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

Washington, DC
- 102

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

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Ayre Investment, Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

648 Main Street

(No. and Street)

Agawam

Massachusetts

01001

(City)

(State)

(Zip Code)

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

Timothy T. Ayre

(413) 786-2084

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Nicholas LaPier, CPA PC

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

63 Myron Street

West Springfield Massachusetts 01089

(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)

SEC 1410 (06-02)

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OATH OR AFFIRMATION

I, Timothy T. Ayre, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Ayre Investments Inc., as 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:

[Handwritten Signature]

Signature

Chief Financial Officer

Title

[Handwritten Signature: Don Kennedy]

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.
- (o) Independant 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).

AYRE INVESTMENTS, INC.

DECEMBER 31, 2007

TABLE OF CONTENTS

	<u>Page</u>
<i>INDEPENDENT AUDITORS' REPORT</i>	1
<i>FINANCIAL STATEMENTS</i>	
Statements of Financial Condition	2
Statements of Income	3
Statements of Changes in Stockholders' Equity	4
Statements of Cash Flows	5
Notes to Financial Statements	6 - 9
<i>SUPPLEMENTARY FINANCIAL INFORMATION</i>	
Schedule I – Computation of Net Capital Under Rule 15c3-1 of the Securities and Exchange Commission	10
Schedule II – Computation for Determination of Reserve Requirements Under Rule 15c3-3 of the Securities and Exchange Commission	11
Schedule III – Information Relating to Possession or Control Requirements Under Rule 15c3-3 of the Securities and Exchange Commission	12
Schedule IV – Other Expenses	13

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Ayre Investments, Inc.
Agawam, Massachusetts

We have audited the accompanying statements of financial condition of Ayre Investments, Inc. (the "Company") as of December 31, 2007 and 2006, and the related statements of income, changes in stockholders' equity, and cash flows for the years then ended that you are filing pursuant to rule 17a-5 under the Securities Exchange Act of 1934. 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 Ayre Investments, Inc. as of 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.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedules I through IV is presented for purposes of additional analysis and is not a required part of the basic financial statements, but Schedules I, II, and III are supplementary information required by rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Nicholas LaPier CPA PC

Nicholas LaPier, CPA, PC
West Springfield, Massachusetts
January 29, 2008

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AYRE INVESTMENTS, INC.
STATEMENTS OF FINANCIAL CONDITION

DECEMBER 31, 2007 AND 2006

ASSETS

	<u>2007</u>	<u>2006</u>
<i>CURRENT ASSETS:</i>		
Cash	\$ 26,797	\$ 31,592
Receivable from clearing organization	2,981	3,600
Investments	112,332	72,159
Shareholders	6,505	8,795
Prepaid expense	5,213	3,711
Prepaid insurance	765	765
Fixed assets, net	<u>2,235</u>	<u>2,905</u>
 Total current assets	 <u>\$ 156,828</u>	 <u>\$ 123,527</u>

LIABILITIES AND STOCKHOLDER'S EQUITY

<i>CURRENT LIABILITIES:</i>		
Due to parent company	\$ -	\$ 16,997
Accounts payable, Accrued expenses, and Other liabilities	3,131	3,656
Income taxes payable	<u>10,116</u>	<u>2,430</u>
 Total current liabilities	 <u>13,247</u>	 <u>23,083</u>
<i>STOCKHOLDER'S EQUITY:</i>		
Common stock - no par value – authorized 1,000,000 shares, 633,000 shares issued and 632,450 shares outstanding	144,526	144,526
 Retained earnings (deficit)	 <u>10,055</u>	 <u>(33,082)</u>
	154,581	111,444
 Less treasury stock, 550 shares, at cost	 <u>11,000</u>	 <u>11,000</u>
	<u>143,581</u>	<u>100,444</u>
	 <u>\$ 156,828</u>	 <u>\$ 123,527</u>

The accompanying notes are an integral part of the financial statements.

AYRE INVESTMENTS, INC.

STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
<i>Revenues:</i>		
Commissions	\$ 221,297	\$ 376,664
Realized investment gains	669	8,730
Unrealized investment gains	37,504	1,295
Other income	<u>36,867</u>	<u>861</u>
	<u>296,337</u>	<u>387,550</u>
<i>Expenses:</i>		
Employee compensation and benefits	94,036	86,497
Commissions paid	18,428	143,994
Communications and data processing	8,855	8,145
Occupancy	30,748	27,801
Broker Fees	42,534	52,306
Other expenses	<u>50,176</u>	<u>51,227</u>
	<u>244,777</u>	<u>369,970</u>
Income before income taxes	51,560	17,580
Provision for income taxes	<u>(8,423)</u>	<u>(2,305)</u>
Net income	<u>\$ 43,137</u>	<u>\$ 15,275</u>

The accompanying notes are an integral part of the financial statements.

AYRE INVESTMENTS, INC.

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	<u>Common</u> <u>Shares</u>	<u>Amount</u>	<u>Treasury Stock</u> <u>Shares</u>	<u>Amount</u>	<u>Total</u> <u>Retained</u> <u>Earnings</u>	<u>Stockholders'</u> <u>Equity</u>
Balance January 1, 2006	632,450	\$ 144,526	550	\$ (11,000)	\$ (48,357)	\$ 85,169
Net income	-	-	-	-	<u>15,275</u>	<u>15,275</u>
Balance December 31, 2006	632,450	\$ 144,526	550	\$ (11,000)	\$ (33,082)	\$ 100,444
Net income	-	-	-	-	<u>43,137</u>	<u>43,137</u>
Balance December 31, 2007	<u>632,450</u>	<u>\$ 144,526</u>	<u>550</u>	<u>\$ (11,000)</u>	<u>\$ 10,055</u>	<u>\$ 143,581</u>

The accompanying notes are an integral part of these financial statements.

AYRE INVESTMENTS, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
<i>Cash Flows From Operating Activities:</i>		
Net income	\$ 43,137	\$ 15,275
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	822	1,214
Realized/unrealized gain on investments	(38,173)	(10,025)
(Increase) decrease in operating assets:		
Net receivable from clearing organizations	619	(2,451)
Prepaid expenses	(1,502)	2,800
Increase (decrease) in operating liabilities:		
Accounts payable, accrued expenses, and other liabilities	(525)	638
Corporate and deferred income tax liabilities	<u>7,686</u>	<u>—</u>
Net cash provided by operating activities	<u>12,064</u>	<u>7,451</u>
<i>Cash Flows From Investing Activities:</i>		
Purchase of fixed assets	(152)	(2,959)
Purchase of investments – net	<u>(2,000)</u>	<u>(10,000)</u>
Net cash used by investing activities	<u>(2,152)</u>	<u>(12,959)</u>
<i>Cash Flows from Financing Activities:</i>		
Net changes in shareholder debt	2,290	3,732
Loan repayment to Ayre Holdings, Inc.	<u>(16,997)</u>	<u>(363)</u>
Net cash provided(used) by financing activities	<u>(14,707)</u>	<u>3,369</u>
Increase(decrease) in cash	(4,795)	(2,139)
Cash at beginning of year	<u>31,592</u>	<u>33,731</u>
Cash at end of year	<u>\$ 26,797</u>	<u>\$ 31,592</u>
<i><u>Supplemental Disclosure of Cash Flow Information:</u></i>		
Income tax payments	\$ 456	\$ 456
Interest paid	\$ 883	\$ 981

The accompanying notes are an integral part of the financial statements.

AYRE INVESTMENTS, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2007 and 2006

1. **ORGANIZATION AND NATURE OF BUSINESS**

The Company, a Massachusetts Corporation, is an introducing broker-dealer registered with the Securities and Exchange Commission (SEC), the National Association of Securities Dealers (NASD), and various states.

The Company is a wholly owned subsidiary of AyreTrade Financial, Inc., a Delaware corporation.

The Company clears all of its proprietary and customer transactions through another broker-dealer on a fully disclosed basis.

2. **SIGNIFICANT ACCOUNTING POLICIES**

Securities Transactions - Proprietary securities transactions in regular-way trades are recorded on the settlement date, as if they had settled. Profit and loss arising from all securities and commodities transactions entered into for the account and risk of the Company are recorded on a trade date basis.

Marketable securities are valued at market value, and securities not readily marketable are valued at fair value as determined by management.

Commissions - Commissions and related clearing expenses are recorded on a trade-date basis as securities transactions occur.

Income Taxes - Deferred income taxes are recognized for the tax effect of "temporary differences" by applying enacted statutory tax rates applicable to future years to differences between the financial statement carrying amounts and the tax bases of assets and liabilities. Temporary differences that give rise to deferred tax assets and liabilities relate to inventory valuation, depreciation, the allowance for doubtful accounts and unrealized foreign currency gains and losses.

Depreciation - Depreciation is provided on a straight-line basis using estimated useful lives of five to ten years. Depreciation expense for the year ending December 31, 2007 was \$822.

Statement of Cash Flows - For purposes of the Statement of Cash Flows, the Company has defined cash equivalents as highly liquid investments, with original maturities of less than ninety days that are not held for sale in the ordinary course of business.

Use of Estimates - The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies 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.

AYRE INVESTMENTS, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

3. **RESTRICTED CASH**

Included in cash at December 31, 2007 and 2006, is \$25,000, which is held as collateral for customers' clearing activity, maintained in an escrow account at a clearing house.

4. **SECURITIES OWNED**

Marketable securities owned by the Company consist of trading and investment securities at market values, as follows:

	<u>2007</u>	<u>2006</u>
Pershing – money market	\$ 13,344	\$ 10,254
Equities	<u>98,988</u>	<u>61,905</u>
	<u>\$ 112,332</u>	<u>\$ 72,159</u>

5. **ACCOUNTS RECEIVABLE**

Accounts receivable consists primarily of brokerage fees and is fully collectible.

6. **FIXED ASSETS:**

Fixed assets consist of the following.

Telephone equipment	\$ 2,324	\$ 2,324
Furniture and fixtures	5,230	5,230
Computer, and related equipment	12,579	12,579
Office equipment	<u>8,688</u>	<u>8,536</u>
Total equipment	28,821	28,669
Less: accumulated depreciation	<u>26,586</u>	<u>25,764</u>
Net fixed assets	<u>\$ 2,235</u>	<u>\$ 2,905</u>

AYRE INVESTMENTS, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

7. *CREDIT AVAILABILITY*

The Company has a credit line of \$ 5,000 of which \$2,107 was available at December 31, 2007.

8. *OPERATING LEASE*

The company entered into an operating lease for a vehicle on November 4, 2006. Lease payments of \$4,640 were paid for the year ended December 31, 2007.

The remaining commitments under the lease are:

2008	<u>4.253</u>
	<u>\$ 4.253</u>

The Company operates its facilities under a long term lease with a related party, partially owned by an officer of the Company. The lease expires on December 31, 2009. For the years ended December 31, 2007 and 2006, rent expense was \$24,400 and \$21,300 respectively.

The following is a schedule of minimum rental payments for facilities over the next three years:

<u>Year ending</u> <u>December 31,</u>	
2008	24,000
2009	<u>24,000</u>
Total	<u>\$ 48,000</u>

9. *RESERVE REQUIREMENTS*

The Company is not obligated to report under SEC Rule 15c3-3 since it does not maintain customer accounts or hold securities. Therefore, the Company does not have a reserve requirement nor does it have any information relating to the possession or control requirement under Rule 15c3-3.

AYRE INVESTMENTS, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

10. *INCOME TAXES*

The provision for income taxes comprises the following:

	<u>2007</u>	<u>2006</u>
Federal tax expense	\$ 1,660	\$ 1,441
State tax expense	<u>456</u>	<u>864</u>
	<u>\$ 2,116</u>	<u>\$ 2,305</u>
Deferred income tax expense	<u>\$ 6,307</u>	<u>-</u>

11. *NET CAPITAL REQUIREMENTS*

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC rule 15c3-1), which requires the maintenance of a \$5,000 minimum of net capital. As a member of the NASD, the Company needs to maintain a \$6,000 minimum of net capital. At December 31, 2007, the Company's net capital as defined by SEC Rule 15c3-1 was \$105,441.

12. *RELATED PARTY TRANSACTIONS:*

- In 2007, the Company repaid a loan of \$16,907 from AyreTrade Financial, Inc., its parent company.
- At December 31, 2007, an officer was indebted to the Company for \$6,505 which is unsecured and non-interest bearing.
- The Company purchases printed materials from a company that is partially owned by an officer of the Company.
- The Company rents its facilities under a long term lease with a related party, an officer of the Company.

SUPPLEMENTARY FINANCIAL INFORMATION

AYRE INVESTMENTS, INC.

SCHEDULE I

COMPUTATION OF NET CAPITAL UNDER RULE 15c3 OF THE
SECURITIES AND EXCHANGE COMMISSION

AS OF DECEMBER 31, 2007 AND 2006

FORM A – ADJUSTED NET WORTH COMPUTATION

	<u>2007</u>	<u>2006</u>
Beginning Net Worth	\$ 100,444	\$ 85,169
Increases to Net Worth	296,337	387,550
Reductions to Net Worth	<u>(253,200)</u>	<u>(372,275)</u>
Adjusted Net Worth	<u>\$ 143,581</u>	<u>\$ 100,444</u>

FORM B – NET CAPITAL COMPUTATION

Adjusted Net Worth	\$ 143,581	\$ 100,444
Liabilities Subordinated to Creditors	<u>-</u>	<u>-</u>
Total Available Capital	143,581	100,444
Total adjustments	<u>(14,718)</u>	<u>(16,176)</u>
Tentative Net Capital	128,863	84,268
Haircuts	<u>(23,422)</u>	<u>42,158</u>
Net Capital	<u>\$ 105,441</u>	<u>\$ 42,110</u>
Reconciliation with Company's computation (included in Part II of Form X-17A-5 as of December 31, 2007 and 2006)		
Net capital, as reported in Company's Part II (unaudited) FOCUS report	\$ 113,918	\$ 87,069
Other audit adjustments	<u>(8,477)</u>	<u>(44,959)</u>
Net Capital per above	<u>\$ 105,441</u>	<u>\$ 42,110</u>

*The accompanying notes are an integral
part of the financial statements.*

AYRE INVESTMENTS, INC.

SCHEDULE II

COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS
UNDER RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION
AS OF DECEMBER 31, 2007 AND 2006

EXEMPT FROM SEC. RULE 15c3-3

*The accompanying notes are an integral
part of these financial statements*

AYRE INVESTMENTS, INC.

SCHEDULE III

INFORMATION RELATING TO POSSESSION OR CONTROL REQUIREMENTS

UNDER RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION

AS OF DECEMBER 31, 2007 and 2006

EXEMPT FROM SEC. RULE 15c3-3

*The accompanying notes are an integral
part of these financial statements*

AYRE INVESTMENTS

SCHEDULE IV

OTHER EXPENSES

FOR THE YEARS ENDED DECEMBER 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Accounting & auditing fees	\$ 6,500	\$ 5,175
Advertising	750	1,042
Auto expense	4,642	4,035
Bank charges	387	329
Depreciation	822	1,214
Dues and subscriptions	770	7,780
Finance charges	883	981
Insurance	6,257	5,646
Lease expense	3,065	2,750
Legal	4,057	40
License and permit	1,155	1,932
Meals and entertainment	1,494	1,882
Miscellaneous	617	2,706
Payroll expenses	798	787
Payroll taxes	9,061	8,571
Postage and delivery	455	487
Professional Development	-	170
Registration fees	4,766	50
Repairs and maintenance	250	1,472
Supplies	210	-
Travel	<u>3,237</u>	<u>4,178</u>
	<u>\$ 50,176</u>	<u>\$ 51,227</u>

*The accompanying notes are an integral
part of these financial statements*

NICHOLAS LAPIER, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Ayre Investments, Inc.
Agawam, Massachusetts

In planning and performing our audit of the financial statements and supplemental schedules of Ayre Investments, Inc. (the Company), for the years ended December 31, 2007 and 2006, 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 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 Company, including 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 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; and
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 the preparation of financial statements in accordance with accounting principles generally accepted in the United States. 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.

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Ayre Investments, Inc.
Page Two

Our consideration of internal control would not necessarily disclose all matters in 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 and 2006, to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, the National Association of Securities Dealers, Inc., 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 be used by anyone other than these specified parties.

Nicholas Lapiere CPA PC

NICHOLAS LAPIER, CPA, PC
West Springfield, Massachusetts

January 29, 2008

END