

AD  
3/4



PROCESSED

SEC 08026487 ISSION  
Washington, D.C. 20547

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

MAR 07 2008

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

THOMSON  
FINANCIAL *BF*

SEC FILE NUMBER  
8-21215

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 January 1, 2007 AND ENDING December 31, 2007  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Bankers & Investors Co.

OFFICIAL USE ONLY

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

FIRM I.D. NO.

701 Minnesota Avenue

(No. and Street)

Kansas City

Kansas

66101

(City)

(State)

(Zip Code)

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

Jerrod Foresman

913-621-8442

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

Cochran Head Vick & Co., P.A.

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

6700 Antioch, Suite 460

Merriam

Kansas

66204

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

SEC  
Mail Processing  
Section  
FEB 28 2008  
Washington, DC  
103

FOR OFFICIAL USE ONLY

17A  
3/5

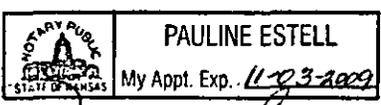
\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

OATH OR AFFIRMATION

I, Jerrod Foresman, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Bankers & Investors Co., 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:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Jerrod Foresman  
Signature  
PRESIDENT  
Title

 PAULINE ESTELL  
My Appt. Exp. 11-23-2009

Pauline Estell  
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).

**BANKERS & INVESTORS CO.**  
**(A Wholly-Owned Subsidiary of Valley View**  
**Bancshares, Inc.)**

\*\*\*\*\*

**REPORT ON AUDIT OF**  
**FINANCIAL STATEMENTS**

**DECEMBER 31, 2007 and 2006**

# CONTENTS

	Page
<b>FACING PAGE</b> .....	3
<b>INDEPENDENT ACCOUNTANTS' REPORT</b> .....	5
<b>FINANCIAL STATEMENTS</b>	
Statements of Financial Condition .....	6
Statements of Operations and Deficit .....	7
Statements of Changes in Cash Flows .....	8
Statements of Changes in Liabilities Subordinated to Claims of General Creditors .....	9
Notes to Financial Statements .....	10
<b>SUPPLEMENTARY INFORMATION</b>	
Schedule I - Computation of Net Capital Under Rule 15c3-1 of the Securities and Exchange Commission .....	13
Schedule II - Computation of Determination of Reserve Requirements and Information Relating to Possession or Control Requirements Under Rule 15c3-3 of the Securities and Exchange Commission.....	14
<b>INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL ACCOUNTING CONTROL</b> .....	16

**COCHRAN HEAD VICK & CO., P.A.**  
CERTIFIED PUBLIC ACCOUNTANTS

6700 Antioch Road, Suite 460  
Merriam, Kansas 66204  
(913) 378-1100 • (913) 378-1177 FAX

---

INDEPENDENT ACCOUNTANTS' REPORT

To the Board of Directors and Stockholders of  
Bankers & Investors Co.:

We have audited the accompanying statements of financial condition of Bankers & Investors Co., (a wholly-owned subsidiary of Valley View Bancshares, Inc.) as of December 31, 2007 and 2006, and the related statements of operations and deficit, cash flows, and changes in liabilities subordinated to claims of general creditors for the years then ended. In addition, we audited the supplementary schedules of computation of net capital, computation of basic net capital requirements, computation of aggregate indebtedness, computation of determination of reserve requirements, information relating to the possession or control requirements and reconciliation pursuant to Rule 17a-5(d)(4). These financial statements and supplementary schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and supplementary schedules 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 and supplementary schedules referred to above present fairly, in all material respects, the financial position of Bankers & Investors Co. at December 31, 2007 and 2006, 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.

*Cochran Head Vick & Co. P.A.*

February 19, 2008

BANKERS & INVESTORS CO.

Statements of Financial Condition

December 31, 2007 and 2006

<u>Assets</u>	<u>2007</u>	<u>2006</u>
Current assets:		
Cash and cash equivalents	\$ 150,641	83,272
Commissions receivable	-	31,678
Receivable from parent company related to income tax allocation	11,722	4,415
Prepaid expense	1,054	1,644
Total current assets	<u>163,417</u>	<u>121,009</u>
Office furniture and equipment	10,527	8,295
Less accumulated depreciation	<u>8,618</u>	<u>7,942</u>
Net office furniture and equipment	<u>1,909</u>	<u>353</u>
Other assets:		
Goodwill	384,797	384,797
Funds held in escrow for broker or dealer	25,608	24,976
Total other assets	<u>410,405</u>	<u>409,773</u>
Total assets	<u>\$ 575,731</u>	<u>531,135</u>
<u>Liabilities and Stockholder's Equity</u>		
Current liabilities:		
Accounts payable	\$ <u>113,004</u>	<u>82,438</u>
Stockholder's equity:		
Common stock, no par value; 1,000 shares authorized issued and outstanding	32,131	32,131
Additional paid-in capital	490,897	490,897
Deficit	<u>(60,301)</u>	<u>(74,331)</u>
Total stockholder's equity	<u>462,727</u>	<u>448,697</u>
Total liabilities and stockholder's equity	<u>\$ 575,731</u>	<u>531,135</u>

See accompanying notes to financial statements.

BANKERS & INVESTORS CO.

Statements of Operations and Deficit

For the Years Ended December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Revenues:		
Commissions income	\$ 1,086,470	1,101,502
Interest	49,198	24,103
Other	46,713	16,414
Total revenue	<u>1,182,381</u>	<u>1,142,019</u>
Expenses:		
Operating and administrative	1,158,380	1,161,678
Depreciation	676	267
Total expenses	<u>1,159,056</u>	<u>1,161,945</u>
Income (loss) before income taxes	23,325	(19,926)
Income tax benefit (tax expense)	<u>(9,295)</u>	<u>8,155</u>
Net income (loss)	14,030	(11,771)
Deficit at beginning of year	<u>(74,331)</u>	<u>(62,560)</u>
Deficit at end of year	<u>\$ (60,301)</u>	<u>(74,331)</u>

See accompanying notes to financial statements.

**BANKERS & INVESTORS CO.**

**Statements of Cash Flows**

**For the Years Ended December 31, 2007 and 2006**

	<u>2007</u>	<u>2006</u>
Cash flows from operating activities:		
Net income (loss)	\$ 14,030	(11,771)
Adjustments to reconcile net income (loss) to net cash generated by operating activities:		
Depreciation	676	267
Changes in current assets and liabilities:		
(Increase) decrease in:		
Commissions receivable	31,678	(18,168)
Receivable from parent company related to income tax allocation	(7,307)	3,412
Accrued interest	-	1,083
Prepaid expenses	590	11,175
Increase in accounts payable	<u>30,566</u>	<u>27,213</u>
Net cash generated by operating activities	<u>70,233</u>	<u>13,211</u>
Cash flows from investing activities:		
Purchase of office furniture and equipment	(2,232)	-
Reduction on funds held in escrow	<u>(632)</u>	<u>24</u>
Net cash generated (used) by investing activities	(2,864)	24
Net increase in cash	67,369	13,235
Cash and cash equivalents at beginning of year	<u>83,272</u>	<u>70,037</u>
Cash and cash equivalents at end of year	<u>\$ 150,641</u>	<u>83,272</u>

See accompanying notes to financial statements.

**BANKERS & INVESTORS CO.**

**Statements of Changes in Liabilities Subordinated  
to Claims of General Creditors**

**For the Years Ended December 31, 2007 and 2006**

There were no liabilities subordinated to the claims of creditors at the beginning or end of, or at any time during either of the years.

**BANKERS & INVESTORS CO.**

**Notes to Financial Statements**

**December 31, 2007 and 2006**

**1) Description of Business and Summary Of Significant Accounting Policies**

A summary of the Company's significant accounting policies applied in the preparation of the accompanying financial statements follows:

Description of Business

Bankers & Investors Co. (Company) is a full service securities broker providing investment advisory and other related services to clients in the Midwestern United States. It operates as an introducing broker on a fully disclosed basis and does not hold funds or securities for customers. The Company is a member of FINRA and the Securities Investor Protection Corporation (SIPC). The Company is not registered with the Securities and Exchange Commission as an investment advisor. The Company is a wholly-owned subsidiary of Valley View Bancshares, Inc.

Cash Equivalents

The Company considers all short-term investments with an original maturity of three months or less to be cash equivalents.

Receivables

The Company considers receivables to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

Property and Equipment

Equipment is carried at cost. Major renewals and betterments are capitalized, and maintenance and repairs, which do not improve or extend the life of the respective assets are charged against earnings in the current period.

Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated useful lives of 5 to 7 years using accelerated recovery methods.

Income Taxes

The Company files consolidated Federal and state tax returns with its parent. In conformity with this treatment, the Company records an income tax expense or benefit, paid to or received from its parent monthly. The amount is calculated based on the Company's financial statement income or loss, multiplied by what is estimated to be a reasonable aggregate Federal and state income tax rate for the consolidated return (estimated to be approximately 40% for 2007 and 41% for 2006). All current and deferred income tax liabilities or receivables are accounted for on the financial statements of the parent, which also is responsible for making all tax payments.

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 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.

Concentration of Risk

In certain instances, the Company's cash and cash equivalents are deposited in institutions in amounts exceeding the \$100,000 federally insured limit.

**BANKERS & INVESTORS CO.**

**Notes to Financial Statements**

**December 31, 2007 and 2006**

**Goodwill**

The Company has recorded goodwill "pushed down" from its parent company, which owns 100% of the Company's common stock. Goodwill therefore represents the excess of the purchase price of the parent's investment in the Company over the net book value of the Company's other assets. In accordance with Statement of Financial Accounting Standards 142, the goodwill recorded is not amortized but rather is tested for impairment annually. It was not considered necessary to record any such impairment during either the years ended December 31, 2007 and 2006.

**2) Net Capital Requirements**

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c3-1). This rule requires the maintenance of net capital of the greater of \$5,000 or 6 2/3% of aggregate indebtedness, which amounted to \$7,987 at December 31, 2007. At December 31, 2007, the Company had net capital of \$62,663, which was \$54,676 in excess of its required net capital.

**3) Material Inadequacies**

None noted.

**4) Related Parties**

The Company paid its Parent \$412,218 and \$442,452 in networking agreement fees for the years ended December 31, 2007 and 2006, respectively, representing occupancy costs.

The Company had a receivable from its Parent in the amounts of \$11,722 and \$4,415 at December 31, 2007 and 2006, respectively, related to income tax allocation.

**SUPPLEMENTARY INFORMATION**

**Pursuant to Rule 17a-5 of the  
Securities Exchange Act of 1934**

**December 31, 2007**

**BANKERS & INVESTORS CO.**

**Schedule I**

**Computation of Net Capital  
Under Rule 15c3-1 of the  
Securities and Exchange Commission**

**As of December 31, 2007**

**Net Capital**

Total stockholder's equity	\$	462,727
Ownership equity not allowable for net capital:		
Receivables from non-customers		11,722
Office furniture and equipment, net		1,909
Goodwill		384,797
Prepaid expenses		1,054
Net capital before haircuts on investments		<u>63,245</u>
Haircuts on investments		<u>582</u>

Net capital \$ 62,663

**Aggregate Indebtedness** \$ 113,004

**Computation of Basic Net Capital Requirement**

Minimum net capital required \$ 7,987

Excess of net capital \$ 54,676

Ratio: aggregate indebtedness to net capital 1.80 to 1

**A Reconciliation Pursuant to Rule 17a-5(D)(4)**

(included in Part IIA of Focus Report as of December 31, 2007)

Total ownership equity qualified for net capital per  
December 31, 2007, Part IIA \$ 74,385

Increase in receivables from non-customers (receivable  
from parent company related to income tax allocation) (11,722)

Total ownership equity qualified for net capital per  
December 31, 2007, audit report \$ 62,663

Non-allowable assets per December 31, 2007, Part IIA \$ 387,760

Increase in receivables from non-customers (receivable  
from parent company related to income tax allocation) 11,722

Non-allowable assets per December 31, 2007, audit report \$ 399,482

**BANKERS & INVESTORS CO.**

**Schedule II**

**Computation of Determination of  
Reserve Requirements and Information  
Relating to Possession or Control  
Requirements Under Rule 15c3-3 of the  
Securities and Exchange Commission**

**As of December 31, 2007**

The Company did not make a computation for determining the reserve requirement or supply information relating to the possession or control requirements pursuant to Rule 15c3-3 as they are exempt pursuant to subparagraph (k)(1) of Rule 15c3-3.

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

# COCHRAN HEAD VICK & CO., P.A.

CERTIFIED PUBLIC ACCOUNTANTS

6700 Antioch Road, Suite 460  
Merriam, Kansas 66204  
(913) 378-1100 • (913) 378-1177 FAX

---

## INDEPENDENT ACCOUNTANTS' REPORT

To the Board of Directors and Stockholders of  
Bankers & Investors Co.:

In planning and performing our audit of the financial statements of Bankers & Investors Co. (a wholly-owned subsidiary of Valley View Bancshares, Inc.) for the year ended December 31, 2007, we considered its internal control structure 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 structure.

We also made a study of the practices and procedures followed by the Company in making the periodic computations of aggregate indebtedness and net capital under Rule 17a-3(a)(11) and the procedures for determining compliance with the exemptive provisions of Rule 15c3-3. We did not review the practices and procedures followed by the Company in making the quarterly securities examinations, counts, verifications and comparisons, and the recordation of differences required by Rule 17a-13 or in complying with the requirements for prompt payment for securities under section 8 of Regulation T of the Board of Governors of the Federal Reserve System, because the Company does not carry security accounts for customers or perform custodial functions relating to customer securities.

The management of the Company is responsible for establishing and maintaining an internal control structure 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 structure 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 Commission's above-mentioned objectives. Two of the objectives of an internal control structure 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 any internal control structure 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 structure would not necessarily disclose all matters in the internal control structure 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 structure 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 structure, including procedures for safeguarding securities, that we consider to be material weaknesses as defined above.

INDEPENDENT ACCOUNTANTS' REPORT - Continued

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the Commission 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 Commission's objectives.

This report is intended solely for the use of management, the Securities and Exchange Commission, the New York Stock Exchange and other regulatory agencies which rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 and should not be used for any other purpose.

*Cochran Head Vick & Co. P.A.*

February 19, 2008

**END**