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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
8-46491
46941

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 12/01/05 AND ENDING 11/30/06
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: SBK Brooks Investment Corp.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

820 Terminal Tower, 50 Public Square

(No. and Street)

Cleveland, Ohio 44113

(City)

(State)

(Zip Code)

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

Eric Small

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Cohen Fund Audit Services, Ltd. fka Cohen McCurdy Ltd.

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

800 Westpoint Parkway, Suite 1100, Westlake, Ohio 44145

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

PROCESSED

MAR 13 2007

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)

SEC 1410 (06-02)

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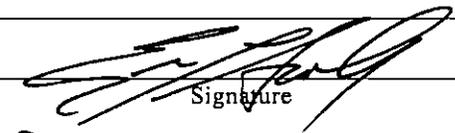
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or

OATH OR AFFIRMATION

I, Eric L. Small, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of SBK-BROOKS INVESTMENT CORP., as of JANUARY 26, 2007, 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:

DARLENE A. CHANDLER, Notary Public
State of Ohio
My Commission Expires Jan. 28, 2007


Signature
President & CEO
Title


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.
- (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).

SBK BROOKS INVESTMENT CORP.

NOVEMBER 30, 2006

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SHAREHOLDERS
SBK BROOKS INVESTMENT CORP.

Independent Auditors' Report

We have audited the accompanying statement of financial condition of SBK Brooks Investment Corp. as of November 30, 2006, and the related statements of operations, changes in shareholders' equity, changes in liabilities subordinated to claims of general creditors 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 SBK Brooks Investment Corp. as of November 30, 2006, 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 information contained in Schedules I, II, and III 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 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in our 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.

Cohen Fund Audit Services

December 29, 2006
Westlake, Ohio

STATEMENT OF FINANCIAL CONDITION

NOVEMBER 30, 2006

ASSETS

Cash	\$ 43,625
Accounts receivable	783,602
Investments at fair market value	
Readily marketable	12,045
Not readily marketable	37,016
Employee advances	810,756
Notes receivable	199,328
Furniture and equipment – At cost – Less accumulated depreciation of \$73,073	21,242
Deferred federal income taxes	396,000
Deposits and other assets	<u>67,360</u>
	<u>\$ 2,370,974</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

LIABILITIES	
Accounts payable	\$ 436,656
Accrued expenses	<u>21,072</u>
	457,728
SUBORDINATED DEBT	1,000,000
MANDATORILY REDEEMABLE STOCK – SERIES B PREFERRED	44,361
COMMITMENTS	
SHAREHOLDERS' EQUITY	
Series A preferred stock, no par value, 2,000 shares authorized, 1,880 issued and outstanding; aggregate liquidation preference \$1,880,000	\$ 1,880,000
Common stock, no par value, 850 shares authorized, 342 shares issued	395,150
Deficit	(1,398,265)
Less: Treasury stock – At cost – 18.75 shares of common stock	<u>(8,000)</u>
	<u>868,885</u>
	<u>\$ 2,370,974</u>

The accompanying notes are an integral part of these statements.

STATEMENT OF OPERATIONS
YEAR ENDED NOVEMBER 30, 2006

REVENUES

Commissions and fees	\$ 870,754
Secondary fixed income	1,510,076
Underwriting and investment banking	2,037,738
Interest	56,207
	<u>4,474,775</u>

EXPENSES

Employee compensation, benefits, and taxes	3,382,171
Clearing fees	270,612
Occupancy and equipment rental	523,777
Promotion and development	52,370
Professional fees	168,643
Regulatory fees and expenses	27,795
Depreciation	8,453
Interest expense	130,196
Travel	167,220
Communications and data processing	123,309
Other operating expenses	385,316
	<u>5,239,862</u>

LOSS BEFORE INCOME TAXES (765,087)

CREDIT FOR DEFERRED INCOME TAXES (75,000)

NET LOSS \$ (690,087)

The accompanying notes are an integral part of these statements.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

YEAR ENDED NOVEMBER 30, 2006

	<u>SERIES A PREFERRED STOCK</u>	<u>COMMON STOCK</u>	<u>RETAINED EARNINGS (DEFICIT)</u>	<u>TREASURY STOCK</u>	<u>TOTAL</u>
BALANCE – DECEMBER 1, 2005	\$ 1,880,000	\$ 395,150	\$ (706,095)	\$ (8,000)	\$1,561,055
DIVIDENDS			(2,083)		(2,083)
NET LOSS			<u>(690,087)</u>		<u>(690,087)</u>
BALANCE – NOVEMBER 30, 2006	<u>\$ 1,880,000</u>	<u>\$ 395,150</u>	<u>\$(1,398,265)</u>	<u>\$ (8,000)</u>	<u>\$ 868,885</u>

The accompanying notes are an integral part of these statements.

STATEMENT OF CHANGES IN LIABILITIES
SUBORDINATED TO CLAIMS OF GENERAL CREDITORS

YEAR ENDED NOVEMBER 30, 2006

SUBORDINATED BORROWINGS – DECEMBER 1, 2005	\$ 1,000,000
INCREASE – ADDITIONAL SUBORDINATED BORROWINGS	
DECREASE – PAYMENT OF SUBORDINATED BORROWINGS	<hr/>
SUBORDINATED BORROWINGS – NOVEMBER 30, 2006	<u>\$ 1,000,000</u>

The accompanying notes are an integral part of these statements.

STATEMENT OF CASH FLOWS
YEAR ENDED NOVEMBER 30, 2006

CASH FLOW USED IN OPERATING ACTIVITIES	
Net loss	\$ (690,087)
Adjustments to reconcile net loss to net cash used in operating activities	
Depreciation	8,453
Deferred federal income taxes	(75,000)
Increase (decrease) in cash resulting from changes in operating assets and liabilities	
Accounts receivable	(480,094)
Investments	(32,757)
Accrued income taxes	(17,823)
Deposits and other assets	143,276
Accounts payable and accrued expense	<u>208,529</u>
Net cash used in operating activities	<u>(935,503)</u>
CASH FLOW PROVIDED FROM INVESTING ACTIVITIES	
Employees' advances and notes receivable	169,586
Purchase of furniture and equipment	<u>(2,663)</u>
	<u>166,923</u>
CASH FLOW USED IN FINANCING ACTIVITIES	
Preferred stock redemption – Series B	(17,098)
Dividends paid	<u>(2,083)</u>
	<u>(19,181)</u>
NET DECREASE IN CASH	(787,761)
CASH – BEGINNING OF YEAR	<u>831,386</u>
CASH – END OF YEAR	<u>\$ 43,625</u>
SUPPLEMENTAL CASH FLOW DISCLOSURE	
Interest paid	<u>\$ 130,196</u>

The accompanying notes are an integral part of these statements.

NOTES TO THE FINANCIAL STATEMENTS

1. ORGANIZATION

SBK Brooks Investment Corp. (the Company) is a broker-dealer registered with the Securities and Exchange Commission (SEC) and the State of Ohio and is a member of the National Association of Securities Dealers, Inc. (NASD), specializing in the organization, underwriting, distribution, trading and brokerage of fixed income and equity securities. The Company maintains an office in Cleveland, with branch offices in Chicago, Indianapolis, Detroit, and Houston.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Commissions

Equity commissions and related clearing expenses are recorded on a trade-date basis as securities transactions occur.

Secondary Fixed Income

Secondary fixed income represents profits in buy and sell transactions, whereby the Company earns the difference between the price paid on the purchase and the price received on the sale of securities on a trade date basis.

Underwriting and Investment Banking Revenue

Investment banking revenues include gains, losses and fees, net of syndicate expenses, arising from securities offerings in which the Company acts as an underwriter or agent. Investment banking management fees are recorded on offering date, sales concessions are recorded on offering date, and underwriting fees are recorded at the time the underwriting is completed and the income is reasonably determinable.

Investment Advisory Income

Investment advisory fees are received quarterly but are recognized as earned on a pro rata basis over the term of the contract.

Cash

At times, the Company maintains cash accounts with financial institutions in excess of the Federal Deposit Insurance Corporation insurance.

Concentration of Credit Risk

The Company is engaged in various trading and brokerage activities in which counterparties primarily include broker-dealers, banks, and other financial institutions. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counterparty.

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables and Credit Policies

Accounts receivable are uncollateralized commissions or customer obligations due under normal trade terms requiring payments within 60 days from the report date. The Company generally collects receivables within 60 days and does not charge interest on receivables.

Accounts receivable are stated at the amount billed. Payments of commissions or customer receivables are allocated to the specific invoices identified on the remittance advice or, if unspecified, are applied to the earliest unpaid invoices.

The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of the amounts that will not be collected. Management individually reviews all commissions or customer receivables balances that exceed 60 days from the invoice date and based on an assessment of current credit worthiness, estimates the portion, if any, of the balance that will not be collected. Additionally, management estimates an allowance for the aggregate remaining receivables based on historical collectibility. In the opinion of management, at November 30, 2006, all receivables were considered collectible and no allowance was necessary.

Investments

Investments are classified as trading securities as defined by Statement of Financial Accounting Standard No. 115 (SFAS No. 115). In accordance with SFAS No. 115, these securities are reported at market value with unrealized gains and losses reported in operations in the year in which they occur. Gains and losses on these securities are calculated using the Company's original cost (specific identification).

Depreciation

Depreciation of furniture and equipment is provided by use of the straight-line method for financial reporting purposes over the following estimated useful lives:

Furniture and equipment	3 - 5 years
-------------------------	-------------

Income Taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is recorded for the amount of deferred tax assets that management believes will not be realized.

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates that were used.

3. EMPLOYEE ADVANCES

At November 30, 2006, employee advances represent unsecured amounts due on demand from employees and shareholders. One shareholder advance, which totaled \$753,362 bears interest at 5% per annum. All other advances are non-interest bearing. Interest income earned on such advances amounted to approximately \$37,000 for 2006.

4. NOTES RECEIVABLE

Notes receivable consist of unsecured amounts due on demand from a shareholder of \$25,000 and an unrelated entity of \$174,328 with annual interest rates of 6% and 12%, respectively. Interest income earned in connection with these notes for the year ended November 30, 2006, was approximately \$11,600.

5. NOTE PAYABLE

At November 30, 2006, the Company has a line of credit arrangement with a bank allowing for maximum borrowings of \$470,000 at prime plus 1% (8.25% - 2006) per year. Borrowings under the line of credit are guaranteed by two shareholders of the Company and are collateralized by furniture and equipment.

6. SUBORDINATED DEBT

At November 30, 2006, subordinated debt consisted of subordinated notes payable to a shareholder in the amount of \$1,000,000, with interest at 12%, due on March 1, 2009. Interest on borrowings amounted to \$120,000 during the year ended November 30, 2006.

The subordinated debt is available in computing net capital under the SEC's uniform net capital rule. To the extent that such borrowings are required for the Company's continued compliance with minimum net capital requirements, they may not be repaid.

NOTES TO THE FINANCIAL STATEMENTS

7. FEDERAL INCOME TAXES

Significant temporary differences that give rise to a deferred tax asset consists of net operating loss carryforwards of approximately \$1,500,000, expiring in 2026 and 2025.

At November 30, 2006, the net operating loss carryforward described above gives rise to a deferred tax asset of approximately \$492,000. Due to the uncertainty in realizing the future benefit of the entire balance of the net operating loss carryforward, a valuation allowance of \$96,000 has been applied against the deferred tax asset. The increase in the valuation allowance during 2006 amounted to \$96,000.

In June 2006, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 48 – *Accounting for Uncertainty in Income Taxes* that requires the tax effects of certain tax positions to be recognized. These tax positions must meet a “more likely than not” standard that, based on their technical merits, have a more than 50% likelihood of being sustained upon examination. FASB Interpretation No. 48 is effective for fiscal periods beginning after December 15, 2006. At adoption, the financial statements must be adjusted to reflect only those tax positions that are more likely than not of being sustained. Management of the Company is currently evaluating the impact that FASB Interpretation No. 48 will have on the Company’s financial statements.

8. STOCK RECAPITALIZATION AGREEMENT

The Company has a stock recapitalization agreement with one of its shareholders. In accordance with the agreement, the Company redeemed 18,314 shares of Series B preferred stock for \$18,314 in 2006.

As of November 30, 2006, 45,785 shares of Series B preferred stock are redeemable with 9,157 shares to be redeemed for \$1,000 per share through June 30, 2007.

9. EMPLOYEE BENEFIT PLANS

401(k) Plan

Substantially all of the Company’s employees are covered under a qualified plan pursuant to Section 401(k) of the Internal Revenue Code. Under the provisions of the plan, the Company may match part of the employees’ pre-tax contributions and may also make a discretionary contribution at the end of the fiscal year. The Company did not make a matching contribution or a discretionary contribution for 2006.

Pension Plan

The Company sponsored a qualified, non-contributory defined-benefit pension plan, which was terminated effective November 30, 2006. Pension expense recorded in 2006 was approximately \$24,000, net of an approximate \$8,000 gain on settlement. The accumulated benefit obligation of \$62,134 is expected to be settled in 2007, with plan assets totaling \$41,062 and an accrued pension liability of \$21,072 recorded in the accompanying balance sheet at November 30, 2006.

NOTES TO THE FINANCIAL STATEMENTS

10. COMMITMENTS

The Company leases office facilities in several locations under operating leases expiring through January 2015. The Company also leases office equipment under an operating lease which expires in March 2008. Minimum lease commitments are as follows:

Year ending November 30.

2007	\$ 295,610
2008	171,738
2009	70,335
2010	63,600
2011	63,600
Thereafter	<u>201,400</u>
	<u>\$ 866,283</u>

The Company leases office equipment and software month to month for approximately \$4,300 per month. Month-to-month office space rental is approximately \$4,800 per month.

Total rent expense for 2006 was \$523,777.

11. NET CAPITAL PROVISION OF RULE 15c3-1

Pursuant to the net capital provisions of Rule 15c3-1 of the Securities Exchange Act of 1934, the Company is required to maintain a minimum net capital balance, as defined, under such provisions.

The Company's minimum capital requirement is the greater of \$100,000 or 6⅔% of aggregate indebtedness, as defined, under Securities and Exchange Commission Rule 15c3-1(a)(1), as it does not maintain customer accounts. Net capital may fluctuate on a daily basis. At November 30, 2006, the Company had net capital of \$335,376, which was \$235,376 in excess of its required net capital of \$100,000.

In addition to the minimum net capital provisions, Rule 15c3-1 requires that the Company maintain a ratio of aggregate indebtedness, as defined, to net capital, of not more than 15 to 1. At November 30, 2006, the ratio was 1.5 to 1.

12. EXEMPTION FROM RULE 15c3-3

The Company acts as an introducing broker or dealer, promptly transmitting all funds and delivering all securities received in connection with its activities as a broker or dealer and does not otherwise hold funds or securities for or owe money or securities to customers. The Company operates under Section (k)(2)(ii) of Rule 15c3-3 of the Securities Exchange Act of 1934 and is, therefore, exempt from the requirements of Rule 15c3-3.

SCHEDULE I - COMPUTATION OF NET CAPITAL
PURSUANT TO RULE 15c3-1 OF THE
SECURITIES AND EXCHANGE COMMISSION

NOVEMBER 30, 2006

NET CAPITAL

Total shareholders' equity from statement of financial condition		\$ 868,885
Add: Subordinated debt		1,000,000
Less: Non-allowable assets		
Fixed assets -- Net	\$ 21,242	
Deferred federal income taxes	396,000	
Employee advances	810,756	
Notes receivable	199,328	
Deposits and other assets	<u>67,360</u>	<u>1,494,686</u>

NET CAPITAL BEFORE HAIRCUTS ON SECURITIES

374,199

Haircuts on securities

(38,823)

NET CAPITAL

\$ 335,376

AGGREGATE INDEBTEDNESS:

Accounts payable, accrued expenses, and mandatorily redeemable stock \$ 502,089

COMPUTATION OF NET CAPITAL REQUIREMENTS:

Greater of net minimum capital requirements of \$100,000 or
6 $\frac{2}{3}$ % of total aggregate indebtedness \$ 100,000

EXCESS NET CAPITAL

\$ 235,376

RATIO OF AGGREGATE INDEBTEDNESS TO NET CAPITAL

1.5 to 1

A reconciliation of the computation of net capital under Rule 15c3-1 as included in the Company's unaudited Form X-17a-5 as of November 30, 2006, filed with the Securities and Exchange Commission and the amount included in the above computation follows:

		November 30, <u>2006</u>
Net capital, as reported in Company's Form X-17a-5, Part IIA		\$ 358,862
Net audit adjustments		
Investments	\$ 19,061	
Less: Other expense	(4,610)	
Less: Interest expense	(1,214)	
Less: Haircuts	<u>(36,723)</u>	<u>(23,486)</u>
Net capital, as reported above		<u>\$ 335,376</u>

SCHEDULES II AND III –
COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS
AND INFORMATION RELATING TO POSSESSION OR CONTROL
REQUIREMENTS PURSUANT TO RULE 15c3-3 OF THE
SECURITIES AND EXCHANGE COMMISSION

NOVEMBER 30, 2006

The Company is not required to present the schedules "Computation for Determination of Reserve Requirements Under Rule 15c3-3" and "Information Relating to Possession or Control Requirements Under Rule 15c3-3" as it meets the exemptive provisions of Rule 15c3-3, under Section (k)(2)(ii) of the Rule.



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SHAREHOLDERS
SBK BROOKS INVESTMENT CORP.

Independent Auditors' Report on Internal Control
Required by SEC Rule 17a-5

In planning and performing our audit of the financial statements and supplemental schedules of SBK Brooks Investment Corp. (the Company) for the year ended November 30, 2006, 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 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 compliance with 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 the quarterly securities examinations, counts, verifications, and comparisons, and recordation of differences required by Rule 17a-13.
2. 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 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 the 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 internal control or the practices and procedures referred to above, error 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 November 30, 2006, to meet the SEC's objectives.

This report is intended solely for the information and use of the shareholders, management, the SEC, 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 and should not be used by anyone other than those specified parties.

COHEN FUND AUDIT SERVICES

December 29, 2006
Westlake, Ohio

END