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SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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

SEC FILE NUMBER  
8-50464

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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 10/01/04 AND ENDING 9/30/05  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: WallStreet Electronica, Inc.

OFFICIAL USE ONLY  
FIRM I.D. NO.

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

5201 Blue Lagoon Drive, Suite 250  
(No. and Street)

Miami, Florida 33126  
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
Carlos Francisco Ojalvaro 888-925-5783

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Stephen R. Retroff, CPA, P.A.  
(Name - (Individual, state last, first, middle name))

940 Centre Circle, Suite 2005, Altamonte Springs, FL 32714  
(Address) (City) (State) (Zip Code)

CHECK ONE:

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

PROCESSED  
FEB 13 2006  
THOMSON  
FINANCIAL

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\*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 240.17a-5(c)(2)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

2/10/06

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OATH OR AFFIRMATION

I, Carlos Francisco Otalvaro, swear (or affirm) that, to the best of my knowledge and belief, the accompanying financial statement and supporting schedules pertaining to the firm of WallStreet Electronica, Inc., as of September 30, 2005, 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:

[Signature]  
Signature

President  
Title

Ricardo Rosales 12/28/2005  
Notary Public



RICARDO A. ROSALES  
NOTARY PUBLIC - STATE OF FLORIDA  
COMMISSION # DD233046  
EXPIRES 7/16/2007  
BONDED THRU 1-888-NOTARY1

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 Financial Condition.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' 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 15c3-3.
- (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- (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).

**WALLSTREET ELECTRONICA, INC.  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2005  
AND  
REPORT OF INDEPENDENT CERTIFIED  
PUBLIC ACCOUNTANT**

**WALLSTREET ELECTRONICA, INC.**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2005**

**TABLE OF CONTENTS**

|   | <u>Page</u> |
|---|-------------|
| <b>REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT</b>  | 1           |
| <b>FINANCIAL STATEMENTS</b>   |             |
| Statement of Financial Condition  | 2           |
| Statement of Income   | 3           |
| Statement of Stockholders' Equity   | 4           |
| Statement of Cash Flows   | 5           |
| Notes to Financial Statements   | 6           |
| <b>SUPPLEMENTAL INFORMATION</b>   |             |
| Computation of Net Capital Under Rule 15c3-1 of the<br>Securities and Exchange Commission   | 10          |
| Computation of Aggregate Indebtedness Under Rule 17a-5<br>of the Securities and Exchange Commission                               | 11          |
| Report on Internal Control Structure as Required by SEC Rule 17a-5<br>for a Broker-Dealer Claiming Exemption From SEC Rule 15c3-3 | 12          |

STEPHEN R. ROTROFF, CPA, P. A.  
*Certified Public Accountant and Consultant*

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT**

Stockholders  
WallStreet Electronica, Inc.

I have audited the accompanying statement of financial condition of WallStreet Electronica, Inc. as of September 30, 2005, and the related statements of income, changes in stockholders' equity and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of WallStreet Electronica, Inc. at September 30, 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.

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in the supplemental schedules, the computation of net capital and the computation of aggregate indebtedness, as of September 30, 2005, is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplemental information required by Rule 17a-5 under 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 my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



December 15, 2005

**WALLSTREET ELECTRONICA**  
**STATEMENT OF FINANCIAL CONDITION**  
**SEPTEMBER 30, 2005**

**ASSETS**

|  |                   |
|--|-------------------|
| Cash and cash equivalents  | \$ 64,419         |
| Good faith deposit held by clearing agent  | 128,578           |
| Receivables from clearing broker   | 100,467           |
| Furniture, equipment and leasehold improvements<br>net of accumulated depreciation of \$38,012 | <u>31,945</u>     |
| Total assets   | <u>\$ 325,409</u> |

**LIABILITIES AND STOCKHOLDERS' EQUITY**

Liabilities:

|                                       |               |
|---------------------------------------|---------------|
| Accounts payable and accrued expenses | \$ 39,152     |
| Income taxes payable                  | 7,500         |
| Accounts payable to related party     | <u>5,000</u>  |
| Total liabilities                     | <u>51,652</u> |

Stockholders' equity:

|  |                |
|--|----------------|
| Common stock, par value \$.001, 1,000 issued and outstanding | 1              |
| Additional paid-in capital                                   | 238,597        |
| Retained earnings  | <u>35,159</u>  |
| Total stockholders' equity                                   | <u>273,757</u> |

|  |                   |
|--|-------------------|
| Total liabilities and stockholders' equity | <u>\$ 325,409</u> |
|--|-------------------|

**WALLSTREET ELECTRONICA**  
**STATEMENT OF INCOME**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2005**

**REVENUES:**

|                             |                  |
|-----------------------------|------------------|
| Commissions and fees        | \$ 2,437,586     |
| Management and related fees | 178,586          |
| Interest and dividends      | 49,647           |
| Investment and trading      | 150,648          |
| Unrealized Gain/(Loss)      | <u>13,911</u>    |
| Total revenue               | <u>2,830,378</u> |

**EXPENSES:**

|                              |                  |
|------------------------------|------------------|
| Commissions and fees         | 1,415,944        |
| Other operating costs        | 640,663          |
| Compensation                 | 407,640          |
| Clearing costs               | 209,466          |
| Telephone and communications | 48,087           |
| Licenses and registrations   | 51,872           |
| Quotation and research       | <u>20,056</u>    |
| Total expenses               | <u>2,793,728</u> |

|                                |                  |
|--------------------------------|------------------|
| Net income before income taxes | 36,650           |
| Provision for income taxes     | <u>7,500</u>     |
| Net income                     | <u>\$ 29,150</u> |

**WALLSTREET ELECTRONICA**  
**STATEMENT OF STOCKHOLDERS' EQUITY AND RETAINED EARNINGS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2005**

|                                    | Capital Stock |             | Additional<br>Paid-In Capital | Retained<br>Earnings | Total<br>Stockholders'<br>Equity |
|------------------------------------|---------------|-------------|-------------------------------|----------------------|----------------------------------|
|                                    | Shares        | Amount      |                               |                      |                                  |
| <b>Balance, October 1, 2004</b>    | 1,000         | \$ 1        | \$ 141,597                    | \$ 6,009             | \$ 147,607                       |
| Capital contributions              | -             | -           | 97,000                        | -                    | 97,000                           |
| Net income                         | -             | -           | -                             | 29,150               | 29,150                           |
| <b>Balance, September 30, 2005</b> | <u>1,000</u>  | <u>\$ 1</u> | <u>\$ 238,597</u>             | <u>\$ 35,159</u>     | <u>\$ 273,757</u>                |

*The accompanying notes are an integral part of these financial statements.*

**WALLSTREET ELECTRONICA  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED SEPTEMBER 30, 2005**

**Operating activities:**

|   |                  |
|---|------------------|
| Net income  | \$ 29,150        |
| Adjustments to reconcile net income to net cash used in operating activities: |                  |
| Depreciation  | 13,992           |
| Changes in assets and liabilities:  |                  |
| Receivables from clearing broker  | (85,665)         |
| Good faith deposit held by clearing broker                                    | (21,947)         |
| Accounts payable and accrued expenses   | (69,098)         |
| Income taxes payable  | <u>3,600</u>     |
| Net cash used in operating activities   | <u>(129,968)</u> |

**Cash flow from financing activities:**

|                                   |                  |
|-----------------------------------|------------------|
| Capital contributions             | <u>97,000</u>    |
| Net cash used during the year     | (32,968)         |
| Cash at the beginning of the year | <u>97,387</u>    |
| Cash at the end of the year       | <u>\$ 64,419</u> |

**Supplemental information:**

|                                   |                 |
|-----------------------------------|-----------------|
| Income taxes paid during the year | <u>\$ 6,591</u> |
| Interest paid during the year     | <u>\$ -</u>     |

**WALLSTREET ELECTRONICA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2005**

**1. ORGANIZATION AND NATURE OF BUSINESS**

Wallstreet Electronica, Inc. (the "Company") was incorporated on August 14, 1997 in the state of Florida. The Company is a registered broker-dealer with the Securities and Exchange Commission and a member of the National Association of Securities Dealers ("NASD").

The Company operates three offices in Miami and Coral Gables, Florida. The Company provides web-based internet brokerage services to individuals and corporate customers, and it also provides support to stock brokers, investment advisors, money managers and financial institutions that need web-based handling of their transactions for their clients. The Company uses the technology of Broker WebStation, Inc., (a related party company), and BellSouth/IBM e-commerce to offer web hosting services and internet data circuits to its customers. The Company is an introducing broker-dealer and cleared its trades through ADP Clearing and Outsourcing Services (the "Clearing Broker").

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Cash and cash equivalents*** – Cash and cash equivalents are short-term, liquid investments with an original maturity of three months or less and are carried at cost, which approximates market value.

***Receivables from clearing broker*** – Receivables from clearing broker represent monies due the Company from the Clearing Broker. An allowance for doubtful accounts is not recorded since the Clearing Broker adjusts accounts to actual collections, as necessary.

***Good faith clearing deposit held by clearing agent*** – The Company's Clearing Broker holds a good faith deposit that it may use to cover any securities transactions that do not close. The good faith deposit is comprised of marketable securities and cash. The marketable securities represent treasury notes held for trading purposes. Marketable securities are recorded at fair value and investment income is recorded in earnings as incurred.

***Property and equipment*** – Property and equipment are recorded at cost. Depreciation is provided on a straight-line basis over three to five years. Maintenance and minor repairs are charged to operations when incurred. When assets are retired or sold, the related cost and accumulated depreciation are removed from the accounts and the resulting gain or loss is reflected in current operations.

***Securities transactions*** - Securities transactions are recorded on a trade date basis.

***Advertising*** – Advertising is expensed as incurred.

**WALLSTREET ELECTRONICA, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**SEPTEMBER 30, 2005**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*Income taxes* – The Company accounts for income taxes according to Statement of Financial Accounting Standard No. 109, “Accounting for Income Taxes”, which requires an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed annually for differences between the financial statement and tax basis of assets and liabilities that will result in taxable or deductible amounts in the future, based on tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. A valuation allowance is recognized if, based on the weight of available evidence, it is more likely than not that some portion or all of the deferred asset will not be realized. Income tax expense is the tax payable or refundable for the period, plus or minus the change during the period in deferred tax assets and liabilities.

*Fair value of financial instruments* - All of the Company's financial assets and liabilities are carried at market value or at amounts, which, because of their short-term nature, approximate current fair value.

*Use of estimates* – The preparation of 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates

**3. RELATED PARTY TRANSACTIONS**

During the year ended September 30, 2005, the Company paid a company owned by one of its stockholders, approximately \$183,000 for technical services and accrued \$5,000 as a payable for those same services. The accrued expense is shown on the accompanying financial statements as accounts payable to a related party.

**4. GOOD FAITH DEPOSIT**

The Company has agreed to maintain a good faith deposit of approximately \$125,000 with the Clearing Broker. As of September 30, 2005, the Company had deposited \$2,115 in cash and \$126,463 in marketable securities with the Clearing Broker in the good faith deposit account. Income earned on the marketable securities is recorded as interest income.

**WALLSTREET ELECTRONICA, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**SEPTEMBER 30, 2005**

**5. PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following at September 30, 2005:

|                               |                  |
|-------------------------------|------------------|
| Leasehold improvements        | \$ 66,000        |
| Equipment                     | <u>3,957</u>     |
|                               | 69,957           |
| Less accumulated depreciation | <u>(38,012)</u>  |
|                               | <u>\$ 31,945</u> |

Depreciation recorded for the year ended September 30, 2005 was \$13,992.

**5. INCOME TAXES**

Income taxes have been calculated at the effective rates as of September 30, 2005 for federal and state obligations. The effective rate is 20% after giving affect to the state tax deducted from the federal obligation.

**6. CONTINGENCIES**

The Company has been named in certain matters brought before the NASD filed by clients of its correspondents in the normal course of business. All matters have been resolved as of September 30, 2005, but other actions may be brought by clients and/or clients of correspondents in the future. Management intends to fight all claims vigorously should any be brought forth, and management believes it carries sufficient errors and omission insurance and a fidelity bond to cover contingencies.

**CONCENTRATION OF BUSINESS AND CREDIT RISK**

One correspondent accounted for approximately 9% of the Company's revenue and approximately 15% of the commissions paid by the Company during the year ended September 30, 2005.

From time to time the Company may have cash deposits with its banks or its clearing broker that exceed levels insured by the banks and clearing broker. However, management of the Company believes the money to be secure.

**WALLSTREET ELECTRONICA, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**SEPTEMBER 30, 2005**

**7. OFF-BALANCE-SHEET RISK AND LOSS ON TRANSACTION**

The Company's customer activities handled through the Clearing Broker involve the execution, settlement, and financing of various customer securities transactions. These activities may expose the Company to off-balance-sheet risk in the event the customer or other broker is unable to fulfill its contractual obligations and the Company has to purchase or sell the financial instrument underlying the contract at a loss. Management of the Company has developed a multiple management and risk control system that management believes minimizes the off-balance-sheet risk.

**8. NET CAPITAL REQUIREMENTS**

The Company is subject to the Securities Exchange Act of 1934 uniform net capital rules, which requires maintenance of a minimum net capital and requires that the ratio of aggregate indebtedness to net capital not exceed 15 to 1. At of September 30, 2005, the Company's net capital was \$233,137 as defined by the SEC, which was \$228,137 in excess of its minimum net capital requirement of \$5,000, which amount was greater than 6 2/3% of aggregate indebtedness (\$3,440). The Company's percentage of aggregate indebtedness to net capital was approximately 22%.

**9. RECONCILIATION OF NET CAPITAL**

The differences in the net capital computation shown on the Company's September 30, 2005 FOCUS IIA is shown in the attached required supplemental information to the audited financial statements. The difference in aggregate indebtedness results from audit adjustments to record additional accounts payable and accrued expenses and to reduce the income tax payable at September 30, 2005.

**REQUIRED SUPPLEMENTAL INFORMATION**

Pursuant to Rule 17a-5 of the  
Securities Exchange Act of 1934

As of September 30, 2005

**WALLSTREET ELECTRONICA, INC.  
COMPUTATION OF NET CAPITAL UNDER  
RULE 15c3-1 OF THE SECURITIES AND EXCHANGE COMMISSION  
AS OF SEPTEMBER 30, 2004**

**Calculation of Net Capital:**

|  |                   |
|--|-------------------|
| Total stockholders' equity                           | \$ 273,757        |
| Adjustments to deduct non-allowable assets:          |                   |
| Petty cash   | (200)             |
| Furniture, equipment and leasehold improvements, net | <u>(31,945)</u>   |
| Net capital before haircuts on securities positions  | 241,612           |
| Adjustment for fidelity bond                         | (5,000)           |
| Haircuts on securities positions:                    |                   |
| U. S. Treasury Notes                                 | <u>(3,475)</u>    |
| Net capital  | <u>\$ 233,137</u> |

**Computation of basic net capital:**

|  |                   |
|--|-------------------|
| Net capital  | \$ 233,137        |
| Less: minimum net capital based on the lesser of \$5,000 or 6 2/3% of aggregate indebtedness | <u>(5,000)</u>    |
| Excess net capital   | <u>\$ 228,137</u> |

**Reconciliation with Company's Calculation:**

|  |                   |
|--|-------------------|
| Net capital as reported in the Company's Part IIA (unaudited) FOCUS Report   | \$ 253,753        |
| Audit adjustments:   |                   |
| Difference in aggregate indebtedness resulting in an increase in accounts payable due to audit adjustment for invoices | (30,606)          |
| Difference in aggregate indebtedness resulting from a reduction in federal and state taxes payable                     | <u>9,990</u>      |
| Net capital per above  | <u>\$ 233,137</u> |

**WALLSTREET ELECTRONICA, INC.**  
**COMPUTATION OF NET CAPITAL UNDER**  
**RULE 15c3-1 OF THE SECURITIES AND EXCHANGE COMMISSION**  
**AS OF SEPTEMBER 30, 2004**

**CALCULATION OF AGGREGATE INDEBTEDNESS**

|   |                  |
|---|------------------|
| Accounts payable and accrued expenses               | \$ 39,152        |
| Income tax payable                                  | 7,500            |
| Accounts payable related party                      | <u>5,000</u>     |
| Total aggregate indebtedness                        | <u>\$ 51,652</u> |
| Percentage of aggregate indebtedness to net capital | <u>22%</u>       |
| 6 2/3% of aggregate indebtedness                    | <u>\$3,440</u>   |

**STEPHEN R. ROTROFF, CPA, P. A.**  
*Certified Public Accountant and Consultant*

**REPORT ON INTERNAL CONTROL STRUCTURE REQUIRED BY SEC RULE 17a-5 FOR A  
BROKER-DEALER CLAIMING EXEMPTION FROM SEC RULE 15c3-3**

Board of Directors  
WallStreet Electronica, Inc.

In planning and performing my audit of the financial statements of WallStreet Electronica, Inc. (the "Company") for the year ended September 30, 2005, I considered its internal control structure, including procedures for safeguarding securities, in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control structure.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission ("SEC"), I have made a study of the practices and procedures (including tests of compliance with such practices and procedures) followed by the Company, including tests of such practices that I considered relevant to the objectives stated in Rule 17a-5(g)(1) in making the periodic computations of aggregate indebtedness 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, I did not review the practices and procedures followed by the Company in any of the following:

1. Making the 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 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 structure 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 internal control structure policies and procedures 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 an internal control structure 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 accounting principles generally accepted in the United States of America. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in any internal control structure or the practices and procedures referred to above, errors or irregularities 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.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure 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 structure elements does not reduce to a relatively low level the risk that errors or irregularities 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, I noted no matters involving the internal control structure, including procedures for safeguarding securities that I consider to be material weaknesses as defined above.

I 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 the 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 my study, I believe that the Company's practices and procedures were adequate at September 30, 2005, to meet the SEC's objectives.

This report is intended solely for the use of management, the Securities and Exchange Commission, the National Association of Securities Dealers, and 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 should not be used for any other purpose.

Handwritten signature of Joseph R. Ruff, CPA, P.A.

December 15, 2005