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SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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

FEB 29 2008

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8- 40904

FACING PAGE

Washington, DC  
110

**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: Westport Resources Investment Services, Inc.

OFFICIAL USE ONLY  
FIRM I.D. NO.

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

315 Post Road West

(No. and Street)

Westport

Connecticut

06880

(City)

(State)

(Zip Code)

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

John A. Vaccaro

(203) 226-0222

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Dworken, Hillman, LaMorte & Sterczala, P.C.

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

Four Corporate Drive, Suite 488

Shelton

Connecticut

06484

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

PROCESSED

MAR 21 2008

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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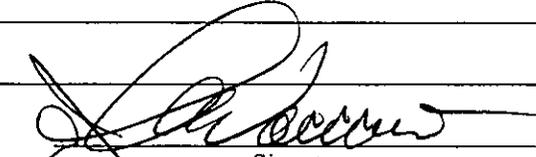
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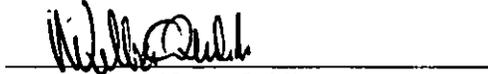
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OATH OR AFFIRMATION

I, John A. Vaccaro, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Westport Resources Investment Services, 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:

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

  
\_\_\_\_\_  
Signature  
CEO  
\_\_\_\_\_  
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 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).

*Financial Statements*

**WESTPORT RESOURCES INVESTMENT SERVICES, INC.**

*Report Pursuant to Rule 17a-5(d) of  
The Securities and Exchange Commission*

Years Ended December 31, 2007 and 2006

**WESTPORT RESOURCES INVESTMENT SERVICES, INC.**

Years Ended December 31, 2007 and 2006

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DWORKEN, HILLMAN, LAMORTE & STERCZALA, P.C.  
*Certified Public Accountants / Business Consultants*

JAMES G. COSGROVE, CPA  
WALTER R. FULTON, CPA  
ERIC N. HENDLIN, CPA  
WILLIAM C. LESKO, CPA  
PAUL M. STERCZALA, CPA  
JOSEPH A. VERRILLI, CPA

**Independent Auditors' Report**

**Shareholders**

Westport Resources Investment Services, Inc.  
Westport, Connecticut

We have audited the accompanying statements of financial condition of Westport Resources Investment Services, Inc. as of December 31, 2007 and 2006, and the related statements of operations, changes in shareholders' equity, and cash flows for the years then ended. 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 Westport Resources Investment Services, 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 performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying information on page 11 is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplemental information required by Rule 17a-5 of the Securities and Exchange Commission. Such information has been subjected to the auditing procedures applied in the audits 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 and in conformity with the rules of the Securities and Exchange Commission.

Shelton, Connecticut  
February 22, 2008

*Dworken, Hillman, Lamorte & Sterczala P.C.*

WESTPORT RESOURCES INVESTMENT SERVICES, INC.

STATEMENTS OF FINANCIAL CONDITION

	December 31,	
	<u>2007</u>	<u>2006</u>
<b>Assets</b>		
Cash and cash equivalents	\$510,862	\$369,817
Receivable from clearing broker	123,719	152,972
Income tax receivable	29,000	48,230
Securities owned - at market value (Note 3)	131,327	123,696
Equipment and improvements (Note 4)	16,402	16,657
Deferred income taxes	7,500	31,400
Other assets	<u>122,742</u>	<u>149,311</u>
<b>Total Assets</b>	<u>\$941,552</u>	<u>\$892,083</u>
<b>Liabilities and Shareholders' Equity</b>		
Liabilities:		
Accrued expenses and other liabilities	\$219,283	\$323,330
Due to affiliate (Note 2)	<u>190,789</u>	<u>17,067</u>
<b>Total Liabilities</b>	<u>410,072</u>	<u>340,397</u>
Commitments (Note 6)		
<b>Shareholders' equity:</b>		
Common stock, no par value; 5,000 shares authorized, issued and outstanding 404 shares	152,750	152,750
Retained earnings	<u>378,730</u>	<u>398,936</u>
<b>Total Shareholders' Equity</b>	<u>531,480</u>	<u>551,686</u>
<b>Total Liabilities and Shareholders' Equity</b>	<u>\$941,552</u>	<u>\$892,083</u>

See notes to financial statements.

WESTPORT RESOURCES INVESTMENT SERVICES, INC.

STATEMENTS OF OPERATIONS

	Year Ended December 31,	
	<u>2007</u>	<u>2006</u>
<b>Revenue:</b>		
Commissions	\$3,056,411	\$3,155,704
Interest income	43,916	23,570
Other income	<u>107,200</u>	<u>76,600</u>
	<u>3,207,527</u>	<u>3,255,874</u>
<b>Expenses:</b>		
Employee compensation	1,465,053	1,441,071
Commissions	1,009,443	1,057,447
Clearance costs	499,067	514,505
Office supplies and expenses	301,201	282,499
Professional fees (Note 7)	244,756	235,500
Travel and entertainment	121,102	129,238
Rent, occupancy and equipment costs	120,319	129,926
Pension expense (Note 5)	44,265	47,426
Regulatory fees	26,785	27,886
Quote services	16,518	18,991
Depreciation	12,103	12,455
Dues and subscriptions	9,778	25,999
Marketing and advertising	8,622	19,398
Contributions		11,525
Reimbursement for support services (Note 2)	<u>( 648,000)</u>	<u>( 568,000)</u>
	<u>3,231,012</u>	<u>3,385,866</u>
<b>Loss before provision for income taxes (benefit)</b>	<u>( 23,485)</u>	<u>( 129,992)</u>
<b>Provision for income taxes (benefit):</b>		
Current	( 27,179)	3,475
Deferred	<u>23,900</u>	<u>( 38,700)</u>
	<u>( 3,279)</u>	<u>( 35,225)</u>
<b>Net loss</b>	<u>(\$ 20,206)</u>	<u>(\$ 94,767)</u>

See notes to financial statements.

WESTPORT RESOURCES INVESTMENT SERVICES, INC.  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

	<u>Common Stock</u>	<u>Retained Earnings</u>	<u>Total</u>
<b>Balance, January 1, 2006</b>	\$152,750	\$493,703	\$646,453
Net loss	_____	( 94,767)	( 94,767)
<b>Balance, December 31, 2006</b>	152,750	398,936	551,686
Net loss	_____	( 20,206)	( 20,206)
<b>Balance, December 31, 2007</b>	<u>\$152,750</u>	<u>\$378,730</u>	<u>\$531,480</u>

*See notes to financial statements.*

WESTPORT RESOURCES INVESTMENT SERVICES, INC.

STATEMENTS OF CASH FLOWS

	Year Ended December 31,	
	<u>2007</u>	<u>2006</u>
<b>Cash flows from operating activities:</b>		
Net loss	(\$ 20,206)	(\$ 94,767)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	12,103	12,455
Deferred income tax expense (benefit)	23,900	( 38,700)
Changes in assets and liabilities:		
Receivable from clearing broker	29,253	113,124
Income tax receivable	19,230	( 8,330)
Due from affiliate		83,319
Other assets	26,569	( 34,271)
Accrued expenses and other liabilities	( 104,047)	16,931
Due to affiliate	<u>173,722</u>	<u>17,067</u>
Net cash provided by operating activities	<u>160,524</u>	<u>66,828</u>
<b>Cash flows from investing activities:</b>		
Purchase of securities	( 7,631)	( 8,111)
Capital expenditures	<u>( 11,848)</u>	<u>          </u>
Net cash used in investing activities	<u>( 19,479)</u>	<u>( 8,111)</u>
<b>Net change in cash and cash equivalents</b>	<b>141,045</b>	<b>58,717</b>
Cash and cash equivalents, beginning	<u>369,817</u>	<u>311,100</u>
<b>Cash and cash equivalents, ending</b>	<b><u>\$510,862</u></b>	<b><u>\$369,817</u></b>

*See notes to financial statements.*

WESTPORT RESOURCES INVESTMENT SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

Years Ended December 31, 2007 and 2006

1. **Description of the Company and summary of significant accounting policies:**

**Description of Company:**

Westport Resources Investment Services, Inc. (the Company) is registered as a broker-dealer in securities with the Securities and Exchange Commission and is a member of The Financial Industry Regulatory Authority (FINRA). In this capacity, it executes both principal transactions for itself and agency transactions for its customers. The Company conducts business primarily with other broker-dealers located in the tri-state area on behalf of its customers and for its own proprietary accounts. The Company's customers are located throughout the world.

In the normal course of its business, the Company enters into financial transactions where the risk of potential loss due to changes in market (market risk) or failure of the other party to the transaction to perform (credit risk) exceeds the amounts recorded for the transaction.

The Company's policy is to monitor its exposure continuously to market and counterparty risk using a variety of financial, position and credit exposure reporting and control procedures. In addition, the Company has a policy of reviewing the credit standing of each broker-dealer, clearing organization, customer and/or other counterparty with which it conducts business.

The Company introduces its customer transactions to a broker with whom it has a correspondent relationship for execution and clearance in accordance with the terms of a clearance agreement. In connection therewith, the Company has agreed to indemnify its clearing broker for losses that the clearing broker may sustain related to the Company's customers. As of December 31, 2007 and 2006, amounts were owed to the clearing broker by these customers, which were in connection with normal, delivery-against-payment, cash-account transactions. After December 31, 2007 and 2006, all amounts related to such transactions were received from customers. Securities purchased by customers in connection with those transactions are held by the clearing broker as collateral for the amounts owed.

**Significant accounting policies:**

**Securities transactions:**

Proprietary securities transactions in regular-way trades are recorded on the trade date, as if they had settled. Profit and loss arising from all securities transactions entered into for the account and risk of the Company are recorded on a trade date basis. Customers' securities transactions are reported on a settlement date basis with related commission income and expenses reported 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.

WESTPORT RESOURCES INVESTMENT SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

Years Ended December 31, 2007 and 2006

1. **Description of the Company and summary of significant accounting policies (continued):**

**Significant accounting policies (continued):**

**Estimates and assumptions:**

Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates used.

**Cash and cash equivalents:**

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. The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on cash and cash equivalents.

**Equipment and improvements:**

Equipment and improvements is carried at cost. Depreciation is provided by using the straight-line method over the estimated useful lives of the assets or the term of the underlying lease.

**Commissions:**

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

**Income taxes:**

Deferred income taxes are determined based on the difference between the financial statement and tax basis of assets and liabilities using tax rates expected to be in effect for the year in which the differences are expected to reverse. Temporary differences giving rise to deferred income taxes consist of accelerated methods of depreciation for income tax purposes and timing differences in the deductibility of certain expenses.

WESTPORT RESOURCES INVESTMENT SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

Years Ended December 31, 2007 and 2006

2. **Related party transactions:**

The Company and an affiliate through common ownership share personnel. The Company charged the affiliate \$648,000 in 2007 and \$568,000 in 2006 for these common expenses. The Company has a payable due to the affiliate of \$190,789 at December 31, 2007 and \$17,067 at December 31, 2006. The Company borrows and advances funds on an as needed basis with the affiliate. The borrowings are noninterest bearing and are due on demand.

3. **Securities owned:**

Marketable securities owned consist of trading securities, at market value, as follows:

	<u>2007</u>	<u>2006</u>
Cash and cash equivalents	\$116,033	\$109,707
Municipal bonds	<u>15,294</u>	<u>13,989</u>
	<u>\$131,327</u>	<u>\$123,696</u>

4. **Equipment and improvements:**

	<u>2007</u>	<u>2006</u>
Office equipment	\$71,801	\$59,954
Leasehold improvements	<u>13,161</u>	<u>13,161</u>
	84,962	73,115
Less accumulated depreciation	<u>68,560</u>	<u>56,458</u>
	<u>\$16,402</u>	<u>\$16,657</u>

5. **Employee benefits:**

The Company established a 401(k) Profit Sharing Plan (the "Plan") which covers substantially all employees. The Company matches 25% of every dollar a participant contributes up to 5% of annual compensation, as defined. The Company may make additional discretionary contributions as authorized. Contributions by the Company to the Plan were \$44,265 and \$47,426 in 2007 and 2006, respectively.

WESTPORT RESOURCES INVESTMENT SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

Years Ended December 31, 2007 and 2006

6. **Commitments:**

**Leases:**

The Company leases office space and equipment under noncancellable operating leases expiring through December 2011. The office lease contains a renewal option for up to five additional years and escalation clauses. Future minimum lease payments on these leases are as follows:

<u>Year ending December 31:</u>	
2008	\$168,800
2009	23,800
2010	23,800
2011	<u>19,500</u>
	<u>\$235,900</u>

Rent expense was \$84,400 and \$78,800 in 2007 and 2006, respectively, including \$3,700 and \$11,112 to a related party.

**Shareholders' agreement:**

The Company and its shareholders entered into an agreement whereby the Company has the right of first refusal to purchase stock from any shareholder wishing to sell. In addition, upon the death or disability of a shareholder, the Company has an obligation to repurchase the shareholder's stock. The Company also has the ability to assign its rights to non-selling shareholders.

Stock purchases will be calculated at the greater of book value or fair market value, as defined.

**Clearing agreement:**

The Company has a clearing agreement with National Financial Services through December 31, 2008. Early termination results in the assessment of a fee based on remaining time.

7. **Litigation settlement:**

During 2007 the Company settled a claim, brought by an investor of a security in which the Company was an underwriter, for \$225,000.

WESTPORT RESOURCES INVESTMENT SERVICES, INC.

**NOTES TO FINANCIAL STATEMENTS**

Years Ended December 31, 2007 and 2006

**8. Supplemental disclosure of cash flow information:**

Cash paid for income taxes totaled \$1,050 and \$36,950 for 2007 and 2006, respectively.

**9. Rule 15c3-3:**

The Company is exempt from the provisions of Rule 15c3-3 under paragraph (k)(2)(i) in that the Company carries no margin accounts, promptly transmits all customer funds and delivers all securities received, does not otherwise hold funds or securities for or owe money or securities to customers and effectuates all financial transactions on behalf of customers on a fully disclosed basis.

**10. Net capital requirements:**

The Company is subject to the Securities and Exchange Commission's Net Capital Rule 15c3-1, which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. At December 31, 2007 and 2006, the Company had net capital of \$341,818 and \$296,949, which exceeded the minimum requirement of \$100,000 by \$241,818 and \$196,949. The Company's net capital ratio was 1.20 to 1 in 2007 and 1.15 to 1 in 2006.

WESTPORT RESOURCES INVESTMENT SERVICES, INC.

COMPUTATION OF NET CAPITAL PURSUANT TO THE  
UNIFORM NET CAPITAL RULE 15c3-1

	December 31,	
	<u>2007</u>	<u>2006</u>
<b>Credits:</b>		
Shareholders' equity	<u>\$531,480</u>	<u>\$551,686</u>
<b>Less non-allowable assets:</b>		
Income tax receivable	29,000	48,230
Other assets	122,742	149,311
Deferred income tax asset	7,500	31,400
Property and equipment, net	<u>16,402</u>	<u>16,657</u>
	<u>175,644</u>	<u>245,598</u>
Net capital before haircuts on securities positions	355,836	306,088
Haircuts on securities positions	<u>14,018</u>	<u>9,139</u>
Net capital	341,818	296,949
Minimum net capital requirement (greater of 6.67% of aggregate indebtedness or \$100,000)	<u>100,000</u>	<u>100,000</u>
<b>Excess of net capital</b>	<u>\$241,818</u>	<u>\$196,949</u>
<b>Aggregate indebtedness:</b>		
Accrued expenses and other liabilities	\$219,283	\$323,330
Due to affiliates	<u>190,789</u>	<u>17,067</u>
Total aggregate indebtedness	<u>\$410,072</u>	<u>\$340,397</u>
<b>Ratio of total aggregate indebtedness to net capital</b>	<u>1.20 to 1</u>	<u>1.15 to 1</u>

*Note: There are no differences between the above calculation and the calculation included in the Company's unaudited Form X-17a-5 Part II A filing as of December 31, 2007, as amended.*

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*Report of Independent Auditors on  
Internal Controls Required by SEC Rule 17a-5*

**WESTPORT RESOURCES INVESTMENT SERVICES, INC.**

Year Ended December 31, 2007



DWORKEN, HILLMAN, LAMORTE & STERCZALA, P.C.  
*Certified Public Accountants / Business Consultants*

JAMES G. COSGROVE, CPA  
WALTER R. FULTON, CPA  
ERIC N. HENDLIN, CPA  
WILLIAM C. LESKO, CPA  
PAUL M. STERCZALA, CPA  
JOSEPH A. VERRILLI, CPA

**Report of Independent Auditors on  
Internal Controls Required by SEC Rule 17a-5**

Shareholders  
Westport Resources Investment Services, Inc.  
Westport, Connecticut

In planning and performing our audit of the financial statements of Westport Resources Investment Services, Inc. (the Company) as of and for the year ended December 31, 2007, in accordance with auditing standards generally accepted in the United States of America of America, we considered the Company'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 Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company'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 Company 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 (or aggregate debits) and 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 security accounts for customers or perform custodial functions relating to customer securities, 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 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 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 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 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 those 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, as described in the second paragraph, were adequate as of December 31, 2007 to meet the SEC's objectives.

This report is intended solely for the use of management, the SEC, The Financial Industry Regulatory Authority 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.

February 22, 2008  
Shelton, Connecticut

*Dworkin, Hillman, LaGrate & Strong P.C.*

END