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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**

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 01/01/05 AND ENDING 12/31/05
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

SHAY FINANCIAL SERVICES, INC.

OFFICIAL USE ONLY
FIRM ID. NO.

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

1000 Brickell Avenue

(No. and Street)

Miami

FL

33131

(City)

(State)

(Zip Code)

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

Robert T. Podraza

(305) 507-1536

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Crowe Chizek and Company LLC

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

6750 North Andrews Ave, Suite 200

Fort Lauderdale FL

33309-2180

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

PROCESSED

MAY 24 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 240.17a-5(e)(2).

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SEC 1410 (06-02)

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REC'D S.E.C.
MAR 6 2006
DIVISION OF MARKET REGULATION

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
MAR 01 2006

OATH OR AFFIRMATION

I, Robert T. Podraza, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of SHAY FINANCIAL SERVICES, INC., as of December 31, 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:



Gail A. Packard
Commission # DD069318
Expires March 15, 2006
Bonded Through
Atlantic Bonding Co., Inc.

Robert T. Podraza
Signature

Vice President
Title

Gail A. Packard
Notary Public

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 (Statement of 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 or 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.
- (o) Independent Auditors' Report on Internal Control Required by SEC Rule 17a-5

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

SHAY FINANCIAL SERVICES, INC.

FINANCIAL STATEMENTS

December 31, 2005 and 2004

FINANCIAL STATEMENTS

December 31, 2005 and 2004

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Crowe Chizek and Company LLC
Member Horwath International

REPORT OF INDEPENDENT AUDITORS

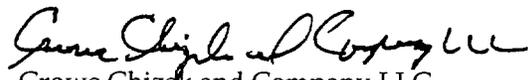
Board of Directors and Shareholder
Shay Financial Services, Inc.
Miami, Florida

We have audited the accompanying balance sheet of Shay Financial Services, Inc. as of December 31, 2005, and the related statements of income, changes in shareholders' equity, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. The accompanying financial statements of Shay Financial Services, Inc. as of December 31, 2004, and for the year then ended, were audited by other auditors whose report dated February 4, 2005, expressed an unqualified opinion on those statements.

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 2005 financial statements referred to above present fairly, in all material respects, the financial position of Shay Financial Services, Inc. as of December 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 conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 of the Securities and Exchange Act of 1934. Such supplemental 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.


Crowe Chizek and Company LLC

Fort Lauderdale, Florida
January 26, 2006

SHAY FINANCIAL SERVICES, INC.

BALANCE SHEETS

December 31, 2005 and 2004

	<u>2005</u>	<u>2004</u>
ASSETS		
Cash and cash equivalents	\$ 2,294,088	\$ 3,557,233
Receivables:		
Brokers and dealers	935,894	1,365,844
Interest and interest-only strips	184,945	447,252
Mutual fund distribution fees	482,986	549,470
Other	116,417	16,103
Securities purchased under agreements to resell	12,951,698	39,439,395
Securities owned	<u>9,407,053</u>	<u>8,120,283</u>
	<u>\$ 26,373,081</u>	<u>\$ 53,495,580</u>
LIABILITIES AND SHAREHOLDER'S EQUITY		
Payables		
Affiliate	\$ 5,350,635	\$ 6,879,431
Other	1,016,587	172,840
Securities sold, not yet purchased	2,048,127	2,004,687
Securities sold under agreements to repurchase	<u>10,957,732</u>	<u>37,438,622</u>
Total liabilities	19,373,081	46,495,580
Shareholder's equity		
Common stock, \$1 par value, 7,500 shares authorized, 1,000 shares issued and outstanding	1,000	1,000
Additional paid-in capital	6,999,000	6,999,000
Retained earnings	<u>--</u>	<u>--</u>
	<u>7,000,000</u>	<u>7,000,000</u>
	<u>\$ 26,373,081</u>	<u>\$ 53,495,580</u>

See accompanying notes.

SHAY FINANCIAL SERVICES, INC.
STATEMENTS OF INCOME
Years ended December 31, 2005 and 2004

	<u>2005</u>	<u>2004</u>
Revenues		
Principal transactions	\$ 5,154,598	\$ 10,966,686
Mutual fund distribution fees	9,176,837	11,039,751
Income from certificates of deposit transactions	1,755,142	2,518,804
Interest and dividends	360,129	243,714
Net gain on investments	6,819	705,845
Other	<u>515,378</u>	<u>1,068,272</u>
	16,968,903	26,543,072
Less: waiver of mutual fund distribution fees	<u>3,210,673</u>	<u>3,965,375</u>
Total revenues	13,758,230	22,577,697
Expenses		
Management fees to Shay Investment Services, Inc.	13,533,498	22,259,554
Clearing fees	224,719	297,835
Interest	--	10,131
Other	<u>13</u>	<u>10,177</u>
Total expenses	<u>13,758,230</u>	<u>22,577,697</u>
Net income	<u>\$ --</u>	<u>\$ --</u>

See accompanying notes.

SHAY FINANCIAL SERVICES, INC.
STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY
Years ended December 31, 2005 and 2004

	<u>Common Stock</u>	<u>Additional Paid-In Capital</u>	<u>Retained Earnings</u>	<u>Total Shareholder's Equity</u>
Balance at January 1, 2004	\$ 1,000	\$ 6,999,000	\$ --	\$ 7,000,000
Net income	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Balance at December 31, 2004	1,000	6,999,000	--	7,000,000
Net income	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Balance at December 31, 2005	<u>\$ 1,000</u>	<u>\$ 6,999,000</u>	<u>\$ --</u>	<u>\$ 7,000,000</u>

See accompanying notes.

SHAY FINANCIAL SERVICES, INC.
STATEMENTS OF CASH FLOWS
Years ended December 31, 2005 and 2004

	<u>2005</u>	<u>2004</u>
Cash flows from operating activities		
Net income	\$ --	\$ --
Adjustments to reconcile net income to net cash provided by operating activities:		
Changes in assets and liabilities		
Securities owned	(1,286,770)	(774,744)
Securities owned - pledged as collateral	--	1,010,465
Receivables		
Brokers and dealers	329,950	(143,000)
Interest and interest-only strips	262,307	240,298
Mutual fund distribution fees	66,484	140,080
Other	(100,314)	(16,103)
Securities purchased under agreements to resell	26,487,697	(15,619,219)
Payables		
Affiliate	(1,528,796)	3,007,727
Other	843,747	32,339
Securities sold, not yet purchased	43,440	2,004,687
Securities sold under agreements to repurchase	<u>(26,480,890)</u>	<u>13,618,985</u>
Net cash provided by operating activities	(1,363,145)	3,501,515
 Cash flows from financing activities		
Repurchase agreements used as financing	<u>--</u>	<u>(1,040,575)</u>
Net cash provided by financing activities	<u>--</u>	<u>(1,040,575)</u>
 Net increase in cash and cash equivalents	(1,363,145)	2,460,940
 Cash and cash equivalents at beginning of year	<u>3,657,233</u>	<u>1,196,293</u>
 Cash and cash equivalents at end of year	<u>\$ 2,294,088</u>	<u>\$ 3,657,233</u>
 Supplemental disclosure of cash flow information		
Interest paid	\$ --	\$ 10,131

See accompanying notes.

NOTE 1 - ORGANIZATION AND NATURE OF BUSINESS

Shay Financial Services, Inc. (the Company) is a registered broker-dealer under the Securities Exchange Act of 1934 and is a wholly owned subsidiary of Shay Investment Services, Inc. (SISI). The Company acts as an intermediary between its customers and other financial institutions in the purchase and sale of various fixed-income investments and conducts proprietary transactions in equity securities, U.S. government and government agency securities, and certificates of deposit. The Company is also the distributor of various registered investment companies, including those managed and advised by an affiliate.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition: Principal transactions and related revenue and expense are recorded on a settlement date basis. The effect on the financial statements of using the settlement date basis rather than the trade date basis is not material.

Securities Owned and Securities Sold, Not Yet Purchased: Securities owned and securities sold, not yet purchased are stated at market value. Certificates of deposit (CDs) are carried at cost, plus accrued interest, which approximates market value. Market value for securities other than CDs is generally based on quoted market prices. Unrealized gains and losses are reflected in the statements of income.

Interest-Only Strips: The Company purchases CDs from financial institutions and sells these CDs in smaller amounts to its customers, generally bearing an interest rate lower than the originally purchased CD. The Company recognizes revenue from the sale of CDs at the time of sale based on the interest rate spread. The receivable and the related revenue resulting from the sale of CDs are recorded at the present value of the net future cash flows and are reported as interest-only strips in the accompanying balance sheets. Net future cash flows in excess of the carrying amount of interest-only strips are recognized as income over the remaining life of the CD based on the level-yield method.

Securities Sold Under Agreements to Repurchase: Securities purchased under agreements to resell (resale agreements) and securities sold under agreements to repurchase (repurchase agreements) are generally collateralized by U.S. Treasury and government agency securities. Resale and repurchase agreements are accounted for as financing transactions and are recorded at the amounts at which the securities subsequently will be resold or repurchased, as specified in the respective agreements, including accrued interest.

Counterparties consist of a limited number of broker-dealers and savings banks. It is the Company's policy to obtain possession or control of securities purchased under agreements to resell at the time the transaction is entered into. The market value of the underlying assets is monitored daily and additional cash or other collateral is obtained from counterparties when appropriate.

Income Taxes: The Company is organized as a Subchapter S Corporation. The Company passes through its net income or loss to its stockholder and, accordingly, is not subject to federal income taxes.

(Continued)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Loss Contingencies: Loss contingencies, including claims and legal actions arising in the ordinary course of business, are recorded as liabilities when the likelihood of loss is probable and an amount or range of loss can be reasonably estimated. Management does not believe there now are such matters that will have a material effect on the financial statements.

Reclassifications: Some items in the prior year financial statements were reclassified to conform to the current presentation.

NOTE 3 - RELATED-PARTY TRANSACTIONS

Operations of the Company are conducted in facilities and by personnel shared with SISI and certain of its affiliates. The Company pays a management fee, equal to net income before management fees and certain direct operating costs to SISI in lieu of occupancy and other administrative expenses.

The Company maintains bank accounts with an affiliated bank. At December 31, 2005 and 2004, these balances totaled \$112,529 and \$301,455. In addition, certificates of deposit owned by the Company are held by an affiliate as custodian for the Company.

NOTE 4 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents include highly liquid investments with short-term maturities. At December 31, 2005 and 2004, cash of \$100,000 was segregated in a special reserve bank account for the benefit of customers pursuant to Securities and Exchange Commission Rule 15c3-3 ("Rule 15c3-3").

NOTE 5 - RECEIVABLES FROM BROKERS AND DEALERS

Receivables from brokers and dealers represent receivables for trades pending settlement and cash and other balances due principally from the Company's clearing broker.

The Company clears certain securities transactions on a fully-disclosed basis through its clearing broker, a major New York-based financial institution. The agreement with the clearing broker calls for the Company to maintain a deposit balance in an account maintained by the clearing broker. At December 31, 2005 and 2004, the Company had \$100,000 of cash on deposit to satisfy this requirement and this is included in receivables from brokers and dealers on the balance sheet.

(Continued)

NOTE 5 - RECEIVABLES FROM BROKERS AND DEALERS (Continued)

The Company has agreed to indemnify the clearing broker for losses that the clearing broker may sustain from the customer accounts introduced by the Company. At December 31, 2005 and 2004, there were no amounts to be indemnified to the clearing broker for these customer accounts.

NOTE 6 - MUTUAL FUND DISTRIBUTION FEES

The Company has distribution agreements with various registered investment companies. The Company's distribution agreement with Asset Management Fund, Inc., a fund managed and advised by an affiliate, provides that the Company receives 12b-1 payments based upon a percentage of each portfolio's average daily net assets. The Company voluntarily waived a portion of these fees in both the years ended December 31, 2005 and 2004.

NOTE 7 - SECURITIES OWNED AND SECURITIES SOLD, NOT YET PURCHASED

At December 31, 2005 and 2004, securities owned and securities sold, not yet purchased, were comprised of the following:

	<u>2005</u>		<u>2004</u>	
	<u>Owned</u>	<u>Sold</u>	<u>Owned</u>	<u>Sold</u>
Certificates of deposit	\$ 5,450,018	\$ --	\$ 4,936,167	\$ --
U.S. government obligations	484,004	1,996,367	172,308	2,004,687
Equity securities	<u>3,473,031</u>	<u>51,760</u>	<u>3,011,808</u>	<u>--</u>
	<u>\$ 9,407,053</u>	<u>\$ 2,048,127</u>	<u>\$ 8,120,283</u>	<u>\$ 2,004,687</u>

Securities sold, not yet purchased, represent obligations of the Company to deliver the specified security at the contracted price and, thereby, create a liability to purchase the security in the market at prevailing prices. Accordingly, these transactions result in off-balance-sheet risk as the Company's ultimate obligation to satisfy the sale of securities sold, not yet purchased may exceed the amount reflected in the statement of financial condition.

NOTE 8 - FINANCIAL INSTRUMENTS

Assets, including cash, securities owned, investments, securities purchased under agreements to resell, and certain receivables, are carried at fair value or at contracted amounts which approximate fair value. Similarly, liabilities, including securities sold, not yet purchased, securities sold under agreements to repurchase and certain payables, are carried at fair value or contracted amounts approximating fair value. Financial instruments carried at contract amounts that approximate fair value either have short-term maturities (one year or less), are repriced frequently, or bear market interest rates and, accordingly, are carried at amounts approximating fair value.

(Continued)

NOTE 8 - FINANCIAL INSTRUMENTS (Continued)

In the normal course of business, the Company enters into forward transactions involving mortgage-backed securities in order to meet the financing and hedging needs of its customers. Forward transactions are valued at market, and the resulting unrealized gains and losses are reflected in principal transactions in the statements of income. The Company's exposure to changes in market prices or interest rates is managed by simultaneously entering into offsetting positions in identical instruments. Forward transactions provide for the delivery or receipt of securities at a specified future date at a specified price or yield. Risks arise from the possible inability of counterparties to meet the terms of their commitments and from changes in securities values and interest rates. At December 31, 2005 and 2004, open forward purchase and sale commitments each aggregated approximately \$10,675,000 and \$11,221,000.

In the normal course of business, the Company obtains securities under resale agreements on terms that permit it to pledge or resell the securities to others. At December 31, 2005 and 2004, securities obtained under resale agreements were pledged or otherwise transferred to others under repurchase agreements or to satisfy the Company's commitments under proprietary short sales.

NOTE 9 - NET CAPITAL REQUIREMENTS

As a registered broker-dealer with the Securities and Exchange Commission (the SEC), the Company is subject to the SEC's net capital rule (Rule 15c3-1). This Rule prohibits a broker-dealer from engaging in any securities transaction at a time when its net capital is less than the greater of 6 2/3% of aggregate indebtedness, as those terms are defined by the Rule, or \$250,000. At December 31, 2005 and 2004, the Company's net capital was \$5,467,882 and \$5,194,858 while its required net capital was \$424,481 and \$458,629 and its ratio of aggregate indebtedness to net capital was 1.16 to 1 and 1.32 to 1.

Advances to affiliates and other equity withdrawals are subject to certain notifications and other provisions of the net capital rule of the SEC and other regulatory bodies.

**SUPPLEMENTARY INFORMATION PURSUANT TO
RULE 17a-5 OF THE SECURITIES EXCHANGE ACT OF 1934**

SHAY FINANCIAL SERVICES, INC.
SCHEDULE 1 - COMPUTATION OF NET CAPITAL UNDER
RULE 15C3-1 OF THE SECURITIES AND EXCHANGE COMMISSION
December 31, 2005

Net capital	
Stockholder's equity	\$ 7,000,000
Deductions and charges	
Nonallowable assets:	
Interest and interest only strips	184,945
Mutual fund distribution fees	482,986
Receivables from non-customers	105,098
Other receivable from brokers or dealers and clearing organizations	<u>11,319</u>
	<u>784,348</u>
Net capital before haircuts on securities	6,215,652
Haircuts on securities	
Certificates of deposit	87,311
Equity securities	520,955
U.S. government obligations	131,180
Undue concentration	<u>8,324</u>
	<u>747,770</u>
Net capital	<u>\$ 5,467,882</u>

There are no material differences between the amounts presented above and the amounts presented in the Company's December 31, 2005, unaudited FOCUS Part II filings.

SHAY FINANCIAL SERVICES, INC.
SCHEDULE 2 - COMPUTATION OF BASIC NET CAPITAL REQUIREMENT
AND COMPUTATION OF AGGREGATE INDEBTEDNESS
December 31, 2005

Minimum net capital required (6 2/3% of total aggregate indebtedness)	<u>\$ 424,481</u>
Minimum dollar net capital requirement	<u>\$ 250,000</u>
Net capital requirement	<u>\$ 424,481</u>
Excess net capital	<u>\$ 5,043,401</u>
Excess net capital at 1,000% (net capital less 10% of total aggregate indebtedness)	<u>\$ 4,831,160</u>
Aggregate indebtedness	
Payables	<u>\$ 6,367,222</u>
Total aggregate indebtedness	<u>\$ 6,367,222</u>
Percentage of aggregate indebtedness to net capital	116%

There are no material differences between the amounts presented above and the amounts presented in the Company's December 31, 2005, unaudited FOCUS Part II filings.

SHAY FINANCIAL SERVICES, INC.
SCHEDULE 3 - COMPUTATION FOR DETERMINATION OF RESERVE
REQUIREMENTS FOR BROKER-DEALERS UNDER RULE 15C3-3
OF THE SECURITIES AND EXCHANGE COMMISSION

Exemptive Provisions

If an exemption from Rule 15c3-3 is claimed, identify below the section upon which such exemption is based (check one only)

- A. (k)(1) - \$2,500 capital category as per Rule 15c3-1 _____
- B. (k)(2)(A) - "Special Account for the Exclusive Benefit
of Customers" maintained _____ X
- C. (k)(2)(B) - All customer transactions cleared through another
broker-dealer on a fully disclosed basis
Name of clearing firm _____
- D. (k)(3) - Exempted by the order of the Commission _____



Crowe Chizek and Company LLC
Member Horwath International

SUPPLEMENTARY REPORT OF INDEPENDENT AUDITORS ON INTERNAL CONTROL

Board of Directors and Shareholder
Shay Financial Services, Inc.
Miami, Florida

In planning and performing our audit of the financial statements and supplemental information of Shay Financial Services, Inc. (the Company) for the year ended December 31, 2005, we considered its internal control, including control activities for safeguarding securities, to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission (the SEC), we have made a study of the practices and procedures followed by the Company, including tests of compliance with such practices and procedures that we considered relevant to the criteria stated in Rule 17a-5(g) 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, 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. The 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.

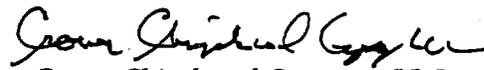
The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal 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 criteria. 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 the preparation of the financial statements in accordance with accounting principles generally accepted in the United States. Rule 17a-5(g) lists additional criteria of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in any 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 internal control to future periods is subject to the risk that internal control 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 one or more of the specific internal control components does not reduce to a relatively low level the risk that errors 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, and its operation that we consider to be material weaknesses as defined above.

We understand that practices and procedures that meet the criteria 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 meet such criteria 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 December 31, 2005, to meet the SEC's criteria.

This report is intended solely for the information and use of management, the SEC, the National Association of Securities Dealers, Inc. and other regulatory agencies that 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 used by anyone other than these specified parties.


Crowe Chizek and Company LLC

Fort Lauderdale, Florida,
January 26, 2006