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

SEC FILE NUMBER
8-46645

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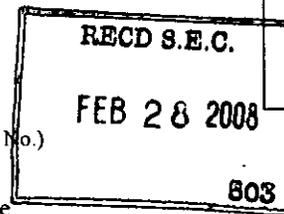
Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 1/1/07 AND ENDING 12/31/07
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER DEALER:

Nova Fund L.P.



OFFICIAL USE ONLY
FIRM ID. NO.

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

800 Third Avenue
(No. and Street)

New York New York 10022-7604
(City) (State) (Zip Code)

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

Mark Silber (212) 829-4490

(Area Code — Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

BDO Seidman, LLP

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

330 Madison Avenue New York New York 10017
(Address) (City) (State) (Zip Code)

CHECK ONE:

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

PROCESSED
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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).

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OATH OR AFFIRMATION

I, Mark Silber, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Nova Fund L.P., 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:

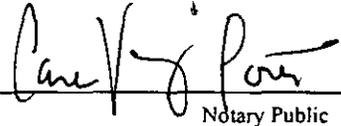
CARLA VOLPE PORTER
Notary Public, State of New York
No. 02PO6042900
Qualified in Westchester County
Commission Expires June 5, 2008/0



Signature

Chief Financial Officer

Title



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 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 Statement Regarding 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.
- (o) Independent Auditors' Report on internal accounting control required by SEC Rule 17a-5.

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



Independent Auditors' Report

The Partners
Nova Fund L.P.
New York, New York

We have audited the accompanying statement of financial condition of Nova Fund L.P. ("Fund"), including the condensed schedule of investments, as of December 31, 2007. This financial statement is the responsibility of the Fund's management. Our responsibility is to express an opinion on this financial statement 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial condition, 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 Nova Fund L.P. at December 31, 2007, in conformity with accounting principles generally accepted in the United States of America.

BDO Seidman, LLP

February 25, 2008

Nova Fund L.P.

Statement of Financial Condition

December 31, 2007

Assets

Investments in securities, at market value (Notes 1 and 2)	\$1,197,097,659
Cash	362,054
Due from broker (Note 1)	466,109,446
Due from partners and affiliate (Note 3)	194,473
Accrued interest and dividends receivable	1,752,612
	<hr/>
	\$1,665,516,244

Liabilities and Partners' Capital**Liabilities:**

Securities sold, not yet purchased, at market value (Notes 1 and 2)	\$1,039,006,745
Accounts payable and accrued expenses (Note 4)	6,844,780
	<hr/>
Total liabilities	1,045,851,525
Loan payable – subordinated (Note 4)	150,000,000
Commitment (Note 5)	
Partners' capital (Notes 5 and 6)	469,664,719
	<hr/>
	\$1,665,516,244

See accompanying summary of business and significant accounting policies and notes to statement of financial condition.

Nova Fund L.P.

Condensed Schedule of Investments

December 31, 2007

Number of shares	Description	% of net assets	Market value
Investments in securities (254.90%):			
Equity securities (254.90%):			
United States (254.90%):			
	Advertising	.44%	\$ 2,061,660
	Aerospace/Defense	5.55	26,072,668
	Agriculture	2.12	9,940,381
	Airlines	.86	4,018,722
	Apparel	.18	850,476
	Auto Manufacturers	.91	4,276,481
	Auto Parts & Equipment	.61	2,868,331
	Banks:		
2,418,084	Wells Fargo & Co.	15.54	73,001,956
382,045	Suntrust Banks Inc.	5.08	23,873,992
	Other	36.17	169,841,929
	Beverages	1.16	5,443,193
	Biotechnology	1.28	6,004,112
	Building Materials	1.05	4,935,763
	Chemicals	3.79	17,786,406
	Closed-end Funds	.06	286,375
	Coal	2.13	10,001,159
	Commercial Services	4.66	21,909,316
	Computers	3.83	17,972,977
	Cosmetics/Personal Care	.42	1,988,841
	Distribution/Wholesale	.48	2,255,417
	Diversified Financial Services	4.54	21,339,432
	Electric	1.74	8,165,852
	Electrical Components & Equipment	2.63	12,328,904
	Electronics	4.59	21,534,676
	Energy-Alternate Sources	.15	727,455
	Engineering & Construction	.83	3,896,566
	Entertainment	.97	4,538,956
	Environmental Control	.68	3,210,874
	Food	2.23	10,468,335
	Forest Products & Paper	1.62	7,630,171
	Gas	.01	45,446
	Hand/Machine Tools	.48	2,270,588

See accompanying summary of business and significant accounting policies and notes to statement of financial condition.

Nova Fund L.P.

Condensed Schedule of Investments

December 31, 2007

Number of shares	Description	% of net assets	Market value
Investments in securities (254.90%) (continued):			
Equity securities (254.90%) (continued):			
United States (254.90%) (continued):			
	Healthcare-Products	4.38%	\$ 20,566,057
	Healthcare-Services	3.06	14,352,323
	Holding Companies-Diversified	1.13	5,307,578
	Home Builders	.45	2,114,248
	Home Furnishings	.33	1,567,779
	Household Products/Wares	1.48	6,948,853
	Housewares	.04	189,680
	Insurance	6.22	29,219,870
	Internet:		
45,622	Google Inc.	6.72	31,546,701
	Other	2.31	10,847,618
	Investment Companies	.78	3,668,592
	Iron/Steel	.95	4,468,166
	Leisure Time	1.62	7,605,510
	Lodging	.52	2,455,706
	Machinery-Construction & Mining	.32	1,481,826
	Machinery-Diversified	2.18	10,253,717
	Media	7.06	33,153,702
	Metal Fabricate/Hardware	.88	4,138,037
	Mining:		
256,833	Freeport McMoRan Copper & Gold Inc.	5.60	26,309,973
	Other	5.76	27,023,481
	Miscellaneous Manufacturing	3.62	17,009,702
	Office Furnishings	.26	1,220,081
	Office/Business Equipment	.02	87,077
	Oil & Gas Products	6.79	31,873,045
	Oil & Gas Services	1.25	5,881,149
	Packaging & Containers	.82	3,828,829
	Pharmaceuticals	2.80	13,170,495
	Pipelines	17.44	81,892,843
	Real Estate	.65	3,065,460
	REITS	12.03	56,485,311
	Retail	10.03	47,114,167

See accompanying summary of business and significant accounting policies and notes to statement of financial condition.

Nova Fund L.P.

Condensed Schedule of Investments

December 31, 2007

Number of shares	Description	% of net assets	Market value
Investments in securities (254.90%) (continued):			
Equity securities (254.90%) (continued):			
United States (254.90%) (continued):			
	Savings & Loans	4.38%	\$ 20,556,838
	Semiconductors	7.12	33,439,637
	Software	6.48	30,445,439
	Telecommunications	13.67	64,226,240
	Textiles	.20	939,059
	Toys/Games/Hobbies	-	842
	Transportation	6.09	28,598,350
	Trucking & Leasing	.09	399,609
	Water	2.58	12,095,237
	Total equity securities (cost \$1,236,110,113)	254.90	1,197,096,237
Options (-%):			
United States (-%):			
	Various (cost \$10,341)	-	1,422
	Total investments in securities (cost \$1,236,120,454)	254.90%	\$1,197,097,659

See accompanying summary of business and significant accounting policies and notes to statement of financial condition.

Nova Fund L.P.

Condensed Schedule of Investments

December 31, 2007

Number of shares	Description	% of net assets	Market value
Securities sold, not yet purchased (221.24%):			
Equity securities (221.24%):			
United States (221.24%):			
	Advertising	.88%	\$ 4,109,811
	Aerospace/Defense	.43	2,003,242
	Agriculture	.57	2,672,463
	Airlines	2.16	10,167,168
	Apparel	.78	3,651,592
	Auto Manufacturers	2.15	10,114,247
	Auto Parts & Equipment	.84	3,956,641
	Banks	6.12	28,723,476
	Beverages	1.22	5,722,691
	Biotechnology	6.10	28,668,529
	Building Materials	1.03	4,825,614
	Chemicals	1.55	7,301,327
	Coal	.95	4,448,904
	Commercial Services	7.26	34,079,262
	Computers	4.64	21,809,878
	Cosmetics/Personal Care	.28	1,305,807
	Distribution/Wholesale	.51	2,390,111
	Diversified Financial Services	9.81	46,064,804
	Electric	1.83	8,602,625
	Electrical Components & Equipment	5.11	24,020,145
	Electronics	4.04	18,977,342
	Energy-Alternate Sources	19.17	90,025,991
	Engineering & Construction	1.85	8,670,960
	Entertainment	1.76	8,267,150
	Environmental Control	3.11	14,625,204
	Food	1.64	7,684,031
	Forest Products & Paper	1.58	7,401,278
	Gas	.27	1,286,538
	Hand/Machine Tools	.24	1,142,718
	Healthcare-Products	6.74	31,635,204
	Healthcare-Services	2.84	13,332,775

See accompanying summary of business and significant accounting policies and notes to statement of financial condition.

Nova Fund L.P.

Condensed Schedule of Investments

December 31, 2007

Number of shares	Description	% of net assets	Market value
Securities sold, not yet purchased (221.24%) (continued):			
Equity securities (221.24%) (continued):			
United States (221.24%) (continued):			
	Holding Companies-Diversified	-%	\$ 334
	Home Builders	7.77	36,486,529
	Home Furnishings	1.19	5,567,990
	Household Products/Wares	.43	2,017,744
	Housewares	.40	1,892,133
	Insurance	9.40	44,162,921
	Internet	10.46	49,113,502
	Investment Companies	.85	3,976,139
	Iron/Steel	.49	2,310,793
	Leisure Time	.91	4,296,130
	Lodging	1.75	8,220,974
	Machinery-Construction & Mining	.05	236,052
	Machinery-Diversified	.87	4,067,429
	Media	2.89	13,577,035
	Metal Fabricate/Hardware	2.36	11,080,367
	Mining	9.44	44,333,329
	Miscellaneous Manufacturing	1.06	4,978,395
	Office Furnishings	-	10,055
	Office/Business Equipment	.03	122,764
	Oil & Gas	6.30	29,581,516
	Oil & Gas Services	4.21	19,754,577
	Packaging & Containers	.03	148,553
	Pharmaceuticals	11.95	56,145,697
	Pipelines	.79	3,713,964
	Real Estate	.73	3,423,176
	REITS	16.85	79,154,637
	Retail	5.65	26,542,637
	Savings & Loans	2.73	12,802,304
	Semiconductors	4.96	23,281,908
	Software	5.31	24,920,381
	Storage/Warehousing	.37	1,744,948

See accompanying summary of business and significant accounting policies and notes to statement of financial condition.

Nova Fund L.P.

Condensed Schedule of Investments

December 31, 2007

Number of shares	Description	% of net assets	Market value
Securities sold, not yet purchased (221.24%) (continued):			
Equity securities (221.24%) (continued):			
United States (221.24%) (continued):			
	Telecommunications	7.23%	\$ 33,976,446
	Textiles	.02	70,670
	Toys/Games/Hobbies	.02	96,178
	Transportation	6.03	28,315,998
	Trucking & Leasing	.25	1,195,012
Total securities sold, not yet purchased (proceeds \$1,109,963,943)		221.24%	\$1,039,006,745

See accompanying summary of business and significant accounting policies and notes to statement of financial condition.

Nova Fund L.P.

Summary of Business and Significant Accounting Policies

Business

Nova Fund L.P. ("Fund") is a Delaware-based limited partnership. The Fund trades primarily in equity securities and options and may engage in index futures transactions to manage its desired level of risk. The Fund is registered as a broker/dealer with the Securities and Exchange Commission ("SEC") and is a member of the Financial Industry Regulatory Authority ("FINRA"). The Fund is also registered with the Commodity Futures Trading Commission ("CFTC") as a commodity pool operator.

The Fund has an agreement with a clearing broker ("Broker") to clear securities transactions and perform certain recordkeeping functions (Note 1). Therefore, the Fund operates under the exemptive provisions of SEC Rule 15c3-3(k)(2)(ii).

The Fund is comprised of the General Partner, Renaissance Technologies LLC ("General Partner") and Medallion RMP Fund, L.P., Medallion USA L.P., Medallion Associates L.P., Medallion Capital Investments Ltd., Medallion Fund L.P. and Medallion International Ltd. (collectively referred to as "limited partners").

The Fund will terminate on December 31, 2020, or upon the prior withdrawal, insolvency or dissolution of the General Partner.

Securities Transactions and Portfolio Valuations

Securities transactions are recorded on a trade date basis. The Fund's investments in securities are valued at market value on the financial statement date based upon the last reported sales price on the largest recognized exchange traded market on which they are traded or, if no trading took place on that date, at the last quoted bid price for investments owned and the last quoted ask price for securities sold, not yet purchased.

Cash

The Fund maintains cash balances at one major financial institution. At times, the amount on deposit at this institution may exceed the maximum balance insured by the Federal Deposit Insurance Corporation ("FDIC").

Nova Fund L.P.

Summary of Business and Significant Accounting Policies

- Income Taxes** No income tax provision has been made in the accompanying financial statements since the partners are required to report their respective shares of the Fund's income on their individual tax returns.
- Use of Estimates** The preparation of a statement of financial condition 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 statement of financial condition. Actual results may differ from these estimates.
- New Pronouncements** In September 2006, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 157, "Fair Value Measurements". This standard clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value and requires additional disclosures about the use of fair value measurements. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007 and interim periods within those fiscal years. As of December 31, 2007, the Fund does not believe the adoption of SFAS No. 157 will impact the amounts reported in the financial statements. However, additional disclosures will be required about the inputs used to develop the measurements of fair value.
- In July 2006, the FASB issued FASB Interpretation No. 48 ("FIN 48") "Accounting for Uncertainty in Income Taxes", which establishes that a tax position taken or expected to be taken in a tax return is to be recognized in the financial statements when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. FIN 48 is effective for fiscal years beginning after December 15, 2007. The adoption of FIN 48 is not expected to have a material impact on the Fund's financial position.

Nova Fund L.P.

Notes to Statement of Financial Condition

1. Clearing Agreement

The Fund has an agreement with a brokerage firm to carry its customer account. The broker has custody of the Fund's securities and, from time to time, cash balances which may be due from this broker.

These securities and cash positions serve as collateral for any amounts due to broker as well as collateral for securities sold, not yet purchased or purchased on margin.

The Fund is subject to credit risk if the broker is unable to repay balances due or deliver securities in its custody.

2. Financial Instruments and Related Risks

The Fund operates as an investor in marketable securities and is exposed to market risks resulting from changes in the market value of its investments.

Securities sold, not yet purchased by the Fund may give rise to off-balance sheet risk. These transactions involve an obligation to purchase such securities at a future date. A gain, limited to the price at which the Fund sold the securities short, or a loss, unlimited in amount, will be recognized. The Fund has recorded this obligation in the financial statements at the respective December 31, 2007 market values of the securities. There is an element of market risk in that, if the securities increase in value, it will be necessary to purchase the securities at a cost in excess of the price reflected in the statement of financial condition.

In the normal course of business, the Fund purchases and writes options. An option gives the owner the right, but not the obligation, to buy ("call option") or sell ("put option") a specified item at a fixed price during a specified period for a nonrefundable fee (the "premium"). The maximum loss to the buyer of an option is the cost of the premium. The writer of a call option has to bear the risk of an unfavorable change in the value underlying the option and, unless an offsetting long position is owned, the loss is unlimited. The loss to the writer of a put option is limited to the exercise price of the option, less the premium collected on its sale.

Nova Fund L.P.

Notes to Statement of Financial Condition

3. **Related Party Transaction** As of December 31, 2007, the Fund had \$180,545 due from limited partners resulting from dividend tax withholdings paid by the Fund on behalf of its foreign limited partners, which is included in due from partners and affiliate.
4. **Loan Payable - Subordinated** The Fund has a revolving subordinated loan amounting to \$150,000,000 at December 31, 2007. The loan bears interest at the federal funds rate plus .82% and matures on August 28, 2008. The subordinated loan is covered by an agreement approved by FINRA and is thus available in computing net capital under the Securities and Exchange Commission's Uniform Net Capital Rule. To the extent that such loan is required for the Fund's continued compliance with minimum net capital requirements, it may not be repaid. At December 31, 2007, the Fund has a payable of \$676,750 for interest on the loan which is included in accounts payable and accrued expenses.
5. **Regulatory Net Capital Requirements** As a registered broker/dealer, the Fund is subject to the provisions of the SEC's Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum regulatory net capital and requires that the ratio of aggregate indebtedness to regulatory net capital, both as defined, shall not exceed 15 to 1. Regulatory net capital and aggregate indebtedness may fluctuate on a daily basis.
- At December 31, 2007, the Fund had regulatory net capital of \$317,985,177 and a regulatory net capital requirement of \$456,318. The Fund's ratio of aggregate indebtedness to regulatory net capital was .02 to 1 at December 31, 2007.
6. **Subsequent Capital Transaction** For the period from January 1 through February 25, 2008, the Fund paid capital withdrawals of \$160,000,000.



**Independent Auditors' Report on Internal
Control Required by SEC Rule 17a-5(g)(1)
for a Broker-Dealer Claiming an Exemption
from SEC Rule 15c-3-3**

The Partners
Nova Fund L.P.
New York, New York

In planning and performing our audit of the financial statements of Nova Fund L.P. (the "Fund") as of and for the year ended December 31, 2007, in accordance with auditing standards generally accepted in the United States of America, we considered the Fund's internal control over financial reporting ("internal control") as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fund's internal control.

Also, as required by 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 Fund including consideration of control activities for safeguarding securities. This study included 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 Fund 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 Fund in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons and recordation of differences required by Rule 17a-13.
2. 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 Fund 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 Fund 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 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 and 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.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and 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 Fund's practices and procedures, as described in the second paragraph of this report, were adequate at December 31, 2007 to meet the SEC's objectives.

This report is intended solely for the information and use of 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.

BDO Seidman, LLP

Certified Public Accountants

New York, New York

February 25, 2008

END