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

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

SEC FILE NUMBER  
8 14927

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

OFFICIAL USE ONLY  
FIRM ID. NO.

293 BUNDY RD.

(No. and Street)

ITHACA

NY

14850

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
JOHN MAGACS 607-272-7448  
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

"EXEMPT"

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

PROCESSED

MAR 20 2008

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THOMSON  
FINANCIAL

(Address) (City) (State) (Zip Code)

SEG

Mail Processing  
Section

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CHECK ONE:

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

Washington, DC

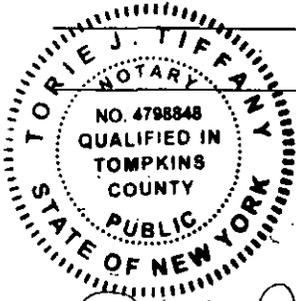
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\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

OATH OR AFFIRMATION

I, JOHN MAGACS, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of JOHN MAGACS, 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:



Torie J. Tiffany  
Notary Public

John Magacs  
Signature  
SOLE PROPRIETOR  
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 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 15c3-3 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).

293 Bundy Road  
Ithaca, New York 14850

February 26, 2008

Securities and Exchange Commission  
Registrations Branch  
Mail Stop 8031  
100 F Street, NE  
Washington, D.C. 20549

SEC File 8-14927

Gentlemen:

Enclosed is the 2007 Annual Statement of Financial Condition for John Magacs.

I hereby request approval by the Securities and Exchange Commission to continue submitting statements without an independent accountants opinion as the Securities and Exchange Commission has accepted in the past.

Reasons for this are stated in the "Claim of Exemption of Accountants Opinion" included in my statement of financial condition:

Per Section 240.17a-5(e)(2) financial statements and schedules contained herein are not covered by an opinion of an independent accountant because broker/dealer securities business consists solely of sales of investment company shares. All funds are payable directly to the investment company. Confirmations are sent directly to customers from the investment company. The above procedures are in accordance with Rule 240.15c3-1(a)(2)(vi) establishing activities of broker/dealers with minimum net capital of \$5,000.00.

Very truly yours,



John Magacs

STATEMENT OF FINANCIAL CONDITION DECEMBER 31, 2007  
 John Magacs, 293 Bundy Road, Ithaca, NY 14850  
 SEC File #8-14927, SS#113-18-4938

Assets:		
Tompkins Trust Co. account 304681148	\$11,189.87	
Total assets		\$11,189.87
Liabilities	-0-	
Net worth	\$11,189.87	
Total liabilities and net worth		\$11,189.87

STATEMENT OF INCOME (LOSS)

Income		
NASD Special Member Payment	\$35,000.00	
Commissions on sales of mutual funds	\$3,637.83	
Total income		\$38,637.83
Expenses		
NASD fees	\$705.00	
Salary	\$3,637.83	
Total expenses		\$4,342.83
Net income		\$34,295.00

STATEMENT OF CHANGES IN SOLE PROPRIETORS CAPITAL

Net worth December 31, 2006	\$6,564.87	
Net worth December 31, 2007	\$11,189.87	
Net change in capital		\$4,625.00

COMPUTATION OF NET CAPITAL

Net worth	\$11,189.87
Net capital	\$11,189.87
Net capital required: \$5,000.00	

Since the firm deals in mutual funds only it is exempt from SEC Rule 15c3-3.

STATEMENT OF CASH FLOW

Cash on hand December 31, 2006	\$6,564.87
Commissions received	\$3,637.83
Fund transfer	\$330.00
NASD Special Member Payment	\$35,000.00
NASD fees and expenses	\$705.00
Bonus paid	\$30,000.00
Salary paid	\$3,637.83
Cash on hand December 31, 2007	\$11,189.87

There were no liabilities subordinated to claims of general creditors on December 31, 2006 or December 31, 2007.

JOHN MAGACS SEC File 8-14927 Annual Report 1/1/07 to 12/31/07

Claim for Exemption of Accountants Opinion

Per Section 240.17a-5(e)(2) financial statements and schedules contained herein are not covered by an opinion of an independent accountant because broker/dealers securities business consists solely of sales of investment company shares. All funds are payable directly to the investment company. Confirmations are sent directly to customers from the investment company. The above procedures are in accordance with Rule 240.15c3-1(a)(2)(vi) establishing activities of broker/dealers with minimum net capital of \$5,000.00.

END