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Washington, D.C. 20549

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

SEC FILE NUMBER
8-45039

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 01/01/2007 AND ENDING 12/31/2007
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Seolia Virgin Islands Securities Inc

OFFICIAL USE ONLY
FIRM I.D. NO.

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

2107 Crystal Gnd. 7A
(No. and Street)

St. Thomas VT 00802
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Thomas Conk 973 744 3307
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Horwath Velez + Co PSC
(Name - if individual, state last, first, middle name)

100 Carr. 165 Suite 410 Guaynabo, PR 00968
(Address) (City) (State) (Zip Code)

CHECK ONE:

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

FEB 28 2008

Washington, DC
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THOMSON
FINANCIAL

*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 (06-0?)

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AB
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OATH OR AFFIRMATION

I, Thomas Conk, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Sculia Virgin Islands Securities Inc, as of 31 December, 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:

ANTONIA VELAZQUEZ
NOTARY PUBLIC OF NEW JERSEY
4318
My Commission Expires May 05, 2011

Antonia Velazquez
Notary Public

Thomas Conk
Signature
Finance + Operations Principal
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 15c3-1 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).

SESLIA VIRGIN ISLANDS SECURITIES, INC.
(a subsidiary of Seslia & Company)

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED DECEMBER 31, 2007 AND 2006

SESLIA VIRGIN ISLANDS SECURITIES, INC.
(a subsidiary of Seslia & Company)

YEARS ENDED DECEMBER 31, 2007 AND 2006

CONTENTS

	Page
Independent auditors' report	1
Financial statements:	
Balance sheets	2
Statements of operations and comprehensive income (loss)	3
Statements of changes in stockholders' equity	4
Statements of cash flows	5
Notes to financial statements	6-11
Independent auditors' report on supplementary information	12
Supplementary information:	
Schedule I - Schedules of general and administrative expenses	13
Schedule II - Schedules of computation of net capital	14
Schedule III - Schedules of compliance items	15



Horwath Vélez & Co. PSC

Certified Public Accountants / Business Advisors

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Guaynabo, PR 00968-8051

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Web Site www.horwathpr.com

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Seslia Virgin Islands Securities, Inc.
St. Thomas, U.S. Virgin Islands

We have audited the accompanying balance sheets of **Seslia Virgin Islands Securities, Inc.** (a Virgin Islands Corporation and a subsidiary of Seslia & Company) as of December 31, 2007 and 2006 and the related statements of operations and comprehensive income (loss), changes in stockholders' 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 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 financial statements, 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 **Seslia Virgin Islands Securities, Inc.** as of December 31, 2007 and 2006 and the results of its operations and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Horwath Vélez & Co. PSC

February 26, 2008
License No. 16
San Juan, Puerto Rico

Stamp number 2303593 was
affixed to the original of this
report.

SESLIA VIRGIN ISLANDS SECURITIES, INC.
(a subsidiary of Seslia & Company)

BALANCE SHEETS - DECEMBER 31, 2007 AND 2006

ASSETS

	2007	2006
Current assets:		
Cash	\$ 189,545	\$ 111,307
Accounts receivable	18,152	33,134
Due from parent	34,410	56,434
Prepaid expenses	15,794	12,708
Total current assets	257,901	213,583
Property and equipment	2,497	6,372
Investment in marketable securities	41,563	72,191
	\$ 301,961	\$ 292,146

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:		
Current portion of long-term debt	\$ 2,402	\$ 2,318
Accounts payable	36,562	12,330
Accrued liabilities	43,087	20,641
Total current liabilities	82,051	35,289
Long-term debt	4,207	6,643
Stockholders' equity	215,703	250,214
	\$ 301,961	\$ 292,146

See notes to financial statements.

SESLIA VIRGIN ISLANDS SECURITIES, INC.
(a subsidiary of Seslia & Company)

STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

YEARS ENDED DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
Revenues:		
Fees income	\$ 761,617	\$ 728,607
Other income, NASD distribution	35,000	-
Total revenues	<u>796,617</u>	<u>728,607</u>
Operating expenses:		
Fees and commissions	284,561	254,501
General and administrative	546,036	435,236
Depreciation	3,873	5,525
Total operating expenses	<u>834,470</u>	<u>695,262</u>
Income (loss) from operations	(37,853)	33,345
Other income:		
Interest and dividends	9,235	9,321
Income (loss) before income taxes and comprehensive income (loss)	<u>(28,618)</u>	<u>42,666</u>
Income taxes:		
Current, assuming no carryforward benefits	-	(7,922)
Deferred assets from losses reported	4,026	-
Benefit of loss carryforward	-	7,922
Change in valuation allowance	(4,026)	-
	<u>-</u>	<u>-</u>
Net income (loss)	(28,618)	42,666
Other comprehensive income (loss):		
Net unrealized income (loss) on investment in marketable securities	(5,893)	4,101
Comprehensive income (loss)	<u><u>\$(34,511)</u></u>	<u><u>\$ 46,767</u></u>

See notes to financial statements.

SESLIA VIRGIN ISLANDS SECURITIES, INC.
(a subsidiary of Seslia & Company)

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

YEARS ENDED DECEMBER 31, 2007 AND 2006

	Common stock	Additional paid-in capital	Retained earnings (accumulated deficit)	Accumulated other comprehensive income (loss)	Total
Balance at January 1, 2006	\$ 41,314	\$ 175,995	\$(6,947)	\$(6,915)	\$ 203,447
Net income	-	-	42,666	-	42,666
Other comprehensive income	-	-	-	4,101	4,101
Balance at January 1, 2007	41,314	175,995	35,719	(2,814)	250,214
Net loss	-	-	(28,618)	-	(28,618)
Other comprehensive loss	-	-	-	(5,893)	(5,893)
Balance at December 31, 2007	<u>\$ 41,314</u>	<u>\$ 175,995</u>	<u>\$ 7,101</u>	<u>\$(8,707)</u>	<u>\$ 215,703</u>

See notes to financial statements.

SESLIA VIRGIN ISLANDS SECURITIES, INC.
(a subsidiary of Seslia & Company)

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2007 AND 2006

	2007	2006
Cash flows from operating activities:		
Net income (loss)	\$(28,618)	\$ 42,666
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Realized loss on trading securities	950	-
Depreciation	3,875	5,525
Decrease (increase) in:		
Accounts receivable	14,982	(9,942)
Prepaid expenses	(3,086)	(503)
Due from related parties	22,024	(39,286)
Increase (decrease) in:		
Accounts payable	24,232	2,666
Accrued liabilities	22,448	4,228
Total adjustments	85,425	(37,312)
Net cash provided by operating activities	56,807	5,354
Cash flows provided by (used in) investing activities;		
proceeds from sale of marketable securities	23,783	-
Cash flows from financing activities; principal		
payments on long-term debt	(2,352)	(2,241)
Net increase in cash	78,238	3,113
Cash, beginning	111,307	108,194
Cash, ending	\$ 189,545	\$ 111,307

Supplemental disclosure of cash flows information

Interest paid	\$ 288	\$ 399
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See notes to financial statements.

SESLIA VIRGIN ISLANDS SECURITIES, INC.
(a subsidiary of Seslia & Company)

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2007 AND 2006

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of business:

The Company (a 95% owned subsidiary of Seslia & Company) was organized on April 30, 1992 to engage in and carry on a general securities brokerage, investment, and financial consulting business.

Revenues and expenses:

The Company main source of income arise from its commissions earned on purchase and sale of securities. Commissions and related clearing expenses are recorded on a settlement date basis. General and administrative expenses are charged to operations as incurred.

Use of estimates:

The preparation of financial statements in conformity with 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 related disclosure at the dates of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Because of uncertainties inherent in the estimation process, it is possible that the actual results could differ from those estimates.

Concentration of credit risk:

The Company maintains its cash deposits in high credit financial institutions. Accordingly, the Company's management believes the Company is not exposed to any significant credit risk on its deposits.

The Company is engage in various trading and brokerage activities in which counterparties primarily include broker-dealers, banks and other financial institutions. In the event counterparties do not fulfill its obligations, the Company may be exposed to credit risk. The risk of default depends on the credit worthiness of the counterparty or issuer of the instrument. Management believes that the above concentration of credit risk do not represent a material risk loss with respect to the Company's financial position as of December 31, 2007.

At times, the Company provides advances to parent. The Company foresees no significant credit risk from the realization of the resulting receivable.

Cash equivalents:

The Company considers short-term highly liquid cash investments purchased with an original maturity of three months or less, to be cash equivalents.

SESLIA VIRGIN ISLANDS SECURITIES, INC.
(a subsidiary of Seslia & Company)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED DECEMBER 31, 2007 AND 2006

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Property and equipment:

Property and equipment are stated at cost. Depreciation is being provided by using the straight-line method over the estimated useful life of the related assets. The Company records impairments losses on long-lived assets used in operations when indicators of impairments are present. Based on current estimates, management does not believe impairment of the operating property is present.

Investment in marketable securities:

The Company classifies the investments in marketable securities as available for sale in accordance with the provisions of Statement of Financial Accounting Standards No. 115, *Accounting for Certain Investments in Debt and Equity Securities*. This statement addresses accounting and reporting for investments in equity securities that have readily determinable fair values and for all investments in debt securities. It requires that investments classified as held to maturity be reported at amortized cost, those classified as trading securities be reported at fair value, with unrealized gains and losses included in earnings, and those classified as available for sale be reported at fair value, with unrealized gains and losses, net of taxes, reported as a net amount in other comprehensive income.

Realized gains and losses on sale of these securities are determined using the specific-identification method. Other than temporary impairment, if any, on investments classified as available for sale and held to maturity are reported separately in the statements of income and retained earnings. If the decline in fair value is judged to be other than temporary, the cost basis of the individual security shall be written down to fair value as a new cost basis. The new cost basis shall not be changed for subsequent recoveries in fair value. Premium amortization and discount accretion are recognized in interest income using a method, which approximates the interest method over the period to maturity. Investments are classified as current or noncurrent based on the Company's intention to hold the securities and their maturity dates.

Advertising:

Advertising is charge to expense as incurred. Advertising expenses for the years ended December 31 2007 and 2006 amounted to \$11,426 and \$6,045, respectively.

SESLIA VIRGIN ISLANDS SECURITIES, INC.
(a subsidiary of Seslia & Company)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED DECEMBER 31, 2007 AND 2006

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Income taxes:

The Company accounts for income taxes under the provisions of SFAS No. 109, *Accounting for Income Taxes*. This statement requires an asset and liability approach in accounting for income taxes, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences attributable to differences between tax bases of assets and liabilities and their reported amounts in the financial statements. An allowance is recognized for any deferred tax asset for which, based on management's evaluation, it is more likely than not, that some portion or all of the deferred tax asset will not be realized. As of December 31, 2007 and 2006, the resulting deferred tax asset from available carryforwards and losses has been fully allowed.

Reclassifications:

Certain 2006 balances have been reclassified to conform to the current year presentation.

2. RELATED PARTIES:

The most significant transactions with related parties consist of the following:

	2007	2006
Management fees charged by Parent Company	\$ 34,800	\$ 32,400
Allocation of rent expense charged by Parent Company	\$ 30,000	\$ 36,300

The balance due from parent is due in normal course of business. Said balance is unsecured and bears no interest.

3. PROPERTY AND EQUIPMENT:

	2007	2006
Equipment	\$ 51,462	\$ 51,462
Furniture	26,499	26,499
	77,961	77,961
Less accumulated depreciation	(75,464)	(71,589)
	\$ 2,497	\$ 6,372

SESLIA VIRGIN ISLANDS SECURITIES, INC.
(a subsidiary of Seslia & Company)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED DECEMBER 31, 2007 AND 2006

4. INVESTMENT IN MARKETABLE SECURITIES:

The cost, fair value, and unrealized gain (loss) on investment in marketable securities for the years ended December 31, 2007 and 2006 follows:

	<u>Cost</u>	<u>Fair market value</u>	<u>Unrealized gain (loss)</u>
<u>December 31, 2007</u>			
Mutual funds	\$ 20,037	\$ 14,773	\$(5,264)
Preferred stocks	30,268	26,790	(3,478)
	\$ 50,305	\$ 41,563	\$(8,742)
<u>December 31, 2006</u>			
Mutual funds	\$ 20,037	\$ 17,959	\$(2,078)
Preferred stocks	54,968	54,232	(736)
	\$ 75,005	\$ 72,191	\$(2,814)

5. LONG-TERM DEBT:

	<u>2007</u>	<u>2006</u>
Term loan, payable to a financial institution; bearing interest at approximately 4%, due in monthly installments of \$220 including interest through August 2010; guaranteed by certain fixed assets	\$ 6,609	\$ 8,961
Less current portion	(2,402)	(2,318)
	\$ 4,207	\$ 6,643

As of December 31, 2007, the aggregate annual maturities of long-term debt follows:

<u>Year ending December 31,</u>	<u>Amount</u>
2008	\$ 2,402
2009	2,492
2010	1,715
	\$ 6,609

SESLIA VIRGIN ISLANDS SECURITIES, INC.
(a subsidiary of Seslia & Company)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED DECEMBER 31, 2007 AND 2006

6. STOCKHOLDER'S EQUITY:

The Company is authorized to issue 10,000 common stock shares, with no par value. As of December 31, 2007 and 2006, 1,081 shares were outstanding.

7. INCOME TAXES:

The reconciliation between results of operations per financial statements and per tax return follows:

	2007	2006
Net income (loss) before taxes per financial statements	\$(28,618)	\$ 42,666
Add reconciling items:		
Depreciation	1,903	1,903
Meals and entertainment expense	1,241	946
Loss on investments	950	-
Contributions	123	2,500
Net income (loss) per tax return	\$(24,401)	\$ 48,015

As of December 31, 2007, the Company has available operating losses carryforward that maybe applied against future taxable expiring as follows:

<u>Year ending</u> <u>December 31,</u>	<u>Amount</u>
2025	\$ 32,953
2028	24,401
	\$ 57,354

8. RENTAL COMMITMENTS:

The Company leases from Parent Company its office facilities under a noncancelable operating lease agreement expiring August 2010. In addition, under a verbal agreement, the Parent Company charges 80% of the Parent Company's home office rental charges. Rent expense for the years ended December 31, 2007 and 2006 amounted to \$30,000 and \$36,300, respectively. Future minimum lease payments required under the long-term operating lease agreement at December 31, 2007 are as follows:

<u>Year ending</u> <u>December 31,</u>	<u>Amount</u>
2003	\$ 30,000
2003	30,000
2010	20,000
	\$ 80,000

**SESLIA VIRGIN ISLANDS SECURITIES, INC.
(a subsidiary of Seslia & Company)**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED DECEMBER 31, 2007 AND 2006

9. EMPLOYEE BENEFIT PLANS:

The Company maintains a defined contribution pension plan covering substantially all employees meeting minimum eligibility requirements. The pension contribution is determined using a specified formula applied to each eligible employee's contribution. Pension expense for the years ended December 31, 2007 and 2006 amounted to \$9,212 and \$6,185, respectively.



Horwath Vélez & Co. PSC

Certified Public Accountants / Business Advisors

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Guaynabo, PR 00968-8051

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Web Site www.horwathpr.com

**INDEPENDENT AUDITORS' REPORT ON
SUPPLEMENTARY INFORMATION**

Board of Directors
Seslia Virgin Islands Securities, Inc.
St. Thomas, Virgin Islands

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole, which are presented in the preceding section of this report. The supplementary information contained in Schedule I, II, and III is presented for purposes of additional analysis and is not a required part of the basic financial statement, but Schedules II and III contain 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.

Horwath Vélez & Co. PSC

February 26, 2008
License No. 16
San Juan, Puerto Rico

Stamp number 2303594 was
affixed to the original of this
report.

SESLIA VIRGIN ISLANDS SECURITIES, INC.
(a subsidiary of Seslia & Company)

SCHEDULE - I
SCHEDULES OF GENERAL AND ADMINISTRATIVE EXPENSES

YEARS ENDED DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
Salaries	\$ 195,996	\$ 126,268
Management fees	34,800	32,400
Employees benefits	63,091	65,879
Gross receipts taxes	19,285	18,379
Rent	30,000	36,300
Professional fees:	29,499	29,174
Payroll taxes	25,789	23,754
Travel	12,602	7,186
Telephone	19,929	22,436
Advertising	11,426	6,045
Dues and subscriptions	13,345	14,968
Supplies	14,286	4,455
Postage	7,652	9,190
Fines and penalties	17,500	-
Repairs and maintenance	7,789	5,667
Pension plan	9,212	6,185
Meals and entertainment	2,481	1,893
Board meetings	7,200	-
Utilities	8,152	9,023
Training and educations	20	312
Insurance	7,404	4,763
Contributions	123	2,500
Equipment lease	-	3,006
Bank fees	903	1,549
Miscellaneous	7,552	3,904
	<u>\$ 546,036</u>	<u>\$ 435,236</u>

SESLIA VIRGIN ISLANDS SECURITIES, INC.
(a subsidiary of Seslia & Company)

SCHEDULE - II
SCHEDULES OF COMPUTATION OF NET CAPITAL

YEARS ENDED DECEMBER 31, 2007 AND 2006

	2007	2006
Net capital:		
Total stockholders' equity qualified for net capital	\$ 215,703	\$ 250,214
Deductions and/or charges:		
Non-allowable assets furniture and equipment	(2,497)	(6,372)
Other assets	(15,794)	(12,708)
Due from parent company	(34,410)	(56,434)
Receivables over 30 days old	(18,153)	(17,821)
	(70,854)	(93,335)
Net capital before haircuts on securities positions	144,849	156,879
Haircuts on securities (computed where applicable), pursuant to Rule 15c-3-1(f):		
Trading and investment securities:		
Other securities	(6,234)	(12,323)
Other	-	-
	(6,234)	(12,323)
	\$ 138,615	\$ 144,556
Aggregate indebtedness:		
Items included in consolidated statement of financial condition	\$ -	\$ -
Other liabilities	86,258	41,932
	86,258	41,932
Computation of basic net capital requirement:		
Minimum net capital required	\$ 5,000	\$ 5,000
Excess net capital at 100%	\$ 133,615	\$ 139,556
Ratio, aggregate indebtedness of net capital	65%	30%

SESLIA VIRGIN ISLANDS SECURITIES, INC.
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SCHEDULE - III
SCHEDULES OF COMPLIANCE ITEMS

YEARS ENDED DECEMBER 31, 2007 AND 2006

- No material inadequacies were found during the audit of Seslia Virgin Islands Securities, Inc.
- A Statement of Changes in Liabilities Subordinated to General Creditors was not included in the financial statement presentation, as Seslia Virgin Islands Securities, Inc. did not have any subordinated liabilities to General Creditors at December 31, 2007 and 2006 or during those calendar years.
- Reconciliation of unaudited computation of net capital to audited computation of net capital at December 31, 2007 and 2006 are as follows:

	<u>2007</u>	<u>2006</u>
Unaudited net capital:		
Focus - IIS Report	\$ 156,115	\$ 144,556
FINRA	<u>(17,500)</u>	<u>-</u>
	<u>\$ 138,615</u>	<u>\$ 144,556</u>

- A statement concerning reserve requirements and information relating to possession or control requirements was not included in the financial statements presentation since Seslia Virgin Islands Securities, Inc. is exempt from this requirement.

END