore Fremd Avenue, Rye, NY

10580

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code (914) 921-1877

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as
defined in Rule 405 of the Securities Act. Yes [ ] No [X]

Indicate by check mark if the registrant is not required to file reports
pursuant to Section 13 or Section 15(d) of the Act. Yes [ ] No [X]

Indicate by check mark whether the Registrant (1) has filed all reports required
to be filed by Section 13 or 15(d) of the Securities 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 [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405
of Regulations S-K is not contained herein, and will not be contained, to the

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best of the 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-KSB. [ ]

Indicate by check mark 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 [X]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes [X] No [ ]

As of February 26, 2010, the aggregate market value of the Registrant's voting and nonvoting common equity held by non-affiliates of the Registrant was approximately \$176,000, which value, solely for the purposes of this calculation, excludes shares held by the Registrant's officers, directors, and their affiliates. Such exclusion should not be deemed a determination or an admission by the issuer that all such individuals are, in fact, affiliates of the issuer.

The number of outstanding shares of the Registrant's Common Stock was 3,055,345 as of February 26, 2010.

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MORGAN GROUP HOLDING CO.  
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### PART I

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#### Item 1. Business.

Morgan Group Holding Co. (the "Company" or "Holding") was incorporated in November 2001 to serve, among other business purposes, as a holding company for LICT Corporation's ("LICT") controlling interest in The Morgan Group, Inc. ("Morgan"). On January 24, 2002, LICT spun off all but 235,294 of its shares in the Company to its stockholders.

On October 18, 2002, Morgan and two of its operating subsidiaries filed voluntary petitions under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Indiana, South Bend Division. On March 31, 2008, the bankruptcy proceeding was concluded and the bankruptcy court dismissed the proceeding. There was no appeal from the bankruptcy court's dismissal of the proceeding, and that proceeding is now entirely ended. Morgan received no value for its equity ownership from the bankruptcy proceeding.

We are continuing to evaluate all options available to the Company at this time. One option is to make a further distribution of any remaining cash, effectively liquidating the Company.

At present we have no full time employees.

#### Item 1A. Risk Factors

We are a smaller reporting company as defined in Item 10(f)(1) of Regulation S-K and thus are not required to report the risk factors specified in Item 503(c) of Regulation S-K.

#### Item 1B. Unresolved Staff Comments.

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None

### Item 2. Properties.

The Company does not own any property.

### Item 3. Legal Proceedings.

The Company is not a party to any legal proceedings.

### Item 4. Submission of Matters to a Vote of Security Holders.

None.

## PART II

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### Item 5. Market for the Registrant's Common Equity, Related Stockholder Matters, and Issuer Purchases of Equity Securities.

The shares of our common stock trade on the over-the-counter market in the Pink Sheets, under the symbol: MGHL.PK. The following table sets forth the high and low market prices of the common stock for the periods indicated, as reported by published sources. These prices represent inter-dealer quotations without retail markup, markdown, or commission and may not necessarily represent actual transactions.

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|                  | High    | Low     |
|------------------|---------|---------|
|                  | ----    | ---     |
| 2009 Fiscal Year |         |         |
| -----            |         |         |
| First Quarter    | \$0.13  | \$0.085 |
| Second Quarter   | \$0.14  | \$0.075 |
| Third Quarter    | \$0.14  | \$0.131 |
| Fourth Quarter   | \$0.131 | \$0.131 |
| 2008 Fiscal Year |         |         |
| -----            |         |         |
| First Quarter    | \$0.17  | \$0.125 |
| Second Quarter   | \$0.165 | \$0.14  |
| Third Quarter    | \$0.151 | \$0.145 |
| Fourth Quarter   | \$0.151 | \$0.09  |

As of February 26, 2010, there were approximately 800 holders of record of the Company's common stock.

The Company has never declared a cash dividend on its common stock and its Board of Directors does not anticipate that it will pay cash dividends in the foreseeable future.

During the fiscal year ended December 31, 2009, the Company did not sell any unregistered securities, and did not repurchase any of its shares from

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its shareholders.

### Item 6. Selected Financial Data.

We are a smaller reporting company as defined in Item 10(f)(1) of Regulation S-K and thus are not required to report the selected financial data specified in Item 303 of Regulation S-K.

### Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operation.

#### Forward-Looking Statements and Uncertainty of Financial Projections

Forward-looking statements are not based on historical information but relate to future operations, strategies, financial results or other developments. Forward-looking statements are necessarily based upon estimates and assumptions that are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond our control and many of which, with respect to future business decisions, are subject to change. These uncertainties and contingencies can affect actual results and could cause actual results to differ materially from those expressed in any forward-looking statements made by, or on behalf of, us.

#### Overview

As of December 31, 2009, the Company's only assets consisted of approximately \$377,000 in cash and a capital loss carry forward of about \$4 million which it expects will expire in 2013. The ability to utilize this loss carry-forward is dependent on the Company's ability to generate a capital gain prior to its expiration.

The Company currently has no operating businesses and will seek acquisitions as part of its strategic alternatives. Its only costs are the administrative expenses required to make the regulatory filings needed to maintain its public status. These costs are estimated at \$25,000 to \$50,000 per year.

We are evaluating all options available to the Company at this time. One option is to make a further distribution of any remaining cash effectively liquidating the company.

#### Results of Operations

For the year ended December 31, 2009, the Company incurred administrative expenses of \$30,000 as compared to \$37,000 in 2008, lower audit fees was the primary cause of the variance.

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Investment income was \$900 during the year ended December 31, 2009 as compared to \$9,000 during 2008 respectively as a result of the Company's investment in a United States Treasury money market fund. Lower interest rates were the primary cause of the decrease in 2009.

#### Liquidity and Capital Resources

At December 31, 2009, we had approximately \$377,000 in cash as compared to approximately \$405,000 at December 31, 2008.

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### Recently Issued Accounting Pronouncements

In June 2009, the Financial Accounting Standards Board ("FASB") designated the FASB Accounting Standards Codification (the "Codification") as the source of authoritative accounting principles to be applied by nongovernmental entities in the preparation of financial statements in conformity with GAAP. Concurrent with this designation, the FASB also issued guidance on the framework for selecting the accounting principles used in the preparation of financial statements. The Codification is a structure which takes accounting pronouncements and organizes them into approximately 90 accounting topics. In addition to the Codification, the rules and interpretive releases of the Securities and Exchange Commission ("SEC") under federal securities laws are considered sources of authoritative GAAP for SEC registrants, as the Codification does not replace or affect guidance issued by the SEC or its staff for public entities in their filings with the SEC. Upon the adoption of the Codification, all previously existing non-SEC accounting and reporting standards are superseded, with the exception of certain pronouncements grandfathered by the FASB. Going forward, the FASB will issue Accounting Standards Updates ("ASUs") in order to update the Codification, provide background information about new guidance and describe the bases for conclusions on changes to the Codification. The Codification and the guidance surrounding the framework for selecting accounting principles is effective for financial statements issued for interim and annual periods ending after September 15, 2009. The Company adopted the Codification and associated guidance for the interim period ended September 30, 2009. As a result, previous references to former GAAP in the financial statements have been eliminated (with the exception of certain grandfathered pronouncements), and the financial statement disclosures starting with the interim period ended September 30, 2009 explain the accounting concepts utilized rather than specific GAAP references from the Codification. The adoption of the Codification and associated guidance did not change the application of GAAP to the Company's financial statements.

### Item 7A. Quantitative and Qualitative Analysis of Market Risk

We are a smaller reporting company as defined in Item 10(f)(1) of Regulation S-K and thus are not required to report the Quantitative and Qualitative Analysis of Market Risk specified in Item 305 of Regulation S-K.

### Item 8. Financial Statements and Supplementary Data.

Report of Independent Registered Public Accounting Firm

Balance Sheets as of  
December 31, 2009 and 2008

Statements of Operations for the Years Ended  
December 31, 2009 and 2008

Statements of Cash Flows for the Years Ended  
December 31, 2009 and 2008

Statements of Shareholders' Equity for the Years Ended  
December 31, 2009 and 2008

Notes to Financial Statements

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To the Board of Directors and Stockholders of  
Morgan Group Holding Company  
Rye, New York

We have audited the accompanying balance sheets of Morgan Group Holding Company (the "Company") as of December 31, 2009 and 2008 and the related statements of operations, stockholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with standards of the Public Company Accounting Oversight Board. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free to material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Morgan Group Holding Company as of December 31, 2009 and 2008 and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

/s/ Daszkal Bolton LLP

Boca Raton, Florida  
March 16, 2010

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Morgan Group Holding Co.  
Balance Sheets

|                  | December 31, |            |
|------------------|--------------|------------|
|                  | 2009         | 2008       |
| ASSETS           |              |            |
| Current assets:  |              |            |
| Cash             | \$ 376,684   | \$ 404,876 |
| Prepaid expenses | 7,000        | 7,500      |

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|   |             |             |
|---|-------------|-------------|
| Total current assets  | 383,684     | 412,376     |
| Investment in Morgan Group, Inc.  | -           | -           |
|   | -----       | -----       |
| Total assets  | \$ 383,684  | \$ 412,376  |
|   | =====       | =====       |
| LIABILITIES   | \$ -        | \$ -        |
| COMMITMENTS AND CONTINGENCIES   |             |             |
| SHAREHOLDERS' EQUITY  |             |             |
| Preferred Stock, \$0.01 par value, 1,000,000 shares authorized, none outstanding    | -           | -           |
| Common Stock, \$0.01 par value, 10,000,000 shares authorized, 3,055,345 outstanding | 30,553      | 30,553      |
| Additional paid-in-capital  | 5,611,447   | 5,611,447   |
| Accumulated deficit   | (5,258,316) | (5,229,624) |
|   | -----       | -----       |
| Total shareholders' equity  | 383,684     | 412,376     |
|   | -----       | -----       |
| Total liabilities and shareholders' equity  | \$ 383,684  | \$ 412,376  |
|   | =====       | =====       |

See accompanying notes to financial statements

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Morgan Group Holding Co.  
Statements of Operations

|                                       | Year Ended December 31, |             |
|---------------------------------------|-------------------------|-------------|
|                                       | 2009                    | 2008        |
|                                       | -----                   | -----       |
| Revenues                              | \$ -                    | \$ -        |
| Administrative expenses               | (29,556)                | (36,747)    |
| Other income - interest               | 864                     | 8,877       |
|                                       | -----                   | -----       |
| Net loss before income taxes          | (28,692)                | (27,870)    |
| Income taxes                          | -                       | -           |
|                                       | -----                   | -----       |
| Net loss                              | (\$ 28,692)             | (\$ 27,870) |
|                                       | =====                   | =====       |
| Loss per share, basic and diluted     | (\$ 0.01)               | (\$ 0.01)   |
|                                       | =====                   | =====       |
| Shares outstanding, based and diluted | 3,055,345               | 3,055,345   |



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See accompanying notes to financial statements

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Morgan Group Holding Co.  
Statements of Cash Flows

|  | Year Ended December 31, |             |
|--|-------------------------|-------------|
|  | 2009                    | 2008        |
| Cash Flows from Operating Activities                                 |                         |             |
| Interest received  | \$ 864                  | \$ 8,877    |
| Cash paid to suppliers and employees                                 | (29,056)                | (44,247)    |
| Net Cash Used In Operating Activities                                | (28,192)                | (35,370)    |
| Cash Flows from Investing Activities                                 | -                       | -           |
| Cash Flows from Financing Activities                                 | -                       | -           |
| Net Decrease in Cash   | (28,192)                | (35,370)    |
| Cash, Beginning of the Year  | 404,876                 | 440,246     |
| Cash, End of the Year  | \$ 376,684              | \$ 404,876  |
| Reconciliation of net loss to net cash used in operating activities: |                         |             |
| Net loss   | (\$ 28,692)             | (\$ 27,870) |
| Change in assets:  |                         |             |
| Decrease (increase) in prepaid expenses                              | 500                     | (7,500)     |
| Net cash used in operating activities                                | (\$ 28,192)             | (\$ 35,370) |

See accompanying notes to financial statements

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Morgan Group Holding Co.  
Statements of Shareholders' Equity

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|  | Preferred Stock |           | Common Stock |           | Additional<br>Paid in<br>Capital |
|--|-----------------|-----------|--------------|-----------|----------------------------------|
|  | Shares          | Par Value | Shares       | Par Value |                                  |
| Balance, December 31,<br>2007                | -               | \$ -      | 3,055,345    | \$ 30,553 | \$ 5,611,447                     |
| Net loss for year ended<br>December 31, 2008 | -               | -         | -            | -         | -                                |
| Balance, December 31,<br>2008                | -               | -         | 3,055,345    | 30,553    | 5,611,447                        |
| Net loss for year ended<br>December 31, 2009 | -               | -         | -            | -         | -                                |
| Balance, December 31,<br>2009                | -               | \$ -      | 3,055,345    | \$ 30,553 | \$ 5,611,447                     |

See accompanying notes to financial statements

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Morgan Group Holding Co.  
Notes to Financial Statements

Note 1. Basis of Presentation and Significant Accounting Principles

Basis of Presentation

Morgan Group Holding Co. ("Holding" or "the Company") was incorporated in November 2001 as a wholly-owned subsidiary of LICT Corporation ("LICT, formerly Lynch Interactive Corporation") to serve, among other business purposes, as a holding company for LICT's controlling interest in The Morgan Group, Inc. ("Morgan"). On December 18, 2001, LICT's controlling interest in Morgan was transferred to Holding. At the time, Holding owned 68.5% of Morgan's equity interest and 80.8% of Morgan's voting interest. On January 24, 2002, LICT spun off 2,820,051 shares of Holding common stock through a pro rata distribution ("Spin-Off") to its stockholders. LICT retained 235,294 shares of Holding common stock to be distributed in connection with the potential conversion of a convertible note that had been issued by LICT. Such note was repurchased by LICT in 2002 and LICT retains the shares.

On October 3, 2002, Morgan ceased its operations when its liability insurance expired and it was unable to secure replacement insurance. On October 18, 2002, Morgan and two of its operating subsidiaries filed voluntary petitions under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Indiana, South Bend Division for the purpose of conducting an orderly liquidation of Morgan's assets.

On October 18, 2002, Morgan adopted the liquidation basis of accounting and, accordingly, Morgan's assets and liabilities have been adjusted to estimate net realizable value. As the carry value of Morgan's liabilities exceeded the

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fair value of its assets, the liabilities were reduced to equal the estimated net realizable value of the assets.

Management believed that it was unlikely that the Company would realize any value from its equity ownership in Morgan and, given the fact that the Company had no obligation or intention to fund any of Morgan's liabilities, its investment in Morgan was believed to have no value after its liquidation. Because the liquidation of Morgan was under the control of the bankruptcy court, the Company believed it had relinquished control of Morgan and, accordingly, deconsolidated its ownership interest Morgan in its financial statements during 2002. On March 31, 2008, the bankruptcy proceeding was concluded and the bankruptcy court dismissed the proceeding. Morgan received no value for its equity ownership from the bankruptcy proceeding.

### Significant Accounting Principles

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#### Cash and Cash Equivalents

All highly liquid investments with maturity of three months or less when purchased are considered to be cash equivalents. The carrying value of cash equivalents approximates its fair value based on its nature.

At December 31, 2009 and 2008 all cash and cash equivalents were invested in a United States Treasury money market fund, of which an affiliate of the Company serves as the investment manager.

#### Earnings per Share

Net (loss) income per common share ("EPS") is computed using the number of common shares issued in connection with the Spin-Off.

#### 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 amount 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.

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#### Subsequent Events

The Company evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through March 16, 2010.

#### Recently Issued Accounting Pronouncements

In June 2009, the Financial Accounting Standards Board ("FASB") designated the FASB Accounting Standards Codification (the "Codification") as the source of authoritative accounting principles to be applied by nongovernmental entities in the preparation of financial statements in conformity with GAAP. Concurrent with this designation, the FASB also issued guidance on the framework for selecting the accounting principles used in the preparation of financial statements. The Codification is a structure which takes accounting pronouncements and organizes them into approximately 90 accounting topics. In addition to the Codification, the rules and interpretive releases of

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the Securities and Exchange Commission ("SEC") under federal securities laws are considered sources of authoritative GAAP for SEC registrants, as the Codification does not replace or affect guidance issued by the SEC or its staff for public entities in their filings with the SEC. Upon the adoption of the Codification, all previously existing non-SEC accounting and reporting standards are superseded, with the exception of certain pronouncements grandfathered by the FASB. Going forward, the FASB will issue Accounting Standards Updates ("ASUs") in order to update the Codification, provide background information about new guidance and describe the bases for conclusions on changes to the Codification. The Codification and the guidance surrounding the framework for selecting accounting principles is effective for financial statements issued for interim and annual periods ending after September 15, 2009. The Company adopted the Codification and associated guidance for the interim period ended September 30, 2009. As a result, previous references to former GAAP in the financial statements have been eliminated (with the exception of certain grandfathered pronouncements), and the financial statement disclosures starting with the interim period ended September 30, 2009 explain the accounting concepts utilized rather than specific GAAP references from the Codification. The adoption of the Codification and associated guidance did not change the application of GAAP to the Company's financial statements.

### Note 2. Investment in Morgan Group, Inc.

Upon Morgan's bankruptcy filing, the Company has deconsolidated its investment, as the Company believes it no longer has controlling or significant influence. At December 31, 2007, the estimated value of Morgan's assets in liquidation was insufficient to satisfy its estimated obligations. On March 31, 2008, the bankruptcy proceeding was concluded and the bankruptcy court dismissed the proceeding. The Company received no value for its equity ownership.

### Note 3. Income Taxes

The Company is a "C" corporation for Federal tax purposes, and has provided for deferred income taxes for temporary differences between the financial statement and tax bases of its assets and liabilities. As of December 31, 2009 and 2008, the Company has an unused net operating loss carryforward of \$41,062 and \$29,886 available for use on its future corporate income tax returns which will expire during the years 2020 through 2029. The Company has recorded a full valuation allowance against its deferred tax asset of approximately \$1.7 million arising from its temporary basis differences and tax loss carryforward, as its realization is dependent upon the generation of future taxable income during the period when such losses would be deductible.

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Pursuant to Sections 382 and 383 of the Internal Revenue Code, annual use of any of the Company's net operating loss carry forwards may be limited if cumulative changes in ownership of more than 50% occur during any three year period.

Cumulative temporary differences at December 31, 2009 and 2008 are as follows:

| December 31, |       |
|--------------|-------|
| 2009         | 2008  |
| -----        | ----- |

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|                            |              |              |
|----------------------------|--------------|--------------|
| Deferred tax assets:       |              |              |
| Temporary basis difference | \$ 1,673,987 | \$ 1,673,987 |
| Net operating losses       | 41,062       | 29,886       |
|                            | -----        | -----        |
|                            | 1,715,049    | 1,703,873    |
| Valuation allowance        | (1,715,049)  | (1,703,873)  |
|                            | -----        | -----        |
|                            | \$ -         | \$ -         |
|                            | =====        | =====        |

Income tax provision for the years ended December 31, 2009 and 2008 is comprised of:

|                               | December 31, |          |
|-------------------------------|--------------|----------|
|                               | 2009         | 2008     |
|                               | -----        | -----    |
| Current income tax benefit    | \$ -         | \$ -     |
| Deferred income tax benefit   | (11,175)     | (10,855) |
| Change in valuation allowance | 11,175       | 10,855   |
|                               | -----        | -----    |
| Income tax benefit            | \$ -         | \$ -     |
|                               | =====        | =====    |

The reconciliation of the provision for income taxes for the years ended December 31, 2009 and 2008, and the amount computed by applying the statutory federal income tax rate to net loss is as follows:

|                                     | December 31, |          |
|-------------------------------------|--------------|----------|
|                                     | 2009         | 2008     |
|                                     | -----        | -----    |
| Tax benefit at statutory rate       | \$ 9,755     | \$ 9,476 |
| State taxes, net of federal expense | 1,420        | 1,379    |
| Change of valuation allowance       | (11,175)     | (10,855) |
|                                     | -----        | -----    |
|                                     | \$ -         | \$ -     |
|                                     | =====        | =====    |

#### Note 4. Commitments and Contingencies

-----

From time to time the Company may be subject to certain asserted and unasserted claims. It is the Company's belief that the resolution of these matters will not have a material adverse effect on its financial position.

The Company has not guaranteed any of the obligations of Morgan and believes it currently has no commitment or obligation to fund any creditors.

#### Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

Not Applicable.

#### Item 9A. Controls and Procedures.

(a) Evaluation of Disclosure Controls and Procedures.

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As required by Rule 15d-15 under the Securities Exchange Act of 1934, as of the end of the period covered by this report, Management carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of December 31, 2009. This evaluation was carried out under the supervision and with the participation of our principal executive officer as well as our principal financial officer, who concluded that our disclosure controls and procedures are effective.

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Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Securities Exchange Act are recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed under the Exchange Act are accumulated and communicated to management, including our principal executive officer and our principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

(b) Management's Annual Report on Internal Control of Financial  
-----  
Reporting.  
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The Company's management is responsible for establishing and maintaining an adequate system of internal control over financial reporting, as defined in the Rule 13a-15(f) of the Securities Exchange Act of 1934, as amended. Management conducted an assessment of the Company's internal control over financial reporting based on the framework established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework. Based on the assessment, management concluded that, as of December 31, 2009, the Company's internal control over financial reporting is effective.

This annual report does not include an attestation report of a registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by a registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission that permits the Company to provide only management's report in this annual report.

(c) Changes in Internal Control over Financial Reporting  
-----

There was no significant change in the Company's internal control over financial reporting that occurred during the most recently completed fiscal quarter that materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 9B. Other Information.

None.

PART III  
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Item 10. Directors, Executive Officers and Corporate Governance.

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The following table sets forth the name, business address, present principal occupation, employment history, positions, offices or employments for the past five years and ages as of February 27, 2009 for our executive officers and directors. Members of the board are elected and serve for one year terms or until their successors are elected and qualify.

| Name             | Age | Position                             |
|------------------|-----|--------------------------------------|
| ----             | --- | -----                                |
| Mario J. Gabelli | 67  | Chief Executive Officer and Director |
| Robert E. Dolan  | 58  | Chief Financial Officer and Director |

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Mario J. Gabelli has served as Chairman and Chief Executive Officer of the Company since November 2001. Mr. Gabelli has also served as the Chairman, Chief Executive Officer and Chief Investment Officer -Value Portfolios of GAMCO Investors Inc. ("GAMCO"), a publicly traded company in the asset management business, since November 1976. He serves as director or trustee of registered investment companies managed by GAMCO and its affiliates ("Gabelli Funds"). Mr. Gabelli also has been a portfolio manager of Teton Advisors, Inc., a publicly traded company in the asset management business since 1993. Teton was spun-off from GAMCO on March 2009. Mr. Gabelli has also served as Chairman of LICT Corporation (formerly known as Lynch Interactive Corporation), a public company engaged in multimedia and other services since December 2004 (and also from September 1999 to December 2002), as Vice Chairman from December 2002 to December 2004 and as Chief Executive Officer from September 1999 to November 2005. Mr. Gabelli has served as a director of CIBL, Inc. from November 2007, a private company with operations in cable television, broadcasting, and wireless communications. In addition, Mr. Gabelli is the Chief Executive Officer, a director and the controlling shareholder of GGCP, Inc., a private company which owns a majority of GAMCO's Class B Stock, and the Chairman of MJG Associates, Inc., which acts as an investment manager of various investment funds and other accounts. Mr. Gabelli is also the Chief Executive Officer of Greenwich PMV Acquisition Corp., a blank check company formed for the purpose of acquiring one or more operating businesses or assets for which GGCP, Inc. is the sponsor, and the Chairman of the Gabelli Entertainment & Telecommunications Acquisition Corp., a blank check company formed for the purpose of acquiring one or more operating businesses or assets in the media, entertainment, telecommunications or regulated utilities industries for which the Company is the sponsor. He also serves as an Overseer of the Columbia University Graduate School of Business; Trustee of Boston College, Roger Williams University and Winston Churchill Foundation; Director of the National Italian American Foundation, The American-Italian Cancer Foundation, The Foundation for Italian Art & Culture and the Mentor/National Mentoring Partnership; and Chairman, Patron's Committee for the Immaculate Conception School. He is also Chairman of the Gabelli Foundation, Inc.

Robert E. Dolan has served as our Chief Financial Officer since November 2001. Mr. Dolan is also the Interim Chief Executive Officer and Chief Financial Officer of LICT Corporation, and has served as its Interim Chief Executive Officer from May 1, 2006, Chief Financial Officer from September 1999 and Controller from September 1999 to January 2004. In addition, Mr. Dolan was, until September 14, 2009 is the Assistant Secretary and director of Sunshine PCS Corporation, a public holding company, and has served in these capacities since November 2000. Also from November 17, 2007, Mr. Dolan is also the Interim Chief Executive Officer and Chief Financial Officer of CIBL, Inc.

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### Committees of the Board of Directors

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We presently do not have an audit committee, compensation committee, nominating committee, an executive committee of our board of directors, stock plan committee or any other committees. Currently, our full board of directors serves as the audit committee and approves, when applicable, the appointment of auditors and the inclusion of financial statements in our periodic reports. Mr. Dolan is deemed to be an "audit committee financial expert."

We have not made any changes to the process by which shareholders may recommend nominees to the board of directors since our last annual report.

### Code of Ethics

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We have not yet adopted a corporate code of ethics. Our board of directors is considering whether in light of the nature of our company and its lack of operations, it is necessary or appropriate to adopt a formal corporate code of ethics. If it is determined that such a code would be necessary or appropriate, it will then consider establishing, over the next year, a code of ethics to deter wrongdoing and promote honest and ethical conduct; provide full, fair, accurate, timely and understandable disclosure in public reports; comply with applicable laws; ensure prompt internal reporting of code violations; and provide accountability for adherence to the code.

### Legal Proceedings

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Neither of our directors and executive officers has been involved in legal proceedings that would be material to an evaluation of our management.

### Indemnification of Directors and Officers

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Under Section 145 of the Delaware General Corporation Law, the Company has broad powers to indemnify its directors and officers against liabilities they may incur in such capacities. The Company's certificate of incorporation provides that its directors and officers shall be indemnified to the fullest extent permitted by Delaware law. The certificate of incorporation also provides that the Company shall, to the fullest extent permitted by Delaware law, as amended from time to time, indemnify and advance expenses to each of its currently acting and former directors, officers, employees and agents.

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Delaware law provides that a corporation may limit the liability of each director to the corporation or its stockholders for monetary damages except for liability:

- for any breach of the director's duty of loyalty to the corporation or its stockholders,
- for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law,
- in respect of certain unlawful dividend payments or stock redemptions or repurchases and
- for any transaction which the director derives an improper personal benefit.

The Company's certificate of incorporation provides for the elimination and limitation of the personal liability of its directors for monetary damages



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to the fullest extent permitted by PersonNameDelaware law. In addition, the certificate of incorporation provides that if PersonNameDelaware law is amended to authorize the further elimination or limitation of the liability of a director, then the liability of our directors shall be eliminated or limited to the fullest extent permitted by PersonNameDelaware law, as amended. The effect of this provision is to eliminate the Company's rights and its stockholders rights, through stockholders' derivative suits, to recover monetary damages against a director for breach of the fiduciary duty of care as a director, except in the situations described above. This provision does not limit or eliminate the Company's rights or its stockholders' rights to seek non-monetary relief such as an injunction or rescission in the event of a breach of a director's duty of care.

Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended, may be permitted for its directors, officers, and controlling persons, pursuant to the foregoing provisions, or otherwise, the Company has been advised that in the opinion of the Securities and Exchange Commission this sort of indemnification is against public policy as expressed in the Securities Act of 1933, as amended, and is therefore unenforceable.

At present, there is no pending litigation or proceeding involving any of our directors, officers, employees or agents where indemnification will be required or permitted.

### Section 16(a) Beneficial Ownership Reporting Compliance

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To our knowledge, based solely upon our review of copies of reports received by us pursuant to Section 16(a) of the Securities Exchange Act of 1934, we believe that all of our directors, officers and beneficial owners of more than 10 percent of our common stock filed all such reports on a timely basis during 2009.

### Item 11. Executive Compensation.

The Company has not paid any compensation to any person, including its directors and executive officers, since inception. The Company does not have any employment contracts with either of its executive officers.

### Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The following table sets forth information concerning ownership of our common stock as of February 26, 2010 by each person known by us to be the beneficial owner of more than five percent of the common stock, each director, each executive officer, and by all directors and executive officers as a group. We believe that each stockholder has sole voting power and sole dispositive power with respect to the shares beneficially owned by him. Unless otherwise indicated, the address of each person listed below is 401 Theodore Fremd Avenue, Rye, New York 10580.

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| Beneficial Owner | Number of Shares<br>of Common Stock<br>Beneficially Owned | Percent of Ownership |
|------------------|---|----------------------|
| -----            | -----   | -----                |
| Mario J. Gabelli | 858,384(1)  | 28.1%                |

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|  |             |       |
|--|-------------|-------|
| LICT Corporation   | 235,294     | 7.7%  |
| T. Baulch  | 300,000 (2) | 9.8%  |
| Jay Gottlieb   | 252,360 (3) | 8.3%  |
| Walter P. Carucci, Uncle<br>Mills Partners and<br>Bernard Zimmerman &<br>Company, Inc. | 202,339 (4) | 6.6%  |
| Robert E. Dolan  | 579 (5)     | **    |
| All directors and executive<br>officers as a group (2 in<br>total)                     | 858,963     | 28.1% |

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\*\* Less than 1%

- (1) Represents 283,090 shares of common stock owned directly by Mr. Gabelli, 340,000 shares owned by a limited partnership in which Mr. Gabelli is the general partner and has approximately a .5% interest, and 235,294 shares owned by LICT Corporation (Mr. Gabelli is a "control person" of LICT Corporation and therefore shares owned by LICT Corporation are set forth in the table as also beneficially owned by Mr. Gabelli). Mr. Gabelli disclaims beneficial ownership of the shares owned by the partnership and LICT Corporation, except for his interest therein.
- (2) Based solely on a Schedule 13G filed by T. Baulch Gottlieb filed as of February 3, 2010, includes 106,427 held of record by the wife of T. Baulch.
- (3) Based solely on a Schedule 13G filed by Jay Gottlieb filed as of February 11, 2010.
- (4) Based solely on a combined Schedule 13G filed by Walter P. Carucci, Uncle Mills Partners, Carr Securities Corporation, and Bernard Zimmerman & Company, Inc. filed as of February 9, 2010 reflecting the following share ownership: Walter P. Carucci - 87,739 shares (including 10,000 shares owned by Uncle Mills Partners and 6,526 owned by Carr Securities Corporation); Uncle Mills Partners - 10,000; a Carr Securities Corporation - 6,526; and Bernard Zimmerman & Company - 114,600 shares.
- (5) Includes 70 shares registered in the name of Mr. Dolan's children with respect to which Mr. Dolan has voting and investment power and 109 shares owned by Mr. Dolan through the LICT Corporation 401(k) Savings Plan.

### Item 13. Certain Relationships and Related Transactions.

None.

### Item 14. Principal Accountant Fees and Services.

#### Audit Fees

The aggregate fees billed by Daszkal Bolton LLP for professional services rendered for the audit of the Company's financial statements for 2009 and 2008 were \$14,000 and \$15,000, respectively. For 2009 and 2008, Daszkal Bolton LLP

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billed the Company an aggregate of \$10,500 and \$12,000, respectively for reviews of the financial statements included in its quarterly Form 10-Q.

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Audit-Related Fees

No audit-related fees were billed by Daszkal Bolton LLP for 2009 or 2008.

Tax Fees

No tax fees were billed by Daszkal Bolton LLP for 2009 or 2008.

All Other Fees

No other fees were billed by Daszkal Bolton LLP for 2009 or 2008 for services other than as set forth above.

PART IV

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Item 15. Exhibits, Financial Statement Schedules.

| Exhibit Number | Description  |
|----------------|--|
| -----          | -----  |
| 3.1            | Certificate of Incorporation of the Company*                     |
| 3.2            | By-laws of the Company*  |
| 31.1           | Rule 15d-14(a) Certification of the Chief Executive Officer      |
| 31.2           | Rule 15d-14(a) Certification of the Principal Accounting Officer |
| 32.1           | Section 1350 Certification of the Chief Executive Officer        |
| 32.2           | Section 1350 Certification of the Principal Accounting Officer   |

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\* Incorporated by reference to the exhibits to the Company's Registration Statement on Form S-1 (Registration No. 333-73996).

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

MORGAN GROUP HOLDING CO.

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Dated: March 16, 2010

By: /s/ Robert E. Dolan

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ROBERT E. DOLAN  
Chief Financial Officer  
(Principal Financial and  
Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

| Signature   | Capacity   | Date           |
|---|--|----------------|
| /s/ Mario J. Gabelli<br>-----<br>MARIO J. GABELLI | Chief Executive Officer<br>(Principal Executive Officer)<br>and Director                   | March 16, 2010 |
| /s/ Robert E. Dolan<br>-----<br>ROBERT E. DOLAN   | Chief Financial Officer<br>(Principal Financial and<br>Accounting Officer) and<br>Director | March 16, 2010 |