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

| OMB APPROVAL | |
|---|-------------------|
| OMB Number: | 3235-0123 |
| Expires: | February 28, 2010 |
| Estimated average burden hours per response..... | 12.00 |

| SEC FILE NUMBER |
|-----------------|
| B- 65800 |

**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: Hall and Romkema Financial Services, LLC

| OFFICIAL USE ONLY |
|-------------------|
| FIRM I.D. NO. |

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

3495 Coolidge

(No. and Street)

East Lansing

Michigan

48823

(City)

(State)

(Zip Code)

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

Joe Alan Romkema

517-337-8900

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Meyaard Tolman Venlet P.C.

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

16 E. Main Avenue

Zeeland

Michigan

49464

(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 19 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 240.17a-5(e)(2)

SEC 1410 (06-02)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Handwritten initials and date: 4/18/08

OATH OR AFFIRMATION

I, Joe Alan Romkema, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Hall and Romkema Financial Services, LLC, as of December 31, 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:


Pamela J. Muenchen

Notary Public

[Signature]

Signature
General Principal

PAMELA J. MUENCHEN Title
NOTARY PUBLIC - STATE OF MICHIGAN
COUNTY OF INGHAM
My Commission Expires Dec. 26, 2013
Acting in the County of *Ingham*

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).

HALL & ROMKEMA FINANCIAL SERVICES, L.L.C.

SEC FILE NUMBER: 8-65800

FIRM ID: 124609

FINANCIAL STATEMENTS

**YEARS ENDED DECEMBER 31, 2007
AND 2006**

MEYAARD TOLMAN & VENLET p.c.
Certified Public Accountants
Zeeland, Michigan

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Meyaard Tolman Venlet p.c.

CERTIFIED PUBLIC ACCOUNTANTS

GLENN MEYAARD, CPA
JAYNE E. VENLET, CPA
CHARLES D. OLSZEWSKI, CPA
JERRY L. BROEKHUIS, CPA, MST

KENNETH TOLMAN, CPA (1959-2003)

INDEPENDENT AUDITOR'S REPORT

To the Members
Hall & Romkema Financial Services, L.L.C.
East Lansing, Michigan

We have audited the accompanying statements of financial condition of Hall & Romkema Financial Services, L.L.C. as of December 31, 2007 and 2006, and the related statements of income, changes in members' equity and cash flows for the years 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 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 audits 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 in the first paragraph present fairly, in all material respects, the financial condition of Hall & Romkema Financial Services, L.L.C. as of December 31, 2007 and 2006, and the results of their operations and their 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 computations of net capital, basic net capital requirement and aggregate indebtedness as of December 31, 2007, on pages 6 and 7, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such computations have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Meyaard Tolman & Venlet p.c.

Meyaard Tolman & Venlet p.c.
Certified Public Accountants
February 11, 2008

HALL & ROMKEMA FINANCIAL SERVICES, L.L.C.
STATEMENTS OF FINANCIAL CONDITION
DECEMBER 31,

| <u>ASSETS</u> | <u>2007</u> | <u>2006</u> |
|---|-------------|-------------|
| CURRENT: | | |
| Cash - operating | \$ 6,429 | \$ 10,608 |
| Cash - Fidelity Investments / Vanguard Group | 5,529 | - |
| Accounts receivable | 81,802 | 49,280 |
| Prepaid expenses | 7,784 | 6,015 |
| Total Current Assets | 101,544 | 65,903 |
| PROPERTY AND EQUIPMENT - net of accumulated depreciation of \$278 and \$56, respectively | 836 | 1,058 |
| OTHER: | | |
| Clearing account cash | 100,332 | 71,445 |
| TOTAL ASSETS | \$ 202,712 | \$ 138,406 |
| <u>LIABILITIES AND MEMBERS' EQUITY</u> | | |
| CURRENT LIABILITIES: | | |
| Accounts payable | \$ 4,390 | \$ 7,139 |
| Total Current Liabilities | 4,390 | 7,139 |
| MEMBERS' EQUITY | 198,322 | 131,267 |
| TOTAL LIABILITIES AND MEMBERS' EQUITY | \$ 202,712 | \$ 138,406 |

HALL & ROMKEMA FINANCIAL SERVICES, L.L.C.
STATEMENTS OF CHANGES IN MEMBERS' EQUITY
YEARS ENDED DECEMBER 31,

| | <u>2007</u> | <u>2006</u> |
|--|-------------------|-------------------|
| Beginning balance | \$ 131,267 | \$ 55,052 |
| Net income | 187,055 | 107,764 |
| Member capital contributions (distributions) - net | <u>(120,000)</u> | <u>(31,549)</u> |
| Ending balance | <u>\$ 198,322</u> | <u>\$ 131,267</u> |

HALL & ROMKEMA FINANCIAL SERVICES, L.L.C.
STATEMENTS OF INCOME
YEARS ENDED DECEMBER 31,

| | <u>2007</u> | <u>2006</u> |
|---|-------------------|-------------------|
| REVENUES: | | |
| Advisory fees | \$ 254,251 | \$ 170,142 |
| Commissions | 47,480 | 96,170 |
| Other | 37,441 | 6,377 |
| | <hr/> | <hr/> |
| Total Revenues | 339,172 | 272,689 |
| | <hr/> | <hr/> |
| GENERAL AND ADMINISTRATIVE EXPENSES: | | |
| Professional services | 80,215 | 100,014 |
| Clearing charges | 25,858 | 23,114 |
| Commission expense | 12,327 | - |
| Consulting services | 12,082 | 13,759 |
| Professional fees and licenses | 6,390 | 9,540 |
| Online service | 6,236 | 5,948 |
| Office supplies and expense | 5,870 | 6,492 |
| Professional liability insurance | 2,494 | - |
| Marketing costs | 1,570 | 5,375 |
| Continuing education | 876 | 1,006 |
| Miscellaneous | 783 | 810 |
| Publications / informational materials | 732 | 1,154 |
| Fidelity bond | 364 | 364 |
| Depreciation | 223 | 56 |
| Travel and entertainment | - | 83 |
| | <hr/> | <hr/> |
| Total General and Administrative Expenses | 156,020 | 167,715 |
| | <hr/> | <hr/> |
| Operating Income | 183,152 | 104,974 |
| OTHER INCOME (EXPENSE): | | |
| Interest income | 3,903 | 2,790 |
| | <hr/> | <hr/> |
| NET INCOME (LOSS) | <u>\$ 187,055</u> | <u>\$ 107,764</u> |

HALL & ROMKEMA FINANCIAL SERVICES, L.L.C.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31,

| <u>CASH FLOWS FROM OPERATING ACTIVITIES:</u> | <u>2007</u> | <u>2006</u> |
|---|------------------|------------------|
| Net income | \$ 187,055 | \$ 107,764 |
| Adjustments to reconcile net income to net cash provided (used) by operating activities: | | |
| Depreciation | 223 | 56 |
| (Increase) decrease in: | | |
| Receivables | (32,522) | (14,515) |
| Prepaid expenses | (1,770) | (2,190) |
| Increase (decrease) in: | | |
| Accounts payable | (2,749) | (1,674) |
| Net Cash Provided (Used) by Operating Activities | <u>150,237</u> | <u>89,441</u> |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES:</u> | | |
| Change in clearing account cash | (28,887) | (47,149) |
| Acquisition of office equipment | - | (1,114) |
| Net Cash Provided (Used) by Investing Activities | <u>(28,887)</u> | <u>(48,263)</u> |
| <u>CASH FLOWS FROM FINANCING ACTIVITIES:</u> | | |
| Members' distributions - net | (120,000) | (31,549) |
| Net Cash Provided (Used) by Financing Activities | <u>(120,000)</u> | <u>(31,549)</u> |
| Net increase (decrease) in cash | 1,350 | 9,629 |
| Cash, beginning | <u>10,608</u> | <u>979</u> |
| Cash, ending | <u>\$ 11,958</u> | <u>\$ 10,608</u> |
| Reconciliation with Statements of Financial Condition: | | |
| Cash -operating | \$ 6,429 | \$ 10,608 |
| Cash - Fidelity Investments / Vanguard Group | <u>5,529</u> | <u>-</u> |
| Totals | <u>\$ 11,958</u> | <u>\$ 10,608</u> |

HALL & ROMKEMA FINANCIAL SERVICES, L.L.C.
COMPUTATION OF NET CAPITAL
DECEMBER 31, 2007

| | | |
|---|-----------|----------------|
| Total members' equity from statement of financial condition | \$ | 198,322 |
| Deduct members' equity not allowable for net capital | | - |
| Total members' equity qualified for net capital | | 198,322 |
| Additions | | - |
| Total capital and allowable subordinated liabilities | | 198,322 |
| Deductions - nonallowable assets from statement of financial condition: | | |
| Accounts receivable | | (81,802) |
| Prepaid expenses | | (7,784) |
| Property and equipment - net | | (836) |
| Net capital before haircuts on securities positions | | 107,900 |
| Haircuts on securities | | (2,117) |
| Net capital | \$ | 105,783 |

Explanation of differences between above computation and the Company's computation as reported on Part IIA of Form X-17A-5 at December 31, 2007:

Cash deposits totaling \$5,529 in Fidelity Investments and Vanguard Group were reported as nonallowable assets in the computation of net capital for Form X-17A-5 filed at December 31, 2007. These cash deposits were subsequently determined to be allowable assets for purposes of the net capital computation. These cash deposits, however, have been subjected to the 2% haircut on securities.

HALL & ROMKEMA FINANCIAL SERVICES, L.L.C.
COMPUTATION OF BASIC NET CAPITAL REQUIREMENT
DECEMBER 31, 2007

| | |
|--|--------------|
| Minimum net capital required: | |
| Total aggregate indebtedness | \$ 4,390 |
| Applicable percentage | <u>6.67%</u> |
| | 293 |
| Minimum dollar net capital requirement | 5,000 |
| Net capital requirement | \$ 5,000 |
| Excess net capital (net capital less net capital requirement) | 100,783 |
| Excess net capital at 1000% (net capital less 10% of total aggregate indebtedness) | 105,344 |
| 120% of required net capital | 6,000 |
| Net capital in excess of 120% of required net capital | 99,783 |

COMPUTATION OF AGGREGATE INDEBTEDNESS

| | |
|---|-----------------|
| Total liabilities from statement of financial condition | \$ 4,390 |
| Additions | <u>-</u> |
| Total aggregate indebtedness | <u>\$ 4,390</u> |
| Percentage of aggregate indebtedness to net capital | <u>4%</u> |

Explanation of differences between above computation and the Company's computation as reported on Part IIA of Form X-17A-5 at December 31, 2007:

Cash deposits totaling \$5,529 in Fidelity Investments and Vanguard Group were reported as nonallowable assets in the computation of net capital for Form X-17A-5 filed at December 31, 2007. These cash deposits were subsequently determined to be allowable assets for purposes of the net capital computation. These cash deposits, however, have been subjected to the 2% haircut on securities.

HALL & ROMKEMA FINANCIAL SERVICES, L.L.C.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2007 AND 2006

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies that affect the more significant elements of the Company's financial statements are summarized below:

NATURE OF OPERATIONS - The Company was formed as a limited liability company (LLC) in East Lansing, Michigan during 2002. During 2003, the Company registered as a limited corporate securities broker-dealer firm with the Financial Industry Regulatory Authority (FINRA), (formerly known as the National Association of Securities Dealers (NASD)), the Securities and Exchange Commission (SEC) and various states within the United States.

The Company operates as an introducing broker on a fully disclosed basis, and forwards all transactions to its clearing broker. Accordingly, the Company operates under the exemptive provisions of the SEC Rule 15c3-3(k)(2)(ii).

USE OF ESTIMATES - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

CASH - For purposes of the statements of cash flows, cash consists of amounts on deposit in a checking account, as well as cash deposits held in registered investment management companies.

CLEARING ACCOUNT DEPOSIT

The Company utilizes the services of a New York Stock Exchange member to act as their clearing agent for all customer security transactions. As security for this contractual relationship, the Company was required to deposit \$15,000 with the clearing agent.

INCOME TAX

The Company has elected to be treated as a limited liability company (LLC) for tax purposes. Income taxes on the income of an LLC are the responsibility of the members of the Company. Therefore, no provision for federal income tax is recorded in the financial statements.

OTHER REVENUES

Other revenues include \$35,000 received as a result of the NASD and New York Stock Exchange (NYSE) Member Regulation consolidation.

RELATED PARTY TRANSACTIONS

Three members, who collectively own 100% of the Company, are also owners of Hall & Romkema, a Certified Public Accounting Firm (the accounting firm). The Company shares office space with the accounting firm. A total of \$4,800 was paid by the Company to the accounting firm for office usage and occupancy expenses for each of the years ended December 31, 2007 and 2006.

The Company paid the accounting firm \$76,940 and \$102,447 for professional investment advisory and accounting fees during the years ended December 31, 2007 and 2006, respectively.

During 2006, the Company was engaged as the exclusive managing agent to sell debentures of HRC Hotels, L.L.C. under the terms of a private placement memorandum. As compensation for these services, the Company was paid a placement fee of 2.75% of the gross proceeds from the sales of the debentures. A total of \$76,209 was received under this agreement and is included in commission revenue for the year ended December 2006 in the accompanying financial statements.

During 2007, the Company, again as exclusive managing agent, was paid a placement fee of 3.00% of the gross proceeds from the sale of ownership units under the HRC Hotels, L.L.C. private placement memorandum. The Company recognized total commission revenue of \$24,585 from this private placement during the year ended December 31, 2007.

Two equity owning members of the Company are also officers and part owners of HRC Hotels, L.L.C.

Meyaard Tolman Venlet p.c.

CERTIFIED PUBLIC ACCOUNTANTS

GLENN MEYAARD, CPA
JAYNE E. VENLET, CPA
CHARLES D. OLSZEWSKI, CPA
JERRY L. BROEKHUIS, CPA, MST

KENNETH TOLMAN, CPA (1959-2003)

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE

To the Members
Hall & Romkema Financial Services, L.L.C.
3495 Coolidge Road
East Lansing MI 48823

In planning and performing our audit of the financial statements and supplementary information of Hall & Romkema Financial Services, L.L.C. (the Company) for the year ended December 31, 2007, on which we have issued our report dated February 11, 2008, 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 the internal control.

Also, as required by Securities Exchange Act of 1934, 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 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 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 preparation of financial statements in conformity 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 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.

To the Members
Hall & Romkema Financial Services, L.L.C.
Page 2

Our consideration of the internal control would not necessarily disclose all matters in the 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 December 31, 2007 to meet the SEC's objectives.

This report is intended solely for the information and use of the members and management of the Company, the SEC, the National Association of Securities Dealers, Inc., and other regulatory agencies which rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and should not be used for any other purpose.

Respectfully submitted,

Meynard Tolman & Venlet p.c.

Meynard Tolman & Venlet p.c.
Certified Public Accountants

Zeeland, Michigan
February 11, 2008

END