



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

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

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 01/01/07 AND ENDING 12/31/07  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

Robert R. Meredith & Co., Inc.

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PROCESSED

FIRM ID. NO.

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

600 Lexington Ave.

MAR 21 2008

(No. and Street)

THOMSON  
FINANCIAL

B

New York

New York

10022

(City)

(State)

(Zip Code)

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

William Potter

(212) 969-9292

(Area Code -- Telephone No.)

B. ACCOUNTANT IDENTIFICATION

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

Rothstein, Kass & Company, P.C.

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

4 Becker Farm Road

Roseland

New Jersey

SEC

07068

(Address)

(City)

(State)

Mail Processing  
Section

(Zip Code)

CHECK ONE:

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

FEB 29 2008

Washington, DC

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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.

01/3/20

OATH OR AFFIRMATION

I, William Potter, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Robert R. Meredith & Co., Inc., 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:

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

JEAN C. NARANJO  
Notary Public, State of New York  
No. 01NA6016004  
Qualified in Suffolk County  
Commission Expires Nov. 09, 2010

2/27/08

*Jean C. Naranjo*  
\_\_\_\_\_  
Notary Public

*W Potter*  
\_\_\_\_\_  
Signature  
PRESIDENT  
\_\_\_\_\_  
Title

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 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 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.
- (o) Independent auditor's report on internal accounting control.

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

**ROBERT R. MEREDITH & CO., INC.**  
**STATEMENT OF FINANCIAL CONDITION**  
**AND**  
**INDEPENDENT AUDITORS' REPORT**

DECEMBER 31, 2007  
**SEC**  
**Mail Processing**  
**Section**

REB 29 2008

Washington, DC  
**101**

# ROBERT R. MEREDITH & CO., INC.

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Certified  
Public  
Accountants

Rothstein, Kass & Company, P.C.  
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Roseland, NJ 07068  
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fax 973.994.0337  
www.rkco.com

Beverly Hills  
Dallas  
Denver  
Grand Cayman  
New York  
Roseland  
San Francisco  
Walnut Creek

# Rothstein Kass

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholder of  
Robert R. Meredith & Co., Inc.

We have audited the accompanying statement of financial condition of Robert R. Meredith & Co., Inc. (the "Company") as of December 31, 2007. 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 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 Company'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 of the statement of financial condition 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 Robert R. Meredith & Co., Inc. as of December 31, 2007, in conformity with accounting principles generally accepted in the United States of America.

*Rothstein, Kass & Company, P.C.*

Roseland, New Jersey  
February 27, 2008

# ROBERT R. MEREDITH & CO., INC.

## STATEMENT OF FINANCIAL CONDITION

**December 31, 2007**

### ASSETS

Cash	\$	18,683
Receivable from clearing broker		164,514
Due from affiliates		580,159
Deferred tax asset		88,000
Other assets		<u>28,155</u>
	\$	<u>879,511</u>

### LIABILITIES AND STOCKHOLDER'S EQUITY

Liabilities, accounts payable and accrued expenses	\$	<u>45,466</u>
<b>Stockholder's equity</b>		
Common stock, no par value, authorized 200 shares, issued and outstanding 100 shares		100,000
Additional paid-in capital		702,444
Retained earnings		<u>31,601</u>
Total stockholder's equity		<u>834,045</u>
	\$	<u>879,511</u>

# ROBERT R. MEREDITH & CO., INC.

## NOTES TO FINANCIAL STATEMENTS

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### 1. Nature of operations

Robert R. Meredith & Co., Inc. (the "Company") is a broker-dealer registered with the Securities and Exchange Commission ("SEC") and is a member of the Financial Industry Regulatory Authority ("FINRA"), an entity created through the consolidation of the National Association of Securities Dealers ("NASD") and the member regulation, enforcement and arbitration functions of the New York Stock Exchange. The Company is a wholly-owned subsidiary of Meredith Financial Group Inc. ("MFG"). The Company's operations primarily consist of private placements and securities transactions which are executed on either an agency or riskless principal basis on behalf of its customers.

### 2. Summary of significant accounting policies

#### *Revenue and Expense Recognition from Securities Transactions*

Securities transactions and the related revenues and expenses are recorded on a trade-date basis. Revenues derived from commissions earned on the sale of securities are recorded on a trade-date basis as security transactions occur. Investment banking revenues are recorded upon receipt of any retainers and upon the closing of a deal.

#### *Income Taxes*

The Company files its federal, state and city income tax returns on a consolidated basis with its Parent. Income taxes are allocated to each company within the consolidated group as if each company filed its income tax returns separately. The Company complies with Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes", which requires the recognition of deferred tax assets and liabilities for both the expected future tax impact of differences between the financial statement and tax bases of assets and liabilities, and for the expected future tax benefit to be derived from tax loss carryforwards. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

#### *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.

#### *Securities Owned*

Securities owned are stated at quoted market values, with resulting gains and losses reflected in unrealized appreciation on securities.

# ROBERT R. MEREDITH & CO., INC.

## NOTES TO FINANCIAL STATEMENTS

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### 3. Net capital requirements

The Company is a member of the FINRA and is subject to the SEC Uniform Net Capital Rule 15c3-1. This Rule requires the maintenance of minimum net capital and that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1 and that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1. At December 31, 2007, the Company's net capital was approximately \$138,000 which was approximately \$133,000 in excess of its minimum requirement of \$5,000.

### 4. Related party transactions and liquidity

At December 31, 2007, the Company had a net receivable from MFG aggregating approximately \$580,000. In addition, the Company is dependent upon MFG for the continuing provision of resources such as overhead and personnel. The Company's Parent, MFG, did not generate positive cash flow from operations for the year ended December 31, 2007. MFG believes that its current cash resources, coupled with management's aggressive cost cutting measures of overhead, personnel, and facility expenses, should be adequate to fund its own operations as well as the Company's operations for the year ending December 31, 2008. The Company's long-term liquidity is dependent on its ability to develop working capital and attain future profitable operations.

### 5. Leases

In January 2007, MFG signed an operating lease for shared space, which provides for minimum monthly rentals of \$8,000 through January 2008. In addition to the base rent, the lease provides for MFG to pay 50% of all taxes, utilities and general operating expenses for shared services. The lease term terminates on January 31, 2008 with an automatic renewal for one year, unless either party gives written notice of the termination.

### 6. Income taxes

The Company has a deferred income tax asset aggregating approximately \$88,000 resulting primarily from the reserve for doubtful accounts, affiliate of approximately \$201,000. In prior years, the Company had established a valuation allowance equal to the deferred tax asset. This was based on reasonable doubt about the affiliate's ability to repay the debt in future periods given continuing net operating losses. As of December 31, 2007 the Company determined that the valuation allowance was no longer warranted and the valuation allowance was removed, creating a reduction of current year income tax expense. The effective tax rate of approximately 24% differs from the statutory rate of approximately 44% primarily due to the change in valuation allowance.

# ROBERT R. MEREDITH & CO., INC.

## NOTES TO FINANCIAL STATEMENTS

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### 6. Income taxes (continued)

Deferred taxes consist of the following at December 31, 2007:

<b>Deferred tax assets, noncurrent</b>	
Federal	\$ 58,000
State and city	<u>30,000</u>
	<u>\$ 88,000</u>

Income tax expense shown on the statement of operations for the year ended December 31, 2007 consisted of the following:

<b>Current</b>	
Federal	\$ 140,000
State and city	72,000
Change in valuation allowance	<u>(88,000)</u>
	<u>\$ 124,000</u>

### 7. Concentrations

Pursuant to its clearance agreement, the Company introduces all of its securities transactions to its sole clearing broker on a fully-disclosed basis. All of the customers' money balances and long and short security positions are carried on the books of the clearing broker. In accordance with the clearance agreement, the Company has agreed to indemnify the clearing broker for losses, if any, which the clearing broker may sustain from carrying securities transactions introduced by the Company. In accordance with industry practice and regulatory requirements, the Company and the clearing broker monitor collateral on the customers' accounts.

The receivable from the clearing broker is pursuant to this clearance agreement, as is a requirement for the Company to maintain a clearing deposit of \$100,000.

The Company maintains its cash in financial institutions, which at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not subject to significant credit risk on cash.

# ROBERT R. MEREDITH & CO., INC.

## NOTES TO FINANCIAL STATEMENTS

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### 8. Exemption from Rule 15c3-3

The Company is exempt from the Securities and Exchange Commission Rule 15c3-3 pursuant to the exemptive provision under sub-paragraph (k)(2)(i) and, therefore, is not required to maintain a "Special Reserve Bank Account for the Exclusive Benefit of Customers".

### 9. Subsequent events

In March 2007, MFG entered into an Agreement and Plan of Merger (the "Agreement") with Torus FS Inc. and Torus FS PLC. The Agreement will give the Company greater opportunities to increase its brokerage business activities including investment banking through the additional financial resources and business relationships provided by Torus FS Inc. As of December 31, 2007, the merger was not yet completed. The Company anticipates that the transaction will be completed in 2008.

END