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

**ANNUAL AUDITED REPORT
FORM X-17A-5
PART III**

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING November 1, 2004 AND ENDING October 31, 2005
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

Coburn & Meredith, Inc.

OFFICIAL USE ONLY

FIRM ID. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

225 Asylum Street - 15th Floor

(No. and Street)

Hartford,

Connecticut

06103

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Barry Coburn

(860) 522-7171

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Bernardi & Company, LLC

(Name - if individual, state last, first, middle name)

231 Farmington Avenue

Farmington

Connecticut

06032

(Address)

(City)

(State)

Zip Code)

CHECK ONE:

☒ Certified Public Accountant☐ Public Accountant☐ Accountant not resident in United States or any of its possessions.

PROCESSED

JAN 03 2006

THOMSON
FINANCIAL

FOR OFFICIAL USE ONLY

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.174-5(e)(2).

OATH OR AFFUMATION

I, Barry Coburn, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Coburn & Meredith, Inc., as of October 31, 192005, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

Barry M. Coburn
signature
Pres.
Title

Julia C. Bradley
Notary Public

JULIA C. BRADLEY
NOTARY PUBLIC
MY COMMISSION EXPIRES SEP. 30, 2008

This report" contains (check all applicable boxes):

- ☒ (a) Facing page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Cash Flows
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital
- ☒ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 156-3.
- ☒ (i) Information Relating to the Possession or control Requirements Under Rule 156-3.
- ☒ (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☒ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

"For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).



BERNARDI & COMPANY, LLC
CERTIFIED PUBLIC ACCOUNTANTS
AND BUSINESS CONSULTANTS
231 FARMINGTON AVENUE
FARMINGTON, CONNECTICUT 06032-1915

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MANCHESTER, CONNECTICUT
TEL: (860) 646-5384

Board of Directors
Coburn & Meredith, Inc.
225 Asylum Street - 15th Floor
Hartford, Connecticut 06103

We have audited the accompanying statement of financial condition of Coburn & Meredith, Inc. (a Connecticut corporation) as of October 31, 2005, and the related statements of income, changes in stockholders' equity and cash flows, for the year then ended that you are filing pursuant to rule 17a-5 under the Securities Exchange Act of 1934. 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 audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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 referred to above present fairly, in all material respects, the financial position of Coburn & Meredith, Inc. as of October 31, 2005, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic financial statements, taken as a whole. The accompanying information contained in Schedules 1 through 3 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Schedules 1 through 3 are supplementary information required by Rule 17a-5 of the Securities and Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,

Bernardi & Company, LLC
BERNARDI & COMPANY LLC
Certified Public Accountants

November 18, 2005

We present the following report as of October 31, 2005:

Exhibit A - Statement of Financial Condition as of October 31, 2005.

Exhibit B - Statement of Income for the Year Ended October 31, 2005.

Exhibit C - Statement of Changes in Stockholders' Equity for the Year Ended October 31, 2005.

Exhibit D - Statement of Cash Flows for the Year Ended October 31, 2005.

Notes to Financial Statements.

Schedule 1 - Computation of Net Capital and Basic Net Capital Requirement Pursuant to Rule 15c3-1, as of October 31, 2005.

Schedule 2 - Computation of Aggregate Indebtedness Pursuant to Rule 15c3-1(c), as of October 31, 2005.

Schedule 3 - Computation for Determination of Reserve Requirement and Information for Possession or Control Requirements Pursuant to Rule 15c3-3, as of October 31, 2005.

COBURN & MEREDITH, INC.
HARTFORD, CONNECTICUT
STATEMENT OF FINANCIAL CONDITION
OCTOBER 31, 2005

A S S E T S

Assets:

Cash		\$ 257,281
Receivables:		
Brokers and dealers clearance accounts	\$ 324,754	
Other - good faith deposit	25,175	
Securities owned at market value	3,300	
Non-customer registered representatives	<u>34,722</u>	
Total Receivables		387,951
Equipment, net of accumulated depreciation of \$75,980		89,128
Other Assets		<u>22,222</u>
<u>TOTAL ASSETS</u>		\$ <u>756,582</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Liabilities:

Accounts payable and other accrued expenses	\$ 441,207
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Stockholders' Equity:

Class A Preferred stock, 5% cumulative - \$1,000 par value; 1,000 shares authorized, 434 shares issued and outstanding	\$ 434,000	
Class B Preferred stock, 4 1/2% non-cumulative - \$100 par value; 10,000 shares authorized, 1,000 shares issued and outstanding	100,000	
Common stock, \$1 par value; 10,000 shares authorized; 470 shares issued and outstanding	470	
Paid-in capital	53,121	
Accumulated deficit	<u>(272,216)</u>	
Total Stockholders' Equity		<u>315,375</u>

<u>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</u>	\$ <u>756,582</u>
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COBURN & MEREDITH, INC.
HARTFORD, CONNECTICUT
STATEMENT OF INCOME
FOR THE YEAR ENDED OCTOBER 31, 2005

Revenues:

Securities commissions	\$ 3,203,394	
Selling commissions on other investments	2,101,125	
Interest income	167,164	
Other income	<u>2,227</u>	
Total Revenues		\$ 5,473,910

Operating Expenses:

Salaries and commissions	3,848,121	
Payroll taxes	164,278	
Employee benefits	133,905	
Clearing expense	389,250	
Information expense	242,127	
Computer supplies	33,255	
Rent	250,820	
Depreciation and amortization	26,669	
Repairs and maintenance	3,899	
Communications	57,163	
Insurance	7,592	
Professional fees	89,000	
Licenses and fees	72,776	
Equipment rental	4,892	
Office expense	21,823	
Postage	23,228	
Property and miscellaneous taxes	5,535	
Bad debt expense	18,646	
Interest expense	10,387	
Travel, meals and entertainment	21,083	
Penalty	9,000	
Settlement expense	<u>19,423</u>	
Total Operating Expenses		<u>5,452,872</u>

<u>Income Before Provision for Income Taxes</u>	21,038
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Provision for income taxes	<u>905</u>
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<u>Net Income for the Year</u>	\$ <u>20,133</u>
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COBURN & MEREDITH, INC.
HARTFORD, CONNECTICUT
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEAR ENDED OCTOBER 31, 2005

	-----Capital Stock-----			Additional	Accumulated
	<u>Class A</u>	<u>Class B</u>	<u>Common</u>	<u>Paid-in</u>	<u>Deficit</u>
	<u>Preferred</u>	<u>Preferred</u>		<u>Capital</u>	
<u>Balances - November 1, 2004</u>	\$ 434,000	\$ 100,000	\$ 470	\$ 53,121	\$ (314,049)
Dividends waived	-	-	-	-	21,700
Net Income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,133</u>
<u>Balances - October 31, 2005</u>	\$ <u>434,000</u>	\$ <u>100,000</u>	\$ <u>470</u>	\$ <u>53,121</u>	\$ (<u>272,216</u>)

See Accompanying Notes

COBURN & MEREDITH, INC.
HARTFORD, CONNECTICUT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED OCTOBER 31, 2005
 Increase (Decrease) in Cash

Cash Flows From Operating Activities:

Net Income		\$ 20,133
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	\$ 26,669	
Change in assets and liabilities:		
Increase Decrease in Assets and Liabilities:		
Receivables	27,505	
Non-customer registered representatives	12,934	
Other assets	9,651	
Accounts payable and accrued liabilities	92,657	
Total Adjustments		<u>169,416</u>
Net Cash Provided By Operating Activities		189,549

Cash Flows Used In Investing Activities:

Capital expenditures	(14,658)
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Net Increase in Cash 174,891

Cash at the Beginning of Year 82,390

Cash at the End of Year \$ 257,281

Supplemental Disclosure of Cash Flow Information:

Cash paid during the year:		
Interest expense	\$ 10,387	
Income taxes	\$ 1,303	

COBURN & MEREDITH, INC.
HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS

Note 1 - Accounting Policies:

General:

Coburn & Meredith, Inc. (the "Company") is a registered broker-dealer whose main office is located in Hartford, Connecticut with a branch office in Boston, Massachusetts, which deals in listed and OTC securities. The Company is registered with the Securities and Exchange Commission (SEC) and is a member of the National Association of Securities Dealers (NASD) and the Securities Investors Protection Corp. (SIPC).

Securities Transactions:

The statement of financial condition reflects all securities positions utilizing the settlement-date basis, which is not materially different from the trade-date basis. In determining profit and loss, unrealized gains and losses on all securities transactions and related commissions are recognized on a trade-date basis.

Cash Equivalents:

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Income Taxes:

The Company records its federal and state income tax liabilities in accordance with Financial Accounting Standards Board Statement No. 109, "Accounting for Income Taxes." However, deferred taxes payable are not recorded for temporary differences between the recognition of income and expense for tax and financial reporting purposes when such amounts are immaterial.

Property and Equipment:

Property and equipment are recorded at cost. Depreciation is provided on a straight-line basis over the estimated useful lives of the respective assets.

Renewals and betterments are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. When a depreciable asset is retired or sold, the related costs and accumulated depreciation are removed from the accounts, and any gain or loss is included in the results of operations.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

COBURN & MEREDITH, INC.
HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 2 - Clearing Arrangements:

The Company clears security transactions through the Pershing Division ("Pershing") of Bank of New York, whereby Pershing carries the cash and margin accounts of the Company's customers on a fully disclosed basis. Under specific terms of the agreement, Pershing executes and reflects transactions in the customers' accounts as requested by the Company, prepares confirmations and summary monthly statements, settles contracts and transactions in securities and performs certain cashiering functions, including receipt and delivery of securities. All uncollectible customer receivables are netted against commissions payable to the Company. The Company also maintains a margin account with Pershing through which it executes its own principal trading activities.

Under these agreements, the Company is required to maintain a minimum cash deposit of \$25,000 on which it receives interest at $\frac{1}{2}\%$ below the average broker's call rate. The Company may draw on commissions and principal trading gains as they are earned.

Note 3 - Income Taxes:

Income tax expense consists of the following components:

Federal	\$ -
State	<u>905</u>
Total	<u>\$ 905</u>

The difference between income for financial reporting and tax return purposes results from non-deductible entertainment and life insurance expenses.

As of October 31, 2005, the Company had a federal net operating loss carryforward of \$981,445 of which \$60,070 will expire in 2017, \$203,847 will expire in 2018, \$116,245 will expire in 2019, \$17,723 will expire in 2020, \$110,768 will expire in 2021, \$271,104 will expire in 2022, and \$201,688 will expire in 2023.

As of October 31, 2005, the Company had a state net operating loss carryforward of \$540,875, \$68,333 will expire in 2006, \$271,104 will expire in 2007, and \$201,438 will expire in 2008.

COBURN & MEREDITH, INC.
HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 4 - Aggregate Indebtedness and Net Capital:

As a registered broker-dealer, the Company is required to comply with the Uniform Net Capital Rule 15c3-1 of the Securities and Exchange Act of 1934. For the year ended October 31, 2005, the Company must maintain "net capital" as defined in the Rule equal to the greater of 6 2/3% of aggregate indebtedness, \$50,000, or specific requirements applicable to market makers. The Company would be precluded from the distribution of equity capital if net capital was less than 10% of such indebtedness.

As of October 31, 2005, the Company had net capital of \$124,654, which was \$74,654 in excess of the minimum required.

Note 5 - Commitments and Contingencies:
Leases:

In January 2004, the Company negotiated a lease for 7,488 square feet of office space. The term of the lease is from February 1, 2004 through December 31, 2009. The Company is obligated to pay a proportionate share of operating expenses. Rental expense for the Hartford location was \$132,013 for the year ended October 31, 2005.

At October 31, 2005, future minimum lease payments over the term of the lease are as follows:

October 31, 2006	\$ 132,013
October 31, 2007	132,013
October 31, 2008	132,013
October 31, 2009	132,013
October 31, 2010	<u>22,002</u>
Total	\$ <u>550,054</u>

In September 2002, the Company entered into a sub-lease for the location of its Boston office, covering two and one-half years through February 15, 2004. The lease term called for monthly payments of \$7,150. In addition, the Company was obligated to pay a proportionate share of any increase in property taxes and operating expenses over the base calendar year 2003. The Company was also obligated to pay \$275 per month to cover electrical charges. The Company continued with monthly rent payments under these same lease terms through February 28, 2005. Total rent expense for this Boston location was \$46,438 for the year ended October 31, 2005.

In March 2005, the Company entered into a sub-lease for the new location of its Boston office, covering the five years through February 28, 2010. The lease term called for monthly payments of \$7,875. Fluctuations with respect to lease payments vary due to adjustments for utility costs. Total rent expense for this Boston location was \$77,300 for the year ended October 31, 2005. Rent expense also included miscellaneous storage costs and related utilities.

COBURN & MEREDITH, INC.
HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 6 - Capital Stock and Equity Considerations:

As of October 31, 2005, Class A preferred stock had a par value of \$1,000 per share and a cumulative dividend of five percent. There were 1,000 shares authorized, 434 shares issued, and 434 shares outstanding. Class B preferred stock had a par value of \$100 per share and a noncumulative dividend of four and one-half percent. Class B preferred stock had authorized shares of 10,000, with 1,000 shares issued and 1,000 shares outstanding. Common stock had a par value of \$1 per share. There were 10,000 shares of common stock authorized, with 470 shares issued and 470 shares outstanding.

COBURN & MEREDITH, INC.
HARTFORD, CONNECTICUT
COMPUTATION OF NET CAPITAL AND BASIC NET CAPITAL REQUIREMENT
PURSUANT TO RULE 15c3-1
OCTOBER 31, 2005

NET CAPITAL:

Stockholders' Equity	\$ 315,375
Less: Non-allowable assets -	
Advances to registered representatives	\$ (34,722)
Receivables not collected within 30 days	(41,174)
Excess good faith deposit	(175)
Furniture and equipment	(89,128)
Prepaid expenses	(22,222)
Total Non-allowable Assets	(187,421)
Net Capital Before Haircuts on Securities Positions	127,954
Haircuts on trading securities	(3,300)
Net Capital	\$ 124,654
Less: Net capital requirement (greater of \$29,384, 6 2/3% of aggregate indebtedness of \$441,206, \$50,000 or requirements applicable for market makers, \$6,000)	50,000
<u>Net Capital in Excess of Requirement</u>	<u>\$ 74,654</u>

Reconciliation with the Company's computation (included in Part II of Form X-17A-5 as of October 31, 2005) is as follows:

Net capital, as reported in the Company's Part II (unaudited) Focus Report	\$ 125,560
<u>Adjustments:</u>	
Adjustment for tax accrual	(905)
Adjustment for rounding	(1)
Total Adjustments	(906)
<u>Net Capital Per Above</u>	<u>\$ 124,654</u>

COBURN & MEREDITH, INC.
HARTFORD, CONNECTICUT
COMPUTATION OF AGGREGATE INDEBTEDNESS
PURSUANT TO RULE 15c3-1(c)
OCTOBER 31, 2005

<u>Total Liabilities</u>	\$ 441,207
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Exclusions from aggregate indebtedness	<u>-</u>
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<u>Aggregate Indebtedness</u>	\$ <u>441,207</u>
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Reconciliation with the Company's computation (included in Part II of Form X-17A-5 as of October 31, 2004) is as follows:

Aggregate indebtedness, as reported in the Company's Part II (unaudited) FOCUS report	\$ 377,322
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Adjustments:

Adjustment to deferred revenue	62,980	
Adjustment for tax accrual	<u>905</u>	
Total Adjustments		<u>63,885</u>

<u>Aggregate Indebtedness</u>	\$ <u>441,207</u>
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COBURN & MEREDITH, INC.
HARTFORD, CONNECTICUT
COMPUTATION FOR DETERMINATION OF RESERVE
REQUIREMENT AND INFORMATION FOR POSSESSION
OR CONTROL REQUIREMENTS
PURSUANT TO RULE 15c3-3
OCTOBER 31, 2005

The Company clears all customer transactions through the Pershing Division of Bank of New York on a fully disclosed basis and is exempt from Rule 15c3-3 under the exemptive provision Section (k)(2)(ii).



BERNARDI & COMPANY, LLC
CERTIFIED PUBLIC ACCOUNTANTS
AND BUSINESS CONSULTANTS
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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors of the
Connecticut Association for United Spanish Action, Inc.

We have audited the financial statements of Connecticut Association for United Spanish Action, Inc. as of and for the year ended June 30, 2005, and have issued our report thereon dated December 7, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance and Other Matters

As part of obtaining responsible assurance about whether Connecticut Association for United Spanish Action, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Connecticut Association for United Spanish Action, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management, others within the Organization and the State of Connecticut Office of Policy and Management and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Bernardi Company, LLC

BERNARDI & COMPANY, LLC
Certified Public Accountants

December 7, 2005



BERNARDI & COMPANY, LLC
CERTIFIED PUBLIC ACCOUNTANTS
AND BUSINESS CONSULTANTS
231 FARMINGTON AVENUE
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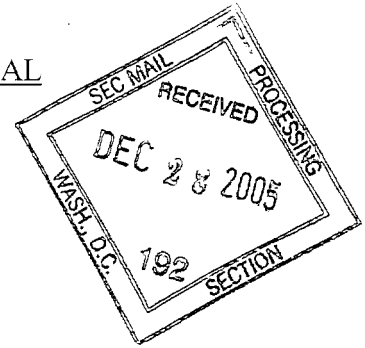
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MANCHESTER, CONNECTICUT
TEL: (860) 646-5384

INDEPENDENT AUDITOR'S REPORT ON INTERNAL
CONTROL REQUIRED BY SEC RULE 17a-5

November 18, 2005

Board of Directors
Coburn & Meredith, Inc.
150 Trumbull Street - 6th Floor
Hartford, Connecticut 06103



In planning and performing our audit of the financial statements of Coburn & Meredith, Inc. for the year ended October 31, 2005, we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company, including tests of such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications and comparisons
2. Recordation of differences required by rule 17a-13
3. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System

The management of the Company is responsible for establishing and maintaining an internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable, but not absolute, assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control or the practices and procedures referred to above, errors or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

Our consideration of internal control would not necessarily disclose all matters in internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving internal control, including control activities for safeguarding securities that we consider to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at October 31, 2005 to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors and management of Coburn & Meredith, Inc., the Securities and Exchange Commission and any other regulatory agencies which rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Bernardi & Company, LLC

BERNARDI & COMPANY, LLC
Certified Public Accountants