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

SEC FILE NUMBER  
8- 66376

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 01/01/2007 AND ENDING 12/31/2007  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Simmons First Investment Group, Inc.

OFFICIAL USE ONLY  
FIRM I.D. NO.

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

8315 Cantrell Road, Suite 200

(No. and Street)

Little Rock

Arkansas

72227

(City)

(State)

(Zip Code)

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

Grace Hobbs

(501) 223-4301

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

BKD, LLP

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

400 West Capitol, Suite 2500

Little Rock

Arkansas

72201

(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 14 2008**

**THOMSON  
FINANCIAL**

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\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 210 of the Act.

SEC 1410 (06-02)

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OATH OR AFFIRMATION

I, Richard Johnson, President, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Simmons First Investment Group, Inc.

of December 31, 20 07, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

[Signature] Signature

PRESIDENT Title

[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).

**Simmons First Investment Group, Inc.**  
**December 31, 2007 and 2006**

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**Simmons First Investment Group, Inc.**

Accountants' Report and Financial Statements

December 31, 2007 and 2006





## Independent Accountants' Report

Board of Directors  
Simmons First Investment Group, Inc.  
Little Rock, Arkansas

We have audited the accompanying statements of financial condition of Simmons First Investment Group, Inc. (a wholly owned subsidiary of Simmons First National Bank) as of December 31, 2007 and 2006. 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 Simmons First Investment Group, Inc. as of December 31, 2007 and 2006, in conformity with accounting principles generally accepted in the United States of America.

*BKD, LLP*

Little Rock, Arkansas  
February 21, 2008

**Simmons First Investment Group, Inc.**  
**Statement of Financial Condition**  
**December 31, 2007 and 2006**

**Assets**

|                                                 | 2007         | 2006         |
|-------------------------------------------------|--------------|--------------|
| Cash                                            | \$ 13,733    | \$ 53,478    |
| Deposits with clearing organization (cash only) | 50,000       | 50,000       |
| Securities owned at market value                | 4,674,900    | 4,486,600    |
| Premises and equipment, net                     | 19,304       | 27,054       |
| Income taxes receivable from affiliate          | -            | 35,713       |
| Deferred income taxes                           | 19,603       | 16,700       |
| Receivable from clearing organization           | 28,790       | 17,843       |
| Other assets                                    | 6,847        | 26,406       |
| Total assets                                    | \$ 4,813,177 | \$ 4,713,794 |

**Liabilities and Stockholder's Equity**

|                                                                                                 |              |              |
|-------------------------------------------------------------------------------------------------|--------------|--------------|
| <b>Liabilities</b>                                                                              |              |              |
| Payable to clearing organization                                                                | \$ 2,971     | \$ 818       |
| Income taxes payable to affiliate                                                               | 12,405       | -            |
| Accounts payable and accrued expenses                                                           | 82,859       | 53,876       |
| Total liabilities                                                                               | 98,235       | 54,694       |
| <b>Stockholder's equity</b>                                                                     |              |              |
| Common stock, \$.01 par value; authorized 1,000,000 shares; issued and outstanding 1,000 shares | 10           | 10           |
| Additional paid-in capital                                                                      | 4,999,990    | 4,999,990    |
| Retained earnings (deficit)                                                                     | (285,058)    | (340,900)    |
| Total stockholder's equity                                                                      | 4,714,942    | 4,659,100    |
| Total liabilities and stockholder's equity                                                      | \$ 4,813,177 | \$ 4,713,794 |

**Simmons First Investment Group, Inc.**  
**Notes to Financial Statement**  
**December 31, 2007 and 2006**

**Note 1: Nature of Operations and Summary of Significant Accounting Policies**

***Nature of Operations***

The Company (a wholly owned subsidiary of Simmons First National Bank (the Bank), which is a wholly owned subsidiary of Simmons First National Corporation (the Corporation)) is a broker-dealer registered with the Securities and Exchange Commission (SEC) and is a member of the Financial Industry Regulatory Authority (FINRA). The Company is engaged in a single line of business as a securities broker-dealer, which is comprised of services, including principal transactions, agency transactions and participation in syndicate and selling group of various underwriting activities. The Company earns its revenue primarily from the sale of fixed-income securities, i.e., U.S. government securities, U.S. agency securities, municipal securities, corporate bonds and money market instruments to both institutional and individual customers.

The Company conducts its business primarily in the state of Arkansas and is subject to competition from other securities dealers. The Company is also subject to the regulation of certain federal and state agencies and undergoes periodic examinations by those regulatory authorities.

The Company clears all transactions on behalf of customers on a fully disclosed basis with a clearing broker-dealer and promptly transmits all customer funds and securities to the clearing broker-dealer. The clearing broker-dealer carries all of the accounts of the customers and maintains and preserves all related books and records as are customarily kept by a clearing broker-dealer.

***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.

***Cash Equivalents***

Cash and securities segregated under federal and other regulations are not considered as a cash equivalent because such assets would be segregated for the benefit of customers only. At December 31, 2007 and 2006, no amounts were required to be segregated pursuant to federal and other regulations.

***Securities Transactions***

Trading activities are engaged in by the Company both for its own account and on behalf of its customers and are recorded on the trade date as they settled. Profits and losses arising from all securities transactions entered into for the account and risk of the Company are recorded on a trade date basis.

**Simmons First Investment Group, Inc.**  
**Notes to Financial Statement**  
**December 31, 2007 and 2006**

Quoted market prices, when available, are used to determine the fair value of trading instruments. If quoted market prices are not available, then fair values are estimated using pricing models, quoted prices of instruments with similar characteristics or discounted cash flows.

***Premises and Equipment***

Depreciable assets are stated at cost, less accumulated depreciation. Depreciation is charged to expense, using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are capitalized and amortized by the straight-line method over the terms of the respective leases or the estimated lives of the improvements, whichever is shorter.

***Off-Balance-Sheet Risk***

The Company's customer securities transactions are introduced on a fully disclosed basis with its clearing broker-dealer. The clearing broker-dealer carries all of the accounts of the customers of the Company and is responsible for the execution, collection, and payment of funds and receipt and delivery of securities relative to customer transactions. Off-balance-sheet risk exists with respect to these transactions due to the possibility that the customers may be unable to fulfill their contractual commitments, wherein the clearing broker-dealer may charge any losses it incurs to the Company. The Company seeks to minimize this risk through procedures designed to monitor the creditworthiness of its customers and procedures to ensure that customer transactions are executed properly by the clearing broker-dealer.

***Commissions***

Customers' securities transactions are reported on a settlement date basis with related commission revenues and related expenses recorded on a trade date basis.

***Income Taxes***

The Company participates in the filing of a consolidated income tax return with its parent company, Simmons First National Bank, and its parent, Simmons First National Corporation, and other affiliated companies. Each member's tax is computed on a separate return basis.

Deferred tax assets and liabilities are recognized for the tax effects of differences between the financial statements and tax bases of assets and liabilities. A valuation allowance is established to reduce deferred tax assets if it is more likely than not that a deferred tax asset will not be realized.

***Employee Benefit Plans***

At December 31, 2007 and 2006, the Company participates in both a 401(k) retirement plan and a profit sharing plan of the Corporation.

# Simmons First Investment Group, Inc.

## Notes to Financial Statement

December 31, 2007 and 2006

### Note 2: Securities Owned

The fair values of securities owned are as follows:

|                                       | 2007         | 2006         |
|---------------------------------------|--------------|--------------|
| U.S. government and agency securities | \$ 2,964,900 | \$ 1,986,600 |
| Money market funds                    | 1,710,000    | 2,500,000    |
| Total                                 | \$ 4,674,900 | \$ 4,486,600 |

### Note 3: Premises and Equipment

Major classifications of premises and equipment, stated at cost, are as follows:

|                               | 2007      | 2006      |
|-------------------------------|-----------|-----------|
| Leasehold improvements        | \$ 78,369 | \$ 78,369 |
| Equipment                     | 327,819   | 322,954   |
|                               | 406,188   | 401,323   |
| Less accumulated depreciation | 386,884   | 374,269   |
| Net premises and equipment    | \$ 19,304 | \$ 27,054 |

### Note 4: Net Capital Requirements

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (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, shall not exceed 15 to 1. At December 31, 2007 and 2006, the Company had:

|                                                | 2007         | 2006         |
|------------------------------------------------|--------------|--------------|
| Net capital, as defined                        | \$ 4,370,890 | \$ 4,232,727 |
| Required net capital                           | (250,000)    | (250,000)    |
| Excess net capital                             | \$ 4,120,890 | \$ 3,982,727 |
| Ratio of aggregate indebtedness to net capital | 0.0225 to 1  | 0.0129 to 1  |

**Simmons First Investment Group, Inc.**  
**Notes to Financial Statement**  
**December 31, 2007 and 2006**

**Note 5: Related Party Transactions**

The Company has entered into agreements with the Bank where the Bank has agreed to provide various services for the Company and share the cost of employment of certain associates who are also active officers of the Bank. At December 31, 2007 and 2006, the Company did not have any amount payable to the Bank.

**Note 6: Disclosures About Fair Value of Financial Instruments**

The following table presents estimated fair values of the Company's financial instruments. The fair values of these instruments were calculated by discounting expected cash flows, which involves significant judgments by management and uncertainties. Fair value is the estimated amount at which financial assets or liabilities could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Because no market exists for certain of these financial instruments and because management does not intend to sell these financial instruments, the Company does not know whether the fair values shown below represent values at which the respective financial instruments could be sold individually or in the aggregate.

|                                  | December 31, 2007  |               | December 31, 2006  |               |
|----------------------------------|--------------------|---------------|--------------------|---------------|
|                                  | Carrying<br>Amount | Fair<br>Value | Carrying<br>Amount | Fair<br>Value |
| Financial assets                 |                    |               |                    |               |
| Cash and cash equivalents        | \$ 63,734          | \$ 63,734     | \$ 103,478         | \$ 103,478    |
| Securities owned at market value | 4,674,900          | 4,674,900     | 4,486,600          | 4,486,600     |

The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

***Cash and Cash Equivalents***

The carrying amount approximates fair value.

***Securities***

Fair values equal quoted market prices, if available. If quoted market prices are not available, fair values are estimated based on quoted market prices of similar securities.

**Simmons First Investment Group, Inc.**  
**Notes to Financial Statement**  
**December 31, 2007 and 2006**

**Note 7: Leases**

The Company has one noncancellable operating lease, primarily for office space, that expires in three years. This lease contains a renewal option for three two-year periods.

Future minimum lease payments under operating leases are:

|                              |           |                |
|------------------------------|-----------|----------------|
| 2008                         | \$        | 90,178         |
| 2009                         |           | 90,330         |
| 2010                         |           | <u>84,326</u>  |
| Total minimum lease payments | <u>\$</u> | <u>264,834</u> |

**END**