



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

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

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**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 01/01/06 AND ENDING 12/31/06  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: LEWIS YOUNG ROBERTSON & BURNINGHAM, INC.

OFFICIAL USE ONLY  
FIRM I.D. NO.

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

41 NORTH RIO GRANDE, STE. 101

(No. and Street)

SALT LAKE CITY

UTAH

84101

(City)

(State)

(Zip Code)

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

SCOTT J. ROBERTSON

(801) 596-0700

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

JONES SIMKINS, P.C.

1011 WEST 400 NORTH, STE. 100

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

LOGAN

UTAH

84321

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

**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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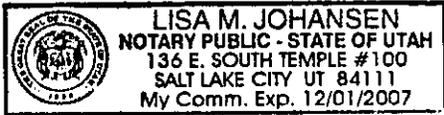
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J THOMPSON  
FINANCIAL

MM

OATH OR AFFIRMATION

I, SCOTT J. ROBERTSON, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of LEWIS YOUNG ROBERTSON & BURNINGHAM, INC., as of DECEMBER 31, 2006, 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  
TREASURER  
Title

[Signature]  
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).

**LEWIS YOUNG ROBERTSON & BURNINGHAM, INC.**

**FINANCIAL STATEMENTS and  
SUPPLEMENTARY INFORMATION**

**December 31, 2006 and 2005**

**JONES SIMKINS P.C.**



CERTIFIED PUBLIC ACCOUNTANTS

LEWIS YOUNG ROBERTSON & BURNINGHAM, INC.

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LEWIS YOUNG ROBERTSON & BURNINGHAM, INC.

FINANCIAL STATEMENTS and  
SUPPLEMENTARY INFORMATION

December 31, 2006 and 2005



**Certified Public Accountants**

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**OFFICERS:**

*Paul D. Simkins, CPA  
Michael C. Kidman, CPA, MBA  
Brent S. Sandberg, CPA  
Brett C. Hugie, CPA  
Mark E. Low, CPA  
H. Paul Gibbons, CPA*

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholders of  
Lewis Young Robertson & Burningham, Inc.

We have audited the accompanying balance sheets of Lewis Young Robertson & Burningham, Inc. as of December 31, 2006 and 2005, and the related statements of operations, stockholders' equity, and cash flows for the years 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 audits.

We conducted our audits 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 audits provide 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 Lewis Young Robertson & Burningham, Inc. as of December 31, 2006 and 2005, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information contained in Schedule I 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 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.

*Jones Simkins, P.C.*

JONES SIMKINS, P.C.

Logan, Utah

February 23, 2007

LEWIS YOUNG ROBERTSON & BURNINGHAM, INC.  
BALANCE SHEETS  
December 31, 2006 and 2005

<u>ASSETS</u>	<u>2006</u>	<u>2005</u>
Current assets:		
Cash	\$ 428,658	292,945
Investments	-	9,990
Accounts receivable, net	285,105	141,187
Prepaid expenses	<u>14,801</u>	<u>27,152</u>
Total current assets	728,564	471,274
Property and equipment, net	87,770	82,765
Cash surrender value of life insurance	126,526	101,845
Other assets	<u>20,195</u>	<u>5,394</u>
Total assets	<u>\$ 963,055</u>	<u>661,278</u>
 <u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>  		
Current liabilities:		
Payables	\$ 306,109	214,468
Related party notes payable	-	100,000
Current portion of deferred income taxes	<u>92,000</u>	<u>30,000</u>
Total current liabilities	398,109	344,468
Deferred income taxes	<u>22,000</u>	<u>14,000</u>
Total liabilities	<u>420,109</u>	<u>358,468</u>
Stockholders' equity:		
Common stock, \$1 par value, 50,000 shares authorized, 4,500 shares issued and outstanding	4,500	4,500
Additional paid-in capital	98,057	98,057
Retained earnings	<u>440,389</u>	<u>200,253</u>
Total stockholders' equity	<u>542,946</u>	<u>302,810</u>
Total liabilities and stockholders' equity	<u>\$ 963,055</u>	<u>661,278</u>

See accompanying notes to financial statements.

LEWIS YOUNG ROBERTSON & BURNINGHAM, INC.  
STATEMENTS OF OPERATIONS  
Years Ended December 31, 2006 and 2005

	<u>2006</u>	<u>2005</u>
Revenues:		
Financial advisory fees	\$ 2,367,377	1,954,646
Consulting fees	1,218,284	557,262
Other	22,127	134,368
Gain on investments	<u>17,739</u>	<u>1,740</u>
	3,625,527	2,648,016
General and administrative expenses	<u>3,231,816</u>	<u>2,680,515</u>
Income (loss) from operations	<u>393,711</u>	<u>(32,499)</u>
Other expense:		
Loss on sale of property and equipment	-	(7,171)
Interest expense	<u>(575)</u>	<u>(289)</u>
	<u>(575)</u>	<u>(7,460)</u>
Income (loss) before income taxes	393,136	(39,959)
Provision (benefit) for income taxes	<u>153,000</u>	<u>(9,000)</u>
Net income (loss)	<u>\$ 240,136</u>	<u>(30,959)</u>

See accompanying notes to financial statements.

LEWIS YOUNG ROBERTSON & BURNINGHAM, INC.  
STATEMENTS OF STOCKHOLDERS' EQUITY  
Years Ended December 31, 2006 and 2005

	<u>Common Stock</u>		<u>Additional Paid-in Capital</u>	<u>Notes</u>	<u>Retained Earnings</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>		<u>From Stock Sales</u>		
Balance at January 1, 2005	4,500	\$ 4,500	\$ 98,057	\$ (13,976)	\$ 231,212	\$ 319,793
Collection of notes receivable	-	-	-	13,976	-	13,976
Net loss	-	-	-	-	(30,959)	(30,959)
Balance at December 31, 2005	4,500	4,500	98,057	-	200,253	302,810
Net income	-	-	-	-	240,136	240,136
Balance at December 31, 2006	<u>4,500</u>	<u>\$ 4,500</u>	<u>\$ 98,057</u>	<u>\$ -</u>	<u>\$ 440,389</u>	<u>\$ 542,946</u>

See accompanying notes to financial statements.

LEWIS YOUNG ROBERTSON & BURNINGHAM, INC.  
STATEMENTS OF CASH FLOWS  
Years Ended December 31, 2006 and 2005

	<u>2006</u>	<u>2005</u>
<u>Cash flows from operating activities:</u>		
Net income (loss)	\$ 240,136	(30,959)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	33,461	37,695
Loss on disposal of assets	-	7,171
Deferred income taxes	70,000	(9,000)
Gain on investments	(17,739)	(1,740)
Proceeds from sales of investments	27,729	-
(Increase) decrease in:		
Accounts receivable	(143,918)	(18,659)
Prepaid expenses	12,351	(27,152)
Other assets	(14,801)	-
Increase in payables	91,641	6,320
Net cash provided by (used in) operating activities	<u>298,860</u>	<u>(36,324)</u>
<u>Cash flows from investing activities:</u>		
Change in cash surrender value of life insurance	(24,681)	(53,739)
Purchase of property and equipment	<u>(38,466)</u>	<u>(36,982)</u>
Net cash used in investing activities	<u>(63,147)</u>	<u>(90,721)</u>
<u>Cash flows from financing activities:</u>		
Proceeds from related party notes payable	-	100,000
Payments on related party notes payable	(100,000)	-
Collection of notes receivable from stock sales	-	13,976
Payments on long-term debt	<u>-</u>	<u>(19,287)</u>
Net cash provided by (used in) financing activities	<u>(100,000)</u>	<u>94,689</u>
Net increase (decrease) in cash	135,713	(32,356)
Cash, beginning of year	<u>292,945</u>	<u>325,301</u>
Cash, end of year	<u>\$ 428,658</u>	<u>292,945</u>

See accompanying notes to financial statements.

LEWIS YOUNG ROBERTSON & BURNINGHAM, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2006 and 2005

Note 1 – Organization and Summary of Significant Accounting Policies

Organization

Lewis Young Robertson & Burningham, Inc., (the Company) was incorporated under the laws of the State of Utah on July 6, 1995. The Company provides financial and consulting services to local governmental and other entities.

Concentration of Credit Risk

The Company maintains its cash in bank accounts, which, at times, may exceed federally insured limits. The Company has not experienced any losses in such account and believes it is not exposed to any significant credit risk on cash and cash equivalents.

The Company's customer base consists primarily of local governmental agencies. Management does not believe significant credit risk exists at December 31, 2006.

Investments

The Company classifies its investments at fair value.

Cash and Cash Equivalents

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

Accounts Receivable

Accounts receivable are amounts due from services performed and are unsecured. Accounts receivable are carried at their estimated collectible amounts. Credit is generally extended on a short-term basis; thus accounts receivable do not bear interest although a finance charge may be applied to such receivables that are more than thirty days past due. Accounts receivable are periodically evaluated for collectibility based on past credit history with clients. Provisions for losses on accounts receivable are determined on the basis of loss experience, known and inherent risk in the account balance and current economic conditions.

LEWIS YOUNG ROBERTSON & BURNINGHAM, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2006 and 2005

Note 1 – Organization and Summary of Significant Accounting Policies (continued)

Property and Equipment

Property and equipment are recorded at cost, less accumulated depreciation and amortization. Depreciation and amortization on property and equipment is determined using the straight-line method over the estimated useful lives of the assets which range from 5 to 7 years. Expenditures for maintenance and repairs are expensed when incurred and betterments are capitalized.

Income Taxes

Deferred income taxes are provided in amounts sufficient to give effect to temporary differences between financial and tax reporting, principally related to the use of the cash method of accounting for income tax purposes and accelerated depreciation and amortization.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual amounts may differ from these estimates.

Note 2 – Investments

Investments are recorded at fair value and consist of the following:

	<u>2006</u>	<u>2005</u>
Investments, at cost	\$ -	810
Unrealized holding loss	-	-
Unrealized holding gain	<u>-</u>	<u>9,180</u>
Investments, at fair value	\$ <u>-</u>	<u>9,990</u>

LEWIS YOUNG ROBERTSON & BURNINGHAM, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2006 and 2005

Note 3 – Detail of Certain Balance Sheet Accounts

Accounts receivable consist of the following:

	<u>2006</u>	<u>2005</u>
Accounts receivable	\$ 324,245	150,670
Allowance for doubtful accounts	<u>(39,140)</u>	<u>(9,483)</u>
	\$ <u>285,105</u>	<u>141,187</u>

Payables consist of the following:

	<u>2006</u>	<u>2005</u>
Accounts payable	\$ 27,022	16,584
Pension payable	222,112	192,458
Vacation payable	1,975	5,426
Income taxes payable	<u>55,000</u>	<u>-</u>
	\$ <u>306,109</u>	<u>214,468</u>

Note 4 – Property and Equipment

Property and equipment consists of the following:

	<u>2006</u>	<u>2005</u>
Furniture and fixtures	\$ 131,036	131,036
Computer equipment	188,065	151,967
Leasehold improvements	<u>15,782</u>	<u>13,414</u>
	334,883	296,417
Less accumulated depreciation and amortization	<u>(247,113)</u>	<u>(213,652)</u>
	\$ <u>87,770</u>	<u>82,765</u>

Note 5 – Related Party Notes Payable

Related party notes payable consisted of three 6% notes to the owners of the Company which were unsecured and subordinated and were paid during 2006.

LEWIS YOUNG ROBERTSON & BURNINGHAM, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2006 and 2005

Note 6 – Lease Obligations

The Company leases office space and office equipment under noncancelable operating lease agreements, which expire in 2007 through 2013. Future minimum rental payments for these noncancelable operating leases at December 31, 2006 are as follows:

<u>Year</u>	<u>Amount</u>
2007	\$ 156,897
2008	183,531
2009	189,020
2010	194,376
2011	199,903
Thereafter	<u>223,058</u>
	\$ <u>1,146,785</u>

Rental expense on the operating leases for the years ended December 31, 2006 and 2005 was approximately, \$100,000 and \$86,000, respectively.

Note 7 – Profit Sharing Plan

The Company has adopted a profit sharing plan for all employees who qualify as to age and service. The Company's contribution expense was approximately \$222,000 and \$193,000 for the years ended December 31, 2006 and 2005, respectively.

Note 8 – Supplemental Cash Flow Information

Actual amounts paid for interest and income taxes for the years ended December 31 are as follows:

	<u>2006</u>	<u>2005</u>
Interest	\$ <u>575</u>	<u>289</u>
Income taxes	\$ <u>-</u>	<u>28,391</u>

LEWIS YOUNG ROBERTSON & BURNINGHAM, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2006 and 2005

Note 9 – Income Taxes

The provision (benefit) for income taxes consists of the following:

	<u>2006</u>	<u>2005</u>
Current	\$ 83,000	-
Deferred	<u>70,000</u>	<u>(9,000)</u>
	\$ <u>153,000</u>	<u>(9,000)</u>

The provision (benefit) for income taxes is different from the amounts computed at federal statutory rates for the following reasons:

	<u>2006</u>	<u>2005</u>
Federal tax at statutory rates	\$ 133,000	(15,000)
State tax at statutory rates	13,000	-
Insurance	8,000	3,000
Meals and entertainment	6,000	3,000
Other	<u>(7,000)</u>	<u>-</u>
	\$ <u>153,000</u>	<u>(9,000)</u>

Deferred tax liabilities consist of the following:

	<u>2006</u>	<u>2005</u>
Revenue and expense recognition	\$ (92,000)	(41,000)
Depreciation	(22,000)	(14,000)
Unrealized holding gain	-	(1,000)
Loss on investments	-	7,000
Net operating loss carryforward	<u>-</u>	<u>5,000</u>
	\$ <u>(114,000)</u>	<u>(44,000)</u>

Presented in the financial statements as follows:

	<u>2006</u>	<u>2005</u>
Current portion of deferred income taxes	\$ (92,000)	(30,000)
Deferred income taxes	<u>(22,000)</u>	<u>(14,000)</u>
	\$ <u>(114,000)</u>	<u>(44,000)</u>

LEWIS YOUNG ROBERTSON & BURNINGHAM, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2006 and 2005

Note 10 – Financial Instruments

The Company's financial instruments consist of cash, receivables, payables and related party notes payable. The carrying amounts of these items approximate fair value because of their short-term nature.

Note 11 - Net Capital Requirements

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC rule 15c3-1), which requires the maintenance of minimum net capital, and also requires that the ratio of aggregate indebtedness to net capital shall not exceed 15 to 1. For 2006 and 2005, the Company's minimum net capital requirement was \$5,000.

LEWIS YOUNG ROBERTSON & BURNINGHAM, INC.  
COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1 OF THE  
SECURITIES AND EXCHANGE COMMISSION  
December 31, 2006

## Net capital:

Total ownership equity	\$ 542,946
Subordinated borrowings allowable in computation of net capital	-
Non-allowable assets	(372,327)
Other additions	<u>-</u>
Net capital before haircuts on securities positions	170,619
Haircuts on securities:	
Current investments (money market funds 2%)	<u>(7,664)</u>
Net capital	<u>\$ 162,955</u>

## Minimum net capital required (based on Aggregate Indebtedness):

Minimum net capital required	\$ <u>5,000</u>
Excess net capital	\$ <u>157,955</u>
Excess net capital at 1000% (Net capital - 10% of aggregate indebtedness)	\$ <u>120,945</u>

## Aggregate Indebtedness:

Total liabilities (less subordinated debt) from balance sheets	\$ <u>420,109</u>
Ratio of aggregate indebtedness to net capital	\$ <u>2.6</u>

## Reconciliation with Company's computation (included in Part IIA of Form X-17A-5 as of December 31, 2005):

Net capital, as reported in Company's Part IIA (unaudited) FOCUS report	\$ 162,955
Reconciling items	<u>-</u>
Net capital per above	<u>\$ 162,955</u>



**Certified Public Accountants**

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**OFFICERS:**

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Brett C. Hugie, CPA  
Mark E. Low, CPA  
H. Paul Gibbons, CPA*

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL  
REQUIRED BY SEC RULE 17a-5**

To the Board of Directors of  
Lewis Young Robertson & Burningham, Inc.

In planning and performing our audit of the financial statements and supplemental schedule of Lewis Young Robertson & Burningham, Inc. (the "Company"), for the year ended December 31, 2006, we considered its internal control, including procedures 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 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 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 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 control 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 internal control and the practices and procedures are to provide management with

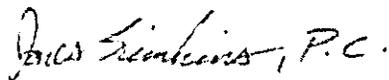
reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance 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 any internal control 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.

Our consideration of the 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 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, we noted no matters involving the internal control 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 December 31, 2006, to meet the SEC's objectives.

This report is intended solely for the use of the Board of Directors, 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 these specified parties.



JONES SIMKINS, P.C.  
Logan, Utah  
February 23, 2007

END