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

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

SEC File Number
8-23266

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JAN 25 2008
Information Required

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 December 1, 2006 and ending November 30, 2007 *

A. REGISTRANT INFORMATION

NAME OF BROKER-DEALER:
Zacks & Company

Official Use Only
Firm ID No.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS (Do not use P.O. Box No.):
111 N. Canal Street, Suite 1101

(No. and Street)

Chicago
(City)

Illinois
(State)

60606
(Zip Code)

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

Richard Marks

(312) 265-9161
(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*
Virchow, Krause & Company, LLP

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

225 N. Michigan Avenue, Suite 1100
(No. and Street)

Chicago
(City)

Illinois
(State)

60601
(Zip Code)

CHECK ONE:

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

PROCESSED
FEB 12 2008

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THOMSON FINANCIAL

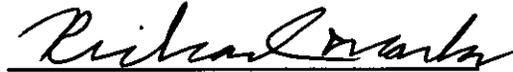
*Claims for exemption from the requirement that the annual report covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on at the bureau for the exemption. See section 240.17a-5(e)(2)

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OATH OR AFFIRMATION

I, Richard Marks, swear (or affirm) that, to the best of my knowledge and belief, the accompanying financial statements and supporting schedules pertaining to the firm of Zacks & Company as of November 30, 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:

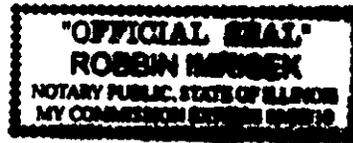
None.


Signature

Financial & Operations Principal
Title

Subscribed and sworn to before me
This 11th day of January 2008


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 Cash Flows
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital
- (f) Statement of Changes in Liabilities Subordinated to Claims of general creditors
- (g) Computation of Net Capital for brokers and dealers pursuant to Rule 15c3-1
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3
- (i) Information Relating to the Possession or Control Requirements for brokers and dealers 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 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
- (p) Schedule of segregation requirements and funds in segregation—customers' regulated commodity futures account pursuant to Rule 171-5

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

SEC
MAIL PROCESSING
SECTION

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Washington, DC
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ZACKS & COMPANY

Chicago, Illinois

STATEMENT OF FINANCIAL CONDITION

Including Independent Auditors' Report

November 30, 2007

**(Filed Pursuant to Rule 17a-5 Under the
Securities Exchange Act of 1934)**

ZACKS & COMPANY

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Zacks & Company
Chicago, Illinois

We have audited the accompanying statement of financial condition of Zacks & Company as of November 30, 2007, that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. This statement of financial condition is the responsibility of the Company's management. Our responsibility is to express an opinion on this statement of financial condition 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 statement of financial condition is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial condition. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement of financial condition presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the statement of financial condition referred to above presents fairly, in all material respects, the financial position of Zacks & Company as of November 30, 2007 in conformity with accounting principles generally accepted in the United States of America.

Virchow, Krause - Company, LLP

Chicago, Illinois
January 15, 2008

ZACKS & COMPANY

STATEMENT OF FINANCIAL CONDITION November 30, 2007

ASSETS	
Cash and equivalents	\$ 372,937
Deposit with clearing broker	104,285
Receivable from clearing broker	15,931
Receivable from other brokers	143,700
Due from affiliate	9,086
Prepaid expenses	<u>21,584</u>
TOTAL ASSETS	<u>\$ 667,523</u>

LIABILITIES AND STOCKHOLDER'S EQUITY	
LIABILITIES	
Accounts payable	\$ 16,861
Accounts payable - other	164,122
Accrued income taxes	<u>110,450</u>
Total Liabilities	<u>291,433</u>
LIABILITIES SUBORDINATED TO CLAIMS OF GENERAL CREDITORS	<u>35,000</u>
STOCKHOLDER'S EQUITY	<u>341,090</u>
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	<u>\$ 667,523</u>

See notes to statement of financial condition.

ZACKS & COMPANY

NOTES TO STATEMENT OF FINANCIAL CONDITION November 30, 2007

NOTE 1 - Nature of Operations

Zacks & Company (the "Company"), a C Corporation, is a fully-disclosed, introducing securities broker-dealer registered with the Securities and Exchange Commission and is a member of the Financial Industry Regulatory Authority ("FINRA"). The Company derives commission income from the sale of investment research that it purchases from Zacks Investment Research, Inc. ("ZIR"), a related party.

In 2006, the Company entered into an independent contractor agreement with AMH Capital in Mountainside, NJ. AMH Capital and its principal head trader will provide the Company a mechanism for accepting trade orders and executing them through the existing clearing relationship with Bear Stearns. Trading commissions paid by Bear Stearns to the Company will be shared with AMH Capital on an agreed-upon basis.

NOTE 2 - Summary of Significant Accounting Policies

Revenue Recognition

All commission revenue is recognized in the month that commissions are generated. For commission revenue derived from soft dollar accounts, the purchase of associated research from ZIR is recognized in the same month. For commission revenue derived from Zacks' trading desk, contractual expense related to this revenue is also recognized in the same month.

All other revenue is recognized in the month earned.

Cash and Equivalents

The Company defines cash and equivalents as highly liquid, short-term investments with a maturity at the date of acquisition of three months or less.

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.

NOTE 3 - Related Party Transactions

The Company purchases all of its investment research from ZIR. The purchase agreement allows the Company to defer any obligation for research until it receives payment from its customers. The Company also receives office space and related services from ZIR at no cost.

ZACKS & COMPANY

NOTES TO STATEMENT OF FINANCIAL CONDITION November 30, 2007

NOTE 4 - Liabilities Subordinated to Claims of General Creditors

Liabilities subordinated to claims of general creditors are payable to an affiliate, bear no interest, and mature on April 29, 2012. The subordinated borrowings are covered by agreements approved by FINRA and are thus available in computing net capital under the Securities and Exchange Commission's Uniform Net Capital Rule (Rule 15c3-1). To the extent that such borrowings are required for the Company's continued compliance with minimum net capital requirements, they may not be repaid.

NOTE 5 - Income Taxes

The provision for income tax expense for the year ended November 30, 2007 consisted of the following components:

Current:	
Federal	\$ 102,250
State	<u>24,800</u>
Total current tax expense	<u>\$ 127,050</u>

NOTE 6 - Concentrations of Credit Risk

The Company maintains cash balances in one financial institution located in Illinois. This balance is insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$100,000 per institution. Uninsured cash balances approximated \$230,000 at November 30, 2007. Deposits with clearing organizations and all securities are uninsured by the FDIC.

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.

NOTE 7 - Net Capital Requirements

The Company is subject to Rule 15c3-1, which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, not exceed 15 to 1. Rule 15c3-1 also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1.

At November 30, 2007, the Company had net capital of \$342,470, which was \$323,040 in excess of its required net capital of \$19,430. The Company's ratio of aggregate indebtedness to net capital was 0.9 to 1.

END