

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2010

OR

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

Commission File Number: 001-12941

**EASTERN LIGHT CAPITAL, INCORPORATED**

(Exact Name of Registrant as Specified in Its Charter)

**Delaware**

(State or other jurisdiction  
of incorporation or organization)

**94-3240473**

(I.R.S. Employer  
Identification Number)

**100 Pine Street, Suite 560, San Francisco, California**

(Address of principal executive office)

**94111**

(zip code)

**(415) 693-9500**

(Registrant's Telephone Number, including Area Code)

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

Title of each class	Name of each exchange on which registered
<b>Common Stock \$0.01 par value</b>	<b>NYSE Amex</b>

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

**None**

(Title of Class)

Indicate by check mark whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities 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 check mark whether the registrant submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T Section 232.405, during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

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 12b02 of the Exchange Act.

Large accelerated filer:

Accelerated filer:

Non-accelerated filer:

Smaller reporting company:

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

As of June 30, 2010, the registrant has approximately 351,482 shares of common stock outstanding.

## TABLE OF CONTENTS

### **PART I – FINANCIAL INFORMATION (UNAUDITED)**

ITEM 1	CONDENSED CONSOLIDATED FINANCIAL STATEMENTS:	
	Condensed Consolidated Balance Sheets	1
	Condensed Consolidated Statements of Operations	2
	Condensed Consolidated Statements of Cash Flows	3
	Notes to Condensed Consolidated Financial Statements	4-10
ITEM 2	MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	11-14
ITEM 3	QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK	14
ITEM 4	CONTROLS AND PROCEDURES	14

### **PART II – OTHER INFORMATION**

ITEM 1	LEGAL PROCEEDINGS	15
ITEM 1A	RISK FACTORS	15
ITEM 1B	UNRESOLVED STAFF COMMENTS	15
ITEM 2	CHANGES IN SECURITIES	15
ITEM 3	DEFAULTS UPON SENIOR SECURITIES	15
ITEM 4	SUBMISSION OF MATTERS TO VOTE OF SECURITY HOLDERS	15
ITEM 5	OTHER INFORMATION	16
ITEM 6	EXHIBITS AND REPORTS ON FORM 8-K	16
	SIGNATURES	17
	CERTIFICATIONS	18-20

All other items called for by the instructions to Form 10-Q have been omitted because the items are not applicable or the relevant information is not material.

## EASTERN LIGHT CAPITAL, INCORPORATED

### Notes to Condensed Consolidated Financial Statements (unaudited)

#### 1. Organization

References to the “Company” refer to Eastern Light Capital, Incorporated (the “Trust”) – a Real Estate Investment Trust (“REIT”) – and WrenCap Funding Corporation (“WCFC”), collectively. The Trust was incorporated in Delaware on December 12, 1995. On July 2, 2008, the Trust – formerly known as Capital Alliance Income Trust, Ltd – was renamed Eastern Light Capital, Incorporated.

On April 15, 1997, the Trust formed a taxable REIT subsidiary, Capital Alliance Funding Corporation. On April 20, 2007, the subsidiary was renamed to WrenCap Funding Corporation. Both the Trust and WCFC are incorporated in Delaware. The Trust owns all of WCFC’s common and preferred shares and the Trust and WCFC are consolidated in the Company’s financial statements. Prior to December 29, 2006, the Company was externally advised by Capital Alliance Advisors, Inc. (“Former Manager”). On December 29, 2006, the Former Manager was terminated and the Company became self-administered and self-advised.

#### 2. Basis of presentation and summary of significant accounting policies

These financial statements should be read in conjunction with the audited financial statements and notes thereto for the year ended December 31, 2009 as reported in the Company’s Form 10-K filed pursuant to 15d-2 with the Securities and Exchange Commission.

Principles of consolidation. The condensed consolidated financial statements include the accounts of the Trust and its wholly owned subsidiary, WCFC. All significant intercompany balances and transactions have been eliminated in consolidation.

Basis of accounting. The Company prepares its condensed consolidated financial statements in accordance with accounting principles generally accepted in the United States of America and pursuant to the rules and regulations of the Securities and Exchange Commission. The financial information herein reflects all adjustments (consisting of normal, recurring adjustments) which are, in the opinion of management, necessary for a fair presentation of results for the interim period. The results of operations for the three and six months ended June 30, 2010, are not necessarily indicative of the results to be expected for the full year.

Use of estimates. The preparation of condensed consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The most significant estimates are the allowance for loan losses and the valuation of real estate owned.

Cash and cash equivalents. Cash and cash equivalents include cash and highly liquid investments with maturities of three months or less when purchased. The Company deposits cash in financial institutions insured by the Federal Deposit Insurance Corporation. At times, the Company’s account balances may exceed the insured limits. The Company has not experienced losses on these accounts and management believes the Company is not exposed to significant risks on such accounts.

Marketable securities. Marketable securities are classified as either trading or available-for-sale securities. Trading securities represent investments in exchange listed securities that are bought and held principally for the purpose of selling them in the near term. Available-for-sale securities represent investments in exchange listed securities which the Trust intends to hold for an indefinite period of time.

Revenue recognition. Interest income is recorded on the accrual basis of accounting in accordance with the terms of the loans. Management reviews the likelihood that a loan will be repaid when the payment of principal or interest is delinquent over two payments. For these delinquent loans, Management may establish a loan loss reserve to protect against principal losses in the loan portfolio and an allowance for doubtful accounts to protect against losses from accrued interest. If the mortgage’s collateral is considered insufficient to satisfy the outstanding balance, after estimated foreclosure and selling costs, additional interest is not accrued. Loan origination income and extension fees are deferred and recognized over the remaining life of the loan as interest income on the interest method. Rental income is recognized as it is earned.

## EASTERN LIGHT CAPITAL, INCORPORATED

### Notes to Condensed Consolidated Financial Statements (unaudited)

#### 2. Basis of presentation and summary of significant accounting policies (continued)

Fair Value Measurements. The Company has adopted ASC Topic 820, *Fair Value Measurements*. ASC Topic 820 establishes a framework for measuring fair value and expands disclosure requirements for fair value measurements.

The Company determines the fair values of its assets and liabilities based on the fair value hierarchy established in ASC Topic 820. The standard describes three levels of inputs that may be used to measure fair value (Level 1, Level 2 and Level 3). Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date. An active market is a market in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis. Level 2 inputs are inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs reflect the Company's own assumptions about the assumptions market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the Company's own data.

Stock-based compensation. During the six months ended June 30, 2010 and 2009, no option awards were issued.

Reclassifications. Certain 2009 amounts may have been reclassified to conform to the 2010 presentation. Such reclassifications had no effect on reported net income (loss) or income (loss) per share.

Taxes. The Trust has elected to be taxed as a REIT under the Internal Revenue Code of 1986, as amended (the "Code"). A REIT is generally not subject to federal income tax on taxable income which is distributed to its stockholders, provided that at least 90% of taxable income is distributed and provided that certain other requirements are met. Certain assets of the Company that produce non-qualifying income are held in taxable REIT subsidiaries. Unlike other subsidiaries of a REIT, the income of a taxable REIT subsidiary is subject to federal and state income taxes. Even as a REIT, the Company may be subject to certain state and local taxes on its income and property, and to federal income and excise taxes on its undistributable taxable income.

Earnings per share. The Company presents both basic and diluted earnings per share. Basic earnings per share excludes dilution and is computed by dividing net income (loss) available to common stockholders by the weighted average number of shares outstanding for the period. Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock, where such exercise or conversion would result in a lower earnings per share amount.

Concentration of credit risk. The Company holds mortgage notes receivable that are secured by deeds of trust on residential properties of which 90% are located in California. This concentration of credit may pose a risk to the value of the loan portfolio due to changes in the economy or other conditions of the geographical area.

Recently issued accounting pronouncements. In July 2010, the FASB issued ASU 2010-20, "Disclosures about the Credit Quality of Financing Receivables and the Allowance of Credit Losses." This ASU requires significant new disclosures about the allowance for credit losses and the credit quality of financing receivables. The requirements are intended to enhance transparency regarding credit losses and the credit quality of loan and lease receivables by disclosing an evaluation of (i) the nature of credit risk inherent in the entity's portfolio of financing receivables, (ii) how that risk is analyzed and assessed in arriving at the allowance for credit losses and (iii) the changes and reasons for those changes in the allowance for credit losses. Under this statement, allowance for credit losses and fair value are to be disclosed by portfolio segment, while credit quality information, impairment receivables and nonaccrual status are to be presented by class of financing receivable. Disclosure of the nature and extent, the financial impact and segment information of trouble debt restructurings will also be required. The disclosures are to be presented at the level of disaggregation that management uses when assessing and monitoring the portfolio's risk and performance. ASU 2010-20 will be effective for the Company's consolidated financial statements as of December 31, 2010, as it relates to disclosures required as of the end of a reporting period. Disclosures that relate to activity during a reporting period will be required for the Company's consolidated financial statements that include periods beginning on or after January 1, 2011.

#### 3. Marketable securities

**EASTERN LIGHT CAPITAL, INCORPORATED**

**Notes to Condensed Consolidated Financial Statements**  
(unaudited)

Available-for-sale securities are reported at fair value with unrealized gains and losses excluded from earnings and reported in accumulated other comprehensive income (loss). For the three and six month periods ended March 31 and June 30, 2010, the gain and (loss) in accumulated other comprehensive income was \$20 and \$(7), respectively. Trading securities are reported at fair value with unrealized gains and losses reported in the statements of operations. Available-for-sale securities consist of exchange traded REIT securities whereas trading securities consist of exchange traded non-REIT securities. Both accounts utilize exchange listed derivative securities to enhance performance and to hedge against risk. The trading account also shorts exchange listed securities, including derivative securities.

As of June 30, 2010 and December 31, 2009, the trading securities accounts balance were \$0, and the available for sale securities account balance was \$160 and \$147, respectively. Realized gains and losses on sales of both trading and available-for-sale securities are determined on an average cost basis and are reported in the statements of operations.

The accounts utilize margin borrowings and are separately maintained. The equity balance in the account is sufficient to offset the risk from a potential margin call. As of June 30, 2010 and December 31, 2009, both the trading securities account and the available-for-sale securities account had no borrowings. The interest rate in the trading account is the current Federal Funds rate plus 1.50% and is payable monthly. The interest in the available-for-sale margin account is the current Prime Rate plus 4.00% and is payable monthly.

4. Accounts receivable

Accounts receivable consists of accrued interest on mortgage notes receivable and other amounts due from borrowers. As of June 30, 2010 and December 31, 2009 the account receivable balance was \$520,911 and \$524,717, respectively. As of June 30, 2010 and December 31, 2009, Management believes that an allowance for doubtful accounts of \$453,974 is adequate protection against the collectability of the receivable as well as the costs associated with possible legal action.

5. Mortgage notes receivable

Reconciliation of the mortgage notes receivable balances follows:

	<u>Six months</u> <u>June 30, 2010</u>	<u>Twelve months</u> <u>Dec. 31, 2009</u>
Balance, beginning of period	\$ 2,690,737	\$ 5,460,948
Additions during period:		
Originations	---	---
Deductions during period:		
Collections of principal	(19,068)	(53,252)
Repayments	(38,870)	(146,860)
Write-offs of uncollectible loans	---	---
Foreclosures	<u>(1,052,709)</u>	<u>(2,570,099)</u>
Balance, as reported in Consolidated Balance Sheet	<u>\$ 1,580,090</u>	<u>\$ 2,690,737</u>

Mortgage notes receivable are stated at their outstanding principal balance. Interest on the mortgages is due monthly and principal is usually due as a balloon payment at loan maturity. As of June 30, 2010, there were two (2) loans totaling \$23,318 of principal and \$0 of interest that were delinquent over 60 days. As of December 31, 2009, there were three (3) loans totaling \$1,064,984 of principal and \$5,016 of interest that were delinquent over 60 days. These loans do not accrue interest in agreement with the Company's policy on revenue recognition.

Mortgage notes that have been modified from their original terms are evaluated to determine if the loan meets the definition of troubled debt restructuring. As of June 30, 2010 and December 31, 2009, there were no loan modifications that affected the recognition of revenue or required the Company to recognize impairment of a mortgage note receivable.

5. Mortgage notes receivable (continued)

**EASTERN LIGHT CAPITAL, INCORPORATED**

**Notes to Condensed Consolidated Financial Statements**  
(unaudited)

As of June 30, 2010 and December 31, 2009, the Company had no impaired loans and one loan with a carrying value of \$302,710 which was considered impaired, respectively. Management has reserved a loan loss allowance sufficient to absorb losses that may result from mortgage note receivable foreclosures.

6. Allowance for loan losses

The allowance for loan losses is based on the fair value of the related collateral, since all loans subject to this measurement are collateral dependent. Management believes a \$20,000 and \$310,000 allowance for loan losses are adequate to protect against potential losses inherent in mortgage notes receivables as of June 30, 2010 and December 31, 2009, respectively. Actual losses may differ from the estimate.

A reconciliation of the allowance for loan losses follows:

	<u>Six months</u> <u>June 30, 2010</u>	<u>Twelve months</u> <u>Dec. 31, 2009</u>
Provision for loan losses	\$ 12,710	\$ 164,794
Write-offs of uncollectible loans (net)	<u>(302,710)</u>	<u>(574,794)</u>
Total adjustments to allowance	(290,000)	(410,000)
Balance, beginning of period	<u>310,000</u>	<u>720,000</u>
Balance, as reported in Consolidated Balance Sheet	<u>\$ 20,000</u>	<u>\$ 310,000</u>

7. Real estate owned

Real estate owned includes real estate acquired through foreclosure and is stated at the lower of the recorded investment in the loan or at the property's estimated fair value, less estimated costs to sell, as applicable. Costs relating to the development and improvement of real estate owned are capitalized, whereas costs relating to holding the property are expensed. Real estate owned is either held for sale or for investment. As a property's status changes, reclassifications may occur.

As of January 1, 2009, the Company owned five properties. During 2009, the Company foreclosed on four properties. As of December 31, 2009, the Company owned nine properties with a reported value of \$6,714,174 and senior liens of \$4,487,940. Six properties were held for sale with a reported value of \$3,861,755 and senior mortgage liens of \$2,489,563. Three properties were held for investment with a reported value of \$2,852,419 and senior mortgage liens of \$1,998,377. During the six months ended June 30, 2010, the Company foreclosed on two properties and had four properties sell. The Company's seven properties are held for sale and have a reported value of \$6,013,897 and senior liens of \$4,059,545.

A reconciliation of the real estate owned follows:

	<u>Six months</u> <u>June 30, 2010</u>	<u>Twelve months</u> <u>Dec. 31, 2009</u>
Balance, beginning of period	\$ 6,714,174	\$ 5,086,781
Add: Foreclosed mortgage notes, (net of reserve)	1,231,287	4,135,468
Add: Investments	12,015	71,900
Less: Write-downs of property (non-cash)	(257,645)	(2,269,128)
Less: REO Sold	(1,688,185)	---
Less: Depreciation of real estate held for investment	(21,699)	(47,581)
<u>Change in deferred carrying costs</u>	<u>51,327</u>	<u>(263,266)</u>
Balance, as reported in Consolidated Balance Sheet	<u>\$ 6,013,897</u>	<u>\$ 6,714,174</u>

8. Fair Value Measurements

**EASTERN LIGHT CAPITAL, INCORPORATED**

**Notes to Condensed Consolidated Financial Statements**  
(unaudited)

The following table presents information about the Company's assets and liabilities that are measured at fair value on a recurring basis as of June 30, 2010:

	<u>June 30, 2010</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Asset:				
Marketable securities – Available for sale	\$ 160	\$160	---	---
Mortgage notes receivable (non-recurring)	---	---	---	---
Real estate owned (non-recurring)	<u>3,172,463</u>	---	<u>3,172,463</u>	---
Total	<u>\$ 3,172,623</u>	<u>\$ 160</u>	<u>\$ 3,172,463</u>	<u>\$ ---</u>

The following methods and assumptions were used to estimate the fair value of assets and liabilities:

*Cash and cash equivalents.* The carrying amounts reported in the balance sheets approximate fair value due to the short term nature of these accounts.

*Available-for-sale and trading securities (included in marketable securities).* These investments are reported on the balance sheets based on quoted market prices.

*Mortgage notes receivable.* The fair value of non-impaired loans is estimated based upon projected cash flows discounted at the estimated current interest rates at which similar loans would be made. The applicable amount of the allowance for loan losses along with accrued interest and advances related thereto should also be considered in evaluating the fair value versus the carrying value. For loans in which a specific allowance is established based on the fair value of the collateral, the Company records the loan as nonrecurring Level 2 if the fair value of the collateral is based on an observable market price or a current appraised value. If an appraised value is not available or the fair value of the collateral is considered impaired below the appraised value and there is no observable market price, the Company records the loan as nonrecurring Level 3.

*Real estate owned.* At the time of foreclosure, real estate owned is recorded at the lower of the recorded investment in the loan, plus any senior indebtedness, or at the property's estimated fair value, less estimated costs to sell, as applicable. The Company reports the REO as nonrecurring Level 2, if during the reporting period the fair value of the collateral is reduced based upon an observable market price or a current appraised value. If during the reporting period there is no observable market price, the Company reports the REO as nonrecurring Level 3. The Company periodically compares the carrying value of real estate to expected undiscounted future cash flows for the purpose of assessing the recoverability of the recorded amounts. If the carrying value exceeds future undiscounted cash flows, the assets are reduced to estimated fair value.

9. Preferred, common and treasury stock

The Preferred Shareholders are entitled to a dividend preference in an amount equal to an annualized return on the adjusted net capital contribution of Preferred Shares at each dividend record date during such year (or, if the Directors do not set a record date, as of the first day of the month). The annualized return is the lesser of: (a) 10.25%, (b) 1.50% over the Prime Rate (determined on a not less than quarterly basis) or (c) the rate set by the Board of Directors. The preferred dividend preference is non-cumulative.

After declaring dividends for a given year to the Preferred Shareholders in the amount of the dividend preference, no further dividends may be declared on the Preferred Shares for the subject year, until the dividends declared on each Common Share for that year equals the dividend preference for each Preferred Share for such year. Any additional dividends generally will be allocated such that the amounts of dividends per share to the Preferred Shareholders and

Common Shareholders for the subject year are equal. The Preferred Shareholder's additional dividends, if any, are non-cumulative. Preferred Shareholders are entitled to receive all liquidating distributions until they have received an amount equal to their aggregate adjusted net capital contribution. Thereafter, Common Shareholders are entitled to all liquidation distributions until the aggregate adjusted net capital contributions of all Common Shares have been reduced to zero. Any subsequent liquidating distributions will be allocated among Common Shareholders and Preferred Shareholders pro rata.

**EASTERN LIGHT CAPITAL, INCORPORATED**

**Notes to Condensed Consolidated Financial Statements**  
(unaudited)

9. Preferred, common and treasury stock (continued)

The Preferred Shares are redeemable by a shareholder, subject to the consent of the Board of Directors, annually on June 30 for written redemption requests received by May 15 of such year. The Board of Directors may in its sole discretion deny, delay, postpone or consent to any or all requests for redemption. The redemption amount to be paid

for redemption of such Preferred Shares is the adjusted net capital contribution plus unpaid accrued dividends, divided by the aggregate net capital contributions plus accrued but unpaid dividends attributable to all Preferred Shares outstanding, multiplied by the net asset value of the Trust attributable to the Preferred Shares which shall be that percentage of the Trust's net asset value that the aggregate adjusted net capital contributions of all Preferred Shares bears to the adjusted net capital contributions of all Shares outstanding.

The Trust has the power to redeem or prohibit the transfer of a sufficient number of Common and/or Preferred Shares or the exercise of warrants and/or options and to prohibit the transfer of shares to persons that would result in a violation of the Trust's shareholding requirements. The Bylaws provide that only with the explicit approval of the Trust's Board of Directors may a shareholder own more than 9.8% of the total outstanding shares.

As of January 1, 2010, the Trust's net Preferred Stock outstanding shares were 196,901. During the first six months of 2010, no Preferred Stock shares were purchased. As of June 30, 2010, the Trust's net Preferred Stock outstanding shares were 196,901.

As of January 1, 2010, the Trust's net Common Stock outstanding shares were 351,882. During the first six months of 2010, 400 shares of Common Stock were purchased and no options were exercised. As of June 30, 2010, the Trust's net Common Stock outstanding shares were 351,482.

10. Related party transactions

On March 8, 2008, Thomas B. Swartz, a non-independent director and officer of the Former Manager, resigned from the Trust's Board of Directors. Mr. Swartz received \$21,100 in cash and his stock options were allowed to continue until maturity or June 3, 2009, whichever came first. All of Mr. Swartz's options expired unexercised.

On March 26, 2010, the Company's Chairman and Chief Executive Officer provided the Company a \$50,000 loan. The loan has a simple interest rate of 9.99% per annum, is pre-payable at any time, and has a term of 55 days. The loan was paid in full on May 4, 2010.

11. Earnings per share

The following table represents a reconciliation of the numerators and denominators of the basic and diluted earnings per common share for the six months ended June 30, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Numerator:		
Net income (loss)	\$ (651,651)	\$ 74,466
Preferred dividends	-	-
Net income (loss) available to common stockholders	<u>\$ (651,651)</u>	<u>\$ 74,466</u>
Denominator:		
Basic weighted average shares	351,599	363,636
Dilutive effect of options	-	<u>7,693</u>
Diluted weighted average shares	<u>351,599</u>	<u>371,329</u>
Basic earnings per common share	<u>\$ (1.85)</u>	<u>\$ 0.20</u>
Diluted earnings per common share	<u>\$ (1.85)</u>	<u>\$ 0.20</u>

## EASTERN LIGHT CAPITAL, INCORPORATED

### Notes to Condensed Consolidated Financial Statements (unaudited)

#### 12. Wages and Benefits

Every January 1, full time employees with at least 12 months of full time employment qualify for a Company sponsored Simple IRA. Employee contributions are governed by Internal Revenue Code limitations. The Company contributes up to 3.0% of the employee's annual compensation, but not in excess of the lesser of the employee's contribution or the maximum IRS employer's contribution. Employer contributions vest upon funding.

#### 13. Legal Proceedings

During January 2010, a former mortgage holder filed an appeal of a previously dismissed case. The former mortgage holder continues to allege that the Company made a fraudulent loan to him by cross collateralizing two separate properties. The cross collateralization was necessary to grant the borrower the desired loan, since there was insufficient equity in the primary property used as collateral for the loan. The Company believes the former mortgage holder's action is without merit and is seeking a dismissal.

During May 2010 the Company was named as a defendant in a complaint alleging fraudulent transfer of mortgage loans and aiding and abetting fraud. The Company believes that the plaintiff's actions are without merit and will seek dismissal of all complaints and reimbursement for reasonable legal costs and fees.

During June 2010 the Company was named as a defendant in a complaint alleging damages for multiple violations associated with ELC foreclosure on a parcel adjacent to and encapsulating the plaintiff's interest in a Deed of Trust. The Company believes that the plaintiff's actions are without merit and will seek dismissal of all complaints and reimbursement for reasonable legal costs and fees.

During the third quarter of 2010, a former officer of the Company alleged wrongful termination. The Board of Directors is reviewing the veracity of these allegations.

#### 14. Subsequent Events

During the third quarter of 2010, ELC foreclosed on one property and recorded an REO of \$1,100,900 which included a first mortgage of approximately \$660,000.

On July 30, 2010 the NYSE Amex accepted ELC's plan to meet continued listing standards. On or before November 8, 2010 ELC must have a common float of at least \$1,000,000. On or before November 7, 2011 ELC must have a common book value of at least \$6,000,000.

## PART I – ITEM 2

### MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

#### FORWARD LOOKING STATEMENTS

*Certain statements made in this Report on Form 10-Q are "forward-looking statements" (within the meaning of the Private Securities Litigation Reform Act of 1995) regarding the plans and objectives of management for future operations. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements of Eastern Light Capital, Incorporated (the "Company") to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The forward-looking statements included herein are based on current expectations that involve numerous risks and uncertainties. The Company's plans and objectives are based, in part, on assumptions relating to the foregoing and involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the Company. Although the Company believes its assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate and, therefore, there can be no assurance the forward-looking statements included in this Quarterly Report will prove to be accurate. In light of the significant uncertainties inherent in the forward-looking statements included herein, the inclusion of such information should not be regarded as a representation by the Company or any other person that the objectives and plans of the Company will be achieved.*

Forward-looking statements may be identified by reference to a future period or periods, or by the use of forward-looking terms such as “may”, “will”, “expect”, “anticipate”, or similar terms. Actual results could materially differ from those in the forward-looking statements due to a variety of factors.

Preparation of the Company’s condensed consolidated financial statements is based upon the operating results of Eastern Light Capital, Incorporated (the “Trust”) and WrenCap Funding Corporation (“WCFC”). Management’s discussion and analysis of the results of operations for the three and six months ended June 30, 2010 and 2009 follows:

#### OVERVIEW

In May of 1997, the Trust registered its common shares with the Securities and Exchange Commission under the Securities Act of 1933. On September 30, 1998, the initial public offering of Common Shares was completed. Since October 1, 1998, the common shares have been listed on the NYSE Amex (formerly known as the American Stock Exchange).

During the fourth quarter of 2006, the Company’s shareholders voted to terminate the outside manager (“Former Manager”) and initiate internal management. On December 29, 2006, the Former Manager’s management and advisory contracts were terminated and the Company became self-administered and self-advised.

The transition agreement with the Former Manager required the Company to remove the name “Capital Alliance” from the Trust’s name by June 30, 2008 and from the Trust’s taxable subsidiary’s name by April 30, 2007. On April 20, 2007, the subsidiary changed its name to WrenCap Funding Corporation. On July 2, 2008, the Trust changed its name to Eastern Light Capital, Incorporated.

The current real estate market is characterized by uncertainty in the availability of credit and the expected trend in residential property valuations. Due to these uncertainties the Company has focused on debt reduction in lieu of new investments in residential mortgages. The current conditions are expected to remain in place for an undetermined period. On occasion the Company will make investments in marketable securities. The Company is reviewing its current investment policies to include other REIT permissible assets.

The recent financial crisis has affected the Company’s business by diminishing the credit quality of existing borrowers, lowering residential property values and increasing borrower delinquencies. These factors have led to increased foreclosures and real estate owned (“REO”) balances.

Mortgage investments are reported as mortgage notes receivable and held until prepayment, maturity, sale, or foreclosure. As of June 30, 2010 the mortgage portfolio totaled \$1,580,090 consisting of 10 loans of which \$540,267 or

34% of the portfolio loan value were delinquent. As of June 30, 2010, the Trust held seven properties totaling \$6,013,897 as REO.

As of December 31, 2009, the mortgage portfolio totaled \$2,690,737 consisting of 13 loans, of which 3 loans totaling 1,064,984 or 39% of the portfolio loan value were delinquent. As of December 31, 2009, the Trust held nine properties totaling 6,714,174 as REO.

The Trust is a real estate investment trust (“REIT”) and REIT’s are generally required to distribute at least 90% of their annual taxable income as dividend payments. Since 2006, the Trust has incurred taxable losses. On account of these losses, dividend payments were curtailed. These taxable losses, also known as Net Operating Losses (“NOL”), allow the Trust to retain future taxable income equal to the cumulative amount of its NOL balance. The Internal Revenue Code waives mandatory dividend payments until prior years taxable losses are recovered.

When the Trust produces pre-NOL taxable income, the Trust’s Board of Directors will need to reconcile the competing opportunities of strengthening the Company’s balance sheet and the priority of restoring dividend payments. Although the Board of Directors is inclined to retain future taxable income until the cumulative NOL is fully utilized, this issue will require additional review and analysis.

### CRITICAL ACCOUNTING POLICIES

The accounting and reporting policies of the Company are in accordance with accounting principles generally accepted in the United States of America. The Company’s significant accounting policies are described in the notes to the consolidated financial statements as contained in the Company’s 2009 Form 10-K as filed with the SEC on April 14, 2010. Certain accounting policies require management to make significant estimates and assumptions, which have a material impact on the carrying value of certain assets and liabilities, and the Company considers these to be critical accounting policies. The estimates and assumptions used are based on historical experience and other factors, which management believes to be reasonable under the circumstances. Actual results could differ significantly from these estimates and assumptions, which could have a material impact on the carrying value of assets and liabilities at the balance sheet dates and results of operations for the reporting periods. There have been no material changes to the critical accounting policies as disclosed in 2009 Form 10-K.

#### Operating Strategy.

Mortgage investment loans are reported as mortgage notes receivable and are held until prepayment, maturity, sale, or foreclosure. The Company owns non-conforming mortgage loans on one-to-four unit residential properties secured by first and second deeds of trust. These loans are primarily secured by California real estate. The Company seeks to maximize the value of its loan portfolio through active asset management.

The Company is reviewing its current investment policies to include other REIT permissible assets, instead of focusing on residential mortgage loans. The Company may also consider relinquishing its REIT status to enhance shareholder value.

Loan Origination. During 2009 and the six months ended June 30, 2010, the Company did not make or acquire any new loans. Prospectively, loans may be internally originated or acquired from unaffiliated third parties.

Asset Management. Asset management is mortgage loan servicing and REO dispositions. Loan servicing consists of collecting payments from borrowers, making required advances, accounting for principal and interest payments, holding borrowed proceeds in escrow until fulfillment of mortgage loan requirements, contacting delinquent borrowers, and in the event of unremedied defaults performing other administrative duties including supervising foreclosures.

Only mortgage loans owned by the Company are serviced. The Company does not acquire loan servicing rights or maintain a loan’s servicing rights at disposition. REO dispositions include all of the supervisory and administrative processes of preparing a foreclosed asset for sale.

*Loan Portfolio and Allowance for Loan Losses.* As of June 30, 2010, the Company’s loan portfolio included 10 loans totaling \$1,580,090 of which four loans totaling \$540,267 representing 34% of the loan portfolio were delinquent over two payments. In assessing the collectibility of these delinquent mortgage loans, management has established a loan loss reserve of \$20,000, if it is necessary to foreclose upon the mortgage loans.

As of December 31, 2009, the Company's loan portfolio included 13 loans totaling \$2,690,737 of which 3 loans totaling \$1,064,984 representing 39% of the loan portfolio were delinquent over two payments. In assessing the collectibility of these delinquent mortgage loans, management had established a loan loss reserve of \$310,000, if it is necessary to foreclose upon the mortgage loans.

The Company may issue loan commitments on a conditional basis and will fund such loans upon removal of all conditions. The Trust did not have any commitments to fund loans as of June 30, 2010 and December 31, 2009.

As of June 30, 2010, the following table summarizes the Company's outstanding repayment obligations:

Maximum Other Commercial Commitments (a) As of June 30, 2010	Total Amounts Committed	Amount of Commitment Expiration Per Period			
		Less than 1 year	1 - 3 years	4 - 5 years	After 5 years
Margin Loan	-	-	-	-	-
Lease Commitment	\$91,128	\$71,192	\$19,836	-	-
Standby Repurchase Obligations	-	-	-	-	-
<b>Total Commercial Commitments</b>	<b>\$91,128</b>	<b>\$71,192</b>	<b>\$19,836</b>	<b>-</b>	<b>-</b>

- (a) Commercial commitments are funding commitments that could potentially require registrant performance in the event of demands by third parties or contingent events, such as under lines of credit extended or under guarantees of debt.

## RESULTS OF OPERATIONS

The historical information presented herein is not necessarily indicative of future operations.

*Three months ended June 30, 2010 and 2009.* Revenues for the second quarter decreased to \$36,767 as compared to \$128,185 for the same period in the prior year. The decrease in revenue was due to a decrease in interest income of \$45,837 and a decrease in rental income of \$32,600. The decrease in interest income was the result of a smaller loan portfolio and a lower weighted average interest rate. The decrease in rental income was the result of increased vacancies to facilitate REO sales. During the three months ended June 30, 2010 four REO sold. During the three months ended June 30, 2009 no REO sold.

Expenses for the second quarter increased \$124,661 to \$450,440 as compared to \$325,779 for the same period in the prior year. The increase in expenses primarily resulted from a \$200,000 REO impairment due to the decline in the estimated fair market value of a luxury REO. Wages and salaries decreased \$19,666 from \$117,846 to \$98,180 in the current period due to fewer employees and reduced bonuses. The provisions for loans losses decreased \$47,798 from \$50,497 to \$2,709 due to generally more stable market conditions in non-luxury residential home prices.

*Six months ended June 30, 2010 and 2009.* Revenues for the first six months decreased \$121,149 to \$85,539 as compared to \$206,958 for the same period in the prior year. The decrease in revenue is due to the decrease in interest income of \$61,735 due to a smaller loan portfolio and a lower weighted average interest rate. The decrease in rental income of \$46,031 from \$65,481 to \$19,450 is due to increased vacancies to facilitate REO sales.

Expenses for the six months ended June 30, 2010 increased \$72,465 to \$728,437 as compared to \$655,972 for the same period in the prior year. The increase in expenses during the first six months of 2010 primarily resulted from an increase in REO impairment costs of \$257,644. Approximately \$250,000 of the REO impairment expenses are attributable to the estimated decline in the fair market value of a luxury REO. Interest expenses declined \$21,423 due to the repayment of all Company borrowings in 2009 (still have senior liens that are being paid), provisions for loan losses declined \$42,085 from \$54,794 to \$12,709 due to generally more stable market conditions in non-luxury residential home prices, wages and salaries declined \$32,669 from \$225,312 to \$192,643 due to fewer employees and reduced bonuses, and general and administrative expenses declined \$60,334 from \$222,377 to \$162,043 on account of employee attention to efficiency, seeking lower cost alternatives and postponing expenditures.

## LIQUIDITY AND CAPITAL RESOURCES

Management believes that the cash flows from operations, mortgage loans that are paid off, real estate owned that is sold, credit facilities that may be obtained during 2010 and the sale of investment mortgages will be sufficient to meet the liquidity needs of the Company's business for the next twelve months.

*Six months ended June 30, 2010 and 2009.* As of January 1, 2010 and 2009, the Trust had \$227,944 and \$1,974,687 of cash and cash equivalents, respectively. During the six month period ended June 30, 2010, cash and cash equivalents increased by \$313,232. During the six month period ended June 30, 2009, cash and cash equivalents decreased by \$1,734,014. After taking into effect the various transactions discussed below, cash and cash equivalents at June 30, 2010 and 2009 were \$541,176 and \$240,673, respectively.

The following summarizes the changes in net cash provided by (used in) operating activities, net cash provided by (used in) investing activities, and net cash provided by (used in) financing activities.

Net cash provided by (used in) operating activities during the six months ended June 30, 2010 and 2009 was (\$513,189) and \$119,915, respectively. During the first six months of 2010, net cash used from operating activities was primarily the result of the (\$651,654) net loss for the period, but partially offset by \$257,645 of non cash REO impairment expenses. During the first six months of 2009, the net cash provided by operating activities came from a number of sources. Net income provided \$76,466, provision for loan losses provided \$54,794, realized marketable securities transactions provided \$143,943, reduced accounts receivable provided \$63,820 and increased other liabilities contributed \$240,640. The primary use of cash was a (\$400,000) non cash gain from the retirement of Company debt at a discount.

Net cash (used in) investing activities for the six months ended June 30, 2010 and 2009 was \$1,734,108 and (\$191,481) respectively. During the first six months of 2010, the net proceeds from REO transactions provided \$1,676,170 and proceeds from mortgage notes receivable principal payments provided \$57,938. During the first six months of 2009, investments in marketable securities used (\$296,753), while principal collected from mortgage notes receivable generated \$175,172.

Net cash provided by (used in) financing activities during the six months ended June 30, 2010 and 2009 was (\$907,687) and (\$1,662,448), respectively. During the first six months of 2010, the senior mortgage debt payable used (\$906,244). During the first six months of 2009, the repayment of Company bank loans used (\$1,605,184).

### **PART I – ITEM 3**

#### **QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK**

The Company is not required to provide the information required by this item as it is a smaller reporting company.

### **PART I – ITEM 4**

#### **CONTROLS AND PROCEDURES**

**(A) Evaluation of Disclosure Controls and Procedures.** Based on management's evaluation (with the participation of our CEO and Principal Accounting Officer), as of the end of the period covered by this report, our CEO and Principal Accounting Officer have concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended ("Exchange Act")), are effective to provide reasonable assurance that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms, and is accumulated and communicated to management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

**(B) Changes in Internal Control over Financial Reporting.** There have been no changes in the Company's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred

during the period covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## **PART II**

### **OTHER INFORMATION**

#### **ITEM 1 LEGAL PROCEEDINGS**

During January 2010, a former mortgage holder filed an appeal of a previously dismissed case. The former mortgage holder continues to allege that the Company made a fraudulent loan to him by cross collateralizing two separate properties. The cross collateralization was necessary to grant the borrower the desired loan, since there was insufficient equity in the primary property used as collateral for the loan. The Company believes the former mortgage holder's action is without merit and is seeking a dismissal.

During May 2010 the Company was named as a defendant in a complaint alleging fraudulent transfer of mortgage loans and aiding and abetting fraud. The Company believes that the plaintiff's actions are without merit and will seek dismissal of all complaints and reimbursement for reasonable legal costs and fees.

During June 2010 the Company was named as a defendant in a complaint alleging damages for multiple violations associated with ELC foreclosure on a parcel adjacent to and encapsulating the plaintiff's interest in a Deed of Trust. The Company believes that the plaintiff's actions are without merit and will seek dismissal of all complaints and reimbursement for reasonable legal costs and fees.

During the third quarter of 2010, a former officer of the Company alleged wrongful termination. The Board of Directors is reviewing the veracity of these allegations.

#### **ITEM 1A RISK FACTORS**

The Company is not required to provide the information required by this item as it is a smaller reporting company.

#### **ITEM 1B UNRESOLVED STAFF COMMENTS**

During the second quarter of 2010 the Company received a Securities and Exchange Commission ("SEC") comment letter after a review of its Form 10-K for the year end December 31, 2009. The Company provided an initial response. The SEC had additional comments and the Company intends to respond.

#### **ITEM 2 CHANGES IN SECURITIES**

No common shares were purchased for treasury stock during the three month period ended June 30, 2010. No preferred shares were purchased for treasury stock during the three month period ended June 30, 2010.

#### **ITEM 3 DEFAULTS UPON SENIOR SECURITIES**

None

#### **ITEM 4 SUBMISSION OF MATTERS TO VOTE OF SECURITY HOLDERS**

The 2010 Annual Shareholder meeting was held on June 30, 2010. The result of the vote follows:

**ITEM 5 OTHER INFORMATION**

None

**ITEM 6 EXHIBITS AND REPORTS ON FORM 8-K**

(a) Exhibits

Exhibit No.

- 3.1 Certificate of Incorporation and Amendment No. 1 (1)
- 3.2 Bylaws of the Registrant (1)
- 3.3 Certificate of Amendment of Certificate of Incorporation (3)
- 4.1 Form of Stock Certificate of Common Shares of the Registrant (2)
- 10.2 Form of Indemnity Agreement between the Registrant and its Directors and Officers (1)
- 24.7 Power of Attorney of Richard J. Wrensen (4)
- 31.1 Sarbanes Certification of Richard J. Wrensen
- 31.2 Sarbanes Certification of Andrea Barney
- 32.1 Sarbanes Certification

- (1) *These exhibits were previously contained in Registrant's Registration Statement filed on Form S-11 with the Commission on September 9, 1996, and are incorporated by reference herein.*
- (2) *These exhibits were previously contained in Amendment No. 1 to the Registrant's Registration Statement filed on Form S-11 with the Commission on January 15, 1997, and are incorporated by reference herein.*
- (3) *These exhibits were previously contained in Form 10-Q for the period ending June 30, 1997 filed with the Commission on August 14, 1997, and are incorporated by reference herein.*
- (4) *This exhibit was previously contained in Form 10-K for the period ending December 31, 1998 filed with the Commission on April 10, 1999, and is incorporated by reference herein.*

(b) Reports on Form 8-K.

Form 8-K was filed on:

- August 2, 2010 due to the Company receiving a letter from the NYSE Amex Accepting Eastern Light's Plan to Meet Continued Listing Standards on July 30, 2010.
- July 1, 2010 due to the press release announcing results of the annual shareholder meeting held on June 30, 2010.
- May 25, 2010 due to the press release of May 24, 2010 announcing financial results for the first quarter of 2010.
- May 14, 2010 due to a letter the Company received dated May 7, 2010 from NYSE Regulation, on behalf of the NYSE Amex LLC (the "Exchange"). The letter indicated that the Company was not in compliance with the Exchange's continued listing standards.

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

EASTERN LIGHT CAPITAL, INCORPORATED

Dated: August 23, 2010

/s/ Richard J. Wrensen

Richard J. Wrensen

President, Chief Executive Officer and Chief Financial Officer

/s/ Andrea Barney

Andrea Barney

Principal Accounting Officer and Controller

**CERTIFICATION OF FORM 10-Q OF EASTERN LIGHT CAPITAL, INCORPORATED**  
**FOR THE PERIOD ENDING JUNE 30, 2010**

I, Richard J. Wrensen, certify that:

1. I have reviewed this Form 10-Q, dated August 23, 2010 of Eastern Light Capital, Incorporated;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report in being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls internal control over financial reporting.

Dated: August 23, 2010

/s/ Richard J. Wrensen

Richard J. Wrensen

President, Chief Executive Officer and Chief Financial Officer

**CERTIFICATION OF FORM 10-Q OF EASTERN LIGHT CAPITAL, INCORPORATED**  
**FOR THE PERIOD ENDING JUNE 30, 2010**

I, Andrea Barney, certify that:

1. I have reviewed this Form 10-Q, dated August 23, 2010 of Eastern Light Capital, Incorporated;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report in being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls internal control over financial reporting.

Dated: August 23, 2010

/s/ Andrea Barney

Andrea Barney

Principal Accounting Officer and Controller

CERTIFICATION

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS  
ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-  
OXLEY ACT OF 2002**

In connection with the Annual Report of Eastern Light Capital, Incorporated (the “Company”) on Form 10-Q for the period ending June 30, 2010 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Richard J. Wrensen, Chief Executive Officer and President of the Company, and I, Andrea Barney, Principal Accounting Officer and Controller of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1)The Report fully compiles with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2)The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: August 23, 2010

/s/ Richard J. Wrensen  
Richard J. Wrensen  
President, Chief Executive Officer and  
Chief Financial Officer

/s/ Andrea Barney  
Andrea Barney  
Principal Accounting Officer and Controller