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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**

SEC FILE NUMBER
8- 67489

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 6/1/07 AND ENDING 5/31/08
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: VRA Partners, LLC
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
3414 Peachtree Road, NE, Suite 1125

OFFICIAL USE ONLY
FIRM I.D. NO.

(No. and Street)
Atlanta GA 30326
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
404-835-1000
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Frazier & Deeter, LLC
(Name - if individual, state last, first, middle name)
600 Peachtree Street, Suite 1900 Atlanta GA 30308
(Address) (City) (State) (Zip Code)

CHECK ONE:

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

PROCESSED
AUG 11 2008
THOMSON REUTERS

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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)

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OATH OR AFFIRMATION

I, Douglas J. McCartney, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of VRA Partners, LLC, as of May 31, 2008, 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:

Douglas J. McCartney
Signature
Managing Director
Title

Betty Evans
Notary Public

Betty Evans
Notary Public
Fulton County
State Of Georgia

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) Independent Auditors' Report on Internal Accounting Control.

My Comm. Exp 3-27-12

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



FRAZIER & DEETER, LLC
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

600 Peachtree Street, N.E., Suite 1900, Atlanta, Georgia 30308
main 404.253.7500 fax 404.253.7501 www.frazierdeeter.com

INDEPENDENT AUDITORS' REPORT

To the Managers and Members
VRA Partners, LLC
Atlanta, Georgia

We have audited the accompanying statements of financial condition of VRA Partners, LLC as of May 31, 2008 and 2007, and the related statements of operations, members' 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 U.S. generally accepted auditing standards. 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 VRA Partners, LLC as of May 31, 2008 and 2007, and the results of its operations and its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

Our audits were conducted for the purpose of forming our opinion on the basic financial statements taken as a whole. The information contained in Schedules I and II is presented for purposes of additional analysis and is not a required part of the basic financial statements but is 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 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.

July 24, 2008

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VRA PARTNERS, LLC

Statements of Financial Condition

	Assets	
	May 31.	
	2008	2007
Cash and cash equivalents	\$ 3,064,855	\$ 2,568,566
Accounts receivable	70,000	27,261
Prepaid expenses and other assets	55,746	52,115
Note receivable	-	500,000
Interest receivable	-	4,603
Deposits	64,346	64,346
Property and equipment, net	78,724	123,858
Total Assets	<u>\$ 3,333,671</u>	<u>\$ 3,340,749</u>
Liabilities and Members' Equity		
Accounts payable	\$ 11,697	\$ 21,115
Accrued bonuses	473,500	340,500
Accrued vacation	17,075	35,004
Accrued supervisory fees	3,750	51,500
Dividends payable	160,000	169,733
Deferred revenue	426,250	212,500
Deferred rent	32,198	40,263
Capital lease obligation	7,854	52,119
Total liabilities	<u>1,132,324</u>	<u>922,734</u>
Commitments and contingencies	-	-
Members' Equity:		
Series A contingently redeemable preferred units (no par value; 120 units authorized, issued, and outstanding)	2,877,587	2,841,847
Common units, no par value; 650,000 units authorized, 500,000 units issued, and outstanding	-	-
Additional paid-in capital	172,958	448,698
Accumulated deficit	(849,198)	(872,530)
Total members' equity	<u>2,201,347</u>	<u>2,418,015</u>
Total Liabilities and Members' Equity	<u>\$ 3,333,671</u>	<u>\$ 3,340,749</u>

See notes to financial statements.

VRA PARTNERS, LLC

Statements of Operations

	<i>For the Years Ended May 31,</i>	
	<u>2008</u>	<u>2007</u>
Financial advisory fees	<u>\$ 3,655,234</u>	<u>\$ 1,522,697</u>
Operating expenses:		
Employee compensation and benefits	2,081,788	1,566,311
Rent	190,354	141,976
Legal and professional	19,025	135,910
Travel	167,878	93,346
Supervisory services fee	137,188	82,750
Advertising	63,350	60,731
Insurance	74,466	49,824
Depreciation and amortization	51,339	34,145
Other operating expenses	<u>462,446</u>	<u>317,662</u>
Total operating expenses	<u>3,247,834</u>	<u>2,482,655</u>
Operating income (loss)	<u>407,400</u>	<u>(959,958)</u>
Other income (expense):		
Interest expense	(3,107)	(5,072)
Interest income	140,793	86,000
Other income	<u>44,750</u>	<u>6,500</u>
Total other income	<u>182,436</u>	<u>87,428</u>
Net income (loss)	<u>\$ 589,836</u>	<u>\$ (872,530)</u>

See notes to financial statements.

VRA PARTNERS, LLC

Statements of Members' Equity

For the Years Ended May 31, 2008 and 2007

	Series A Preferred Units	Amount	Common Units	Common Amount	Additional Paid-in Capital	Accumulated Deficit	Total
Balance, June 1, 2006 (date of inception)	-	\$ -	-	\$ -	\$ -	\$ -	\$ -
Issuance of Series A Contingently Redeemable Preferred Units	120	2,841,847	-	-	-	-	2,841,847
Issuance of common units	-	-	500,000	500,000	500,000	-	500,000
Issuance of common unit warrants	-	-	-	-	142,011	-	142,011
Accretion of Series A preferred units	-	-	-	-	(23,580)	-	(23,580)
Dividends declared on Series A preferred units	-	-	-	-	(169,733)	-	(169,733)
Net loss	-	-	-	-	-	(872,530)	(872,530)
Balance, May 31, 2007	120	2,841,847	500,000	500,000	448,698	(872,530)	2,418,015
Accretion of Series A preferred units	-	35,740	-	-	(35,740)	-	-
Dividends declared on Series A preferred units	-	-	-	-	(240,000)	-	(240,000)
Tax distributions to unit holders	-	-	-	-	-	(566,504)	(566,504)
Net income	-	-	-	-	-	589,836	589,836
Balance, May 31, 2008	120	\$ 2,877,587	500,000	\$ 500,000	\$ 172,958	\$ (849,198)	\$ 2,201,347

See notes to financial statements.

VRA PARTNERS, LLC

Statements of Cash Flows

	<i>For the Years Ended May 31,</i>	
	<u>2008</u>	<u>2007</u>
<u>Cash flows from operating activities:</u>		
Net income (loss)	\$ <u>589,836</u>	\$ <u>(872,530)</u>
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	51,339	34,145
Straight-line rent adjustment	(8,065)	40,263
Changes in assets and liabilities:		
Accounts receivable	(42,739)	(27,261)
Prepaid expenses and other assets	(3,631)	(52,115)
Note receivable	500,000	(500,000)
Interest receivable	4,603	(4,603)
Deposits	-	(64,346)
Accounts payable	(9,418)	21,115
Accrued bonuses	133,000	340,500
Accrued vacation	(17,929)	35,004
Accrued supervisory fees	(47,750)	51,500
Deferred revenue	<u>213,750</u>	<u>212,500</u>
Net cash provided by (used in) operating activities	<u>1,362,996</u>	<u>(785,828)</u>
<u>Cash flows from investing activities:</u>		
Acquisition of property and equipment	<u>(6,205)</u>	<u>(47,849)</u>
Net cash used in investing activities	<u>(6,205)</u>	<u>(47,849)</u>
<u>Cash flows from financing activities:</u>		
Payments on capital lease obligation	(44,265)	(58,035)
Issuance of common units	-	500,000
Issuance of Series A preferred units, net of issuance costs	-	2,960,278
Dividend payments	(249,733)	-
Tax distributions to unitholders	<u>(566,504)</u>	<u>-</u>
Net cash (used in) provided by financing activities	<u>(860,502)</u>	<u>3,402,243</u>
Net increase in cash	496,289	2,568,566
Cash and cash equivalents, beginning of year	<u>2,568,566</u>	<u>-</u>
Cash and cash equivalents, end of year	<u>\$ 3,064,855</u>	<u>\$ 2,568,566</u>

See notes to financial statements.

VRA PARTNERS, LLC

Statements of Cash Flows - Continued

	<i>For the Years Ended May 31,</i>	
	<u>2008</u>	<u>2007</u>
Supplemental Disclosure of Cash Flow Information:		
Cash paid for interest on capital lease obligation	<u>\$ 3,107</u>	<u>5,072</u>
Supplemental Disclosure of Noncash Investing and Financing Transactions:		
Allocation of proceeds from the issuance of the Series A preferred units to common unit warrants	<u>\$ -</u>	<u>\$ 142,011</u>
Accretion of Series A preferred units to their redemption value	<u>\$ 35,740</u>	<u>\$ 23,580</u>
Accrued dividends on Series A preferred units	<u>\$ 160,000</u>	<u>\$ 169,733</u>
Equipment acquired under a capital lease	<u>\$ -</u>	<u>\$ 110,154</u>

See notes to financial statements.

VRA PARTNERS, LLC

Notes to Financial Statements

May 31, 2008 and 2007

Note 1 - Description of business and summary of significant accounting policies:

Nature of business

VRA Partners, LLC, a limited liability company, (the Company) was formed in the State of Georgia on June 1, 2006. The Company is an investment bank focused on providing merger and acquisition services to middle-market companies and private equity firms. VRA Partners also assists companies with raising capital for growth, acquisitions, recapitalizations, going-private and management buy-out transactions, as well as provides fairness opinions, valuations and strategic advisory services. The Company became a broker-dealer registered with the Securities and Exchange Commission (SEC) on May 18, 2007 and is a member of the Financial Industry Regulatory Authority (FINRA).

The following accounting policies are presented to assist the reader in understanding the financial statements of the Company:

Cash and cash equivalents

Cash and cash equivalents include cash on hand and cash invested in short-term securities which have original maturities of less than 90 days.

Accounts receivable

Accounts receivable are recorded at the invoiced amount and do not bear interest. The allowance for doubtful accounts is the Company's best estimate of the amount of probable credit losses in the Company's existing accounts receivable. The Company determines the allowance based on historical write off experience by industry and other economic data. The Company reviews its allowance for doubtful accounts monthly. Past due balances over 90 days and over a specified amount are reviewed individually for collectibility. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. The Company has reviewed the accounts receivable at May 31, 2008 and 2007 and determined that an allowance for doubtful accounts is not needed at that date.

Property and equipment

Property and equipment are stated at cost. Equipment under capital leases are stated at the lower of fair value or present value of minimum lease payments at the date of acquisition.

VRA PARTNERS, LLC

Notes to Financial Statements - Continued

May 31, 2008 and 2007

Note 1 - Description of business and summary of significant accounting policies - continued:

Property and equipment - continued

Depreciation on property and equipment is calculated on the straight-line method over the estimated useful lives of the assets. The estimated useful lives of property and equipment range from three to seven years. Equipment held under capital lease is amortized on the straight-line method over the shorter of the lease term or estimated useful life of the asset.

Revenue recognition and deferred revenue

The Company earns revenue through various investment banking activities primarily as an advisor in mergers and acquisitions and similar transactions. Private placement fees are earned at the time the private placement is completed and the related fee is reasonably determinable. Merger and acquisition fees and other advisory service revenues are generally earned and recognized only upon successful completion of the engagement. Certain of the Company's engagements are structured with an up-front, non-refundable retainer. As the client has an expectation of an ongoing service arrangement until the completion of the engagement, the Company has determined that the retainer should be deferred and amortized over the estimated engagement period, if estimable. If the engagement period can not be estimated, the Company defers the entire amount of the retainer until such time as the engagement is complete or the engagement period can be estimated. Any changes in the estimated service period would be accounted for as a change in estimate, and the remaining deferred revenue would be recognized over the remaining period. Should an engagement end sooner than estimated, any remaining deferred revenue is recognized as revenue at that time.

Revenue includes reimbursements of travel and out-of-pocket expenses which is recognized in accordance with EITF 01-14, *Income Statement Characterization of Reimbursements Received for Out-of-Pocket Expenses Incurred*.

Deferred rent

Deferred rent represents the cumulative difference between rent expense recognized on the straight-line method and actual rent paid.

VRA PARTNERS, LLC

Notes to Financial Statements - Continued

May 31, 2008 and 2007

Note 1 - Description of business and summary of significant accounting policies - continued:

Contingently redeemable Series A preferred units

During fiscal 2007, the Company issued 120 contingently redeemable Series A preferred units for \$3,000,000. The issuance has been reviewed and analyzed in accordance with SFAS No. 150, *Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity* (SFAS 150). As more fully described in Note 6, the Series A preferred units are contingently redeemable at the option of the holders on or after the fifth anniversary of the issuance of the Series A preferred units. The carrying value of contingently redeemable Series A preferred units is increased by periodic accretion to account for issuance costs and the allocation of proceeds to the common unit warrants. These increases are effected through charges against additional paid-in capital.

Advertising expense

The Company expenses all advertising costs as incurred. Advertising costs were \$63,350 and \$60,731 for the years ended May 31, 2008 and 2007, respectively.

Income taxes

The Company is organized as a limited liability company and has elected to be treated as a partnership for federal income tax purposes. The income and losses of the Company are included in the members' personal income tax returns. Consequently, the Company's income or loss is presented without a provision or credit for federal and state income taxes. The Company's income or loss is allocated to members in accordance with the operating agreement.

Concentration of credit risk

The Company maintains its cash and cash equivalents in accounts that may exceed federally-insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to significant credit risk on cash.

VRA PARTNERS, LLC

Notes to Financial Statements - Continued

May 31, 2008 and 2007

Note 1 - Description of business and summary of significant accounting policies - continued:

Use of estimates

The preparation of 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 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.

Impact of recently issued statements

In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurements* (SFAS No. 157). SFAS No. 157 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. This statement applies to other accounting pronouncements that require or permit fair value measurements in which the FASB previously concluded that fair value is the relevant measurement attribute. The new statement does not require any new fair value measurements. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. SFAS No. 157 will become effective in the first quarter of 2008. The Company does not expect there will be a material impact from the adoption of this statement on its results of operations or financial position.

Note 2 - Note receivable:

In connection with a merger and acquisition advisory engagement, the Company received a fee which included a \$500,000 note receivable. The note provided for interest to accrue at a fixed rate of 12% per annum with principal and accrued interest due on November 4, 2007. The note plus accrued interest was paid in full on October 30, 2007.

VRA PARTNERS, LLC

Notes to Financial Statements - Continued

May 31, 2008 and 2007

Note 3 - Property and equipment:

Property and equipment consists of the following at May 31:

	<u>2008</u>	<u>2007</u>
Office equipment	\$ 141,420	\$ 137,321
Furniture and fixtures	<u>20,682</u>	<u>20,682</u>
	162,102	158,003
Less: Accumulated depreciation and amortization	<u>(83,378)</u>	<u>(34,145)</u>
	<u>\$ 78,724</u>	<u>\$ 123,858</u>

The Company has office equipment under a capital lease with a cost basis of approximately \$110,100 and accumulated amortization of \$64,226 and \$30,598 at May 31, 2008 and 2007, respectively. Amortization expense is included in depreciation and amortization in the statements of operations for the years ended May 31, 2008 and 2007.

Note 4 - Deferred rent and rentals under operating leases:

The Company's office lease provides for rent deferrals and contains escalations in rental payments over the term of the lease and expires on October 31, 2010. The Company recognizes rent expense on a straight-line basis over the lease term. Deferred rent represents the cumulative difference between the rent expense recognized on the straight-line basis and actual rent paid.

A summary of deferred rent is as follows as of May 31:

	<u>2008</u>	<u>2007</u>
Rent expense recognized on a straight-line basis since the inception of the lease	\$ 301,917	\$ 133,095
Rent paid since the inception of the lease	<u>269,719</u>	<u>92,832</u>
	<u>\$ 32,198</u>	<u>\$ 40,263</u>

VRA PARTNERS, LLC

Notes to Financial Statements - Continued

May 31, 2008 and 2007

Note 4 - Deferred rent and rentals under operating leases - continued:

Rent expense under operating leases was \$190,354 and \$141,925 for the years ended May 31, 2008 and 2007, respectively. The future minimum lease payments under a non-cancelable operating lease at May 31, 2008 is as follows:

<u>Year ending May 31,</u>	
2009	\$ 190,773
2010	190,962
2011	<u>79,792</u>
	<u>\$ 461,527</u>

Note 5 - Capital lease obligation:

The Company leases equipment under a non-cancelable capital lease expiring in July 2008. As of May 31, 2008, the Company's remaining obligation under the lease was \$7,894 which included interest of \$94.

Note 6 - Contingently redeemable Series A preferred units and common stock warrants:

During fiscal year 2007, the Company issued 120 contingently redeemable Series A preferred units (Series A Preferred Units) at \$25,000 per unit for gross proceeds of \$3,000,000.

Redemption feature

Subsequent to the fifth anniversary date of the initial issuance of the Series A Preferred Units, the holders may redeem the outstanding Series A Preferred Units at an amount equal to the preferred unit holders' unrecovered capital contributions plus accrued and unpaid preferred returns through the redemption date. Prior to the fifth anniversary date of the issuance of the preferred units, the Company may redeem the Series A Preferred Units at its election at an amount equal to the preferred unit holders' unrecovered capital contributions plus accrued and unpaid preferred returns through the redemption date.

VRA PARTNERS, LLC

Notes to Financial Statements - Continued

May 31, 2008 and 2007

Note 6 - Contingently redeemable Series A preferred units and common stock warrants - continued:

Dividends

Holder of the Series A Preferred Units are entitled to receive a preferred return of 8% per unit per annum. The preferred return is payable in cash or in kind at the discretion of the Board of Members. Such dividends accrue whether or not they have been declared and whether or not there are profits, surplus, or other funds of the Company legally available for payment of dividends. For the year ended May 31, 2008, the Company paid \$249,733 in dividends. As of May 31, 2008 and 2007, \$160,000 and \$169,733 was accrued related to the preferred return due the holders of the Units, respectively.

Warrants

The Company has issued common stock warrants ("Warrants") to the holders that purchased the Series A Preferred Units from the Company. Each warrant entitles the holder to purchase 1,250 shares of common units from the Company for \$0.01 per unit. As of May 31, 2008 and 2007, there were a total of 120 warrants issued and outstanding to purchase 150,000 common units; these warrants are exercisable immediately and expire ten years after the issuance. There were no warrants exercised during the years ended May 31, 2008 and 2007.

Summary of Certain Preferred Stock and Warrant Accounting

Gross proceeds from the issuance of the Series A Preferred Units of \$3,000,000 was reduced by a total of \$181,732, including \$142,010 representing the value allocated to the Warrants and \$39,722 representing issuance costs. The gross proceeds were allocated between the Series A Preferred Units and the Warrants based on the relative fair values of each. The Company used the Black-Scholes-Merton formula to estimate the calculated value of its Warrants with the following assumptions: (a) volatility of 33.97%, (b) expected term of ten years, (c) dividend yield of 0.0%, and (d) a risk free rate of 4.74%. The Company does not have a history of unit trades that would allow them to determine the volatility of their units nor do they have market comparable companies that could be used as a surrogate. Therefore, the volatility assumption used in the Black-Scholes-Merton formula was based on the Investment Services Small Cap Index. The Company calculated the volatility of that index using the daily closing total returns for that index for ten years immediately prior to the date of the issuance of the warrants. The expected term of the Warrants represents the period of time the Warrants are expected to be outstanding. The dividend yield is an estimate of the expected dividend yield on the Company's common units. The risk-free rate is based on U.S. Treasury yields in effect at the time of issuance of the Warrants and the related term

VRA PARTNERS, LLC

Notes to Financial Statements - Continued

May 31, 2008 and 2007

Note 6 - Contingently redeemable Series A preferred units and common stock warrants - continued:

Summary of Certain Preferred Stock and Warrant Accounting - continued

outstanding. The Company accretes the carrying value of the Series A Preferred Units to the estimated redemption price over the estimable period in which the Series A Preferred Units will be outstanding. The accretion for the years ended May 31, 2008 and 2007 was \$35,740 and \$23,580, respectively, and was charged to additional paid-in capital.

Note 7 - 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 minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. At May 31, 2008 and 2007 the Company had net capital of \$1,932,531 and \$1,645,832, respectively, which was \$1,857,043 and \$1,530,491 in excess of its required net capital of \$75,488 and \$115,341, respectively. The Company's net capital ratio was 0.59 and 0.56 to 1 at May 31, 2008 and 2007, respectively.

Note 8 - Representative agreement:

During 2006, the Company entered into a fully-disclosed representative agreement (Agreement) with an unaffiliated registered broker-dealer (BD) and a member of the FINRA. In accordance with the terms of the Agreement, BD was to provide supervisory services related to the Company's merger and acquisition and private capital placement services until such time as the Company became a registered broker-dealer and a member of the FINRA. The Agreement provided for 5% of fees received by the Company to be remitted to the BD. The Agreement terminated on May 18, 2007 in conjunction with the Company becoming a registered broker-dealer and a member of FINRA. The Company paid BD \$184,938 and \$31,250 in supervisory fees for the years ended May 31, 2008 and 2007, respectively. As of May 31, 2008 and 2007, the Company had accrued \$3,750 and \$51,500 in supervisory fees due to the BD, respectively.

VRA PARTNERS, LLC

Notes to Financial Statements - Continued

May 31, 2008 and 2007

Note 9 - Benefit plan:

On January 1, 2007, the Company adopted a contributory, defined contribution 401(k) profit sharing plan for all eligible full-time employees with at least three consecutive months of service and over the age of 21. The Company may make matching contributions equal to 4% of employee's annual wages. The Company made contributions of \$56,421 and \$20,025 to the Plan for the years ended May 31, 2008 and 2007, respectively. There were no employer contributions due and payable as of May 31, 2008 or 2007, respectively.

Participants are immediately vested in their voluntary contributions, employer contributions, and earnings thereon.

Note 10 - Related party transactions:

Three investors holding the Company's Series A Preferred Units are partners at a law firm (the Firm). The Firm provided legal services related to the initial organization and preferred unit offerings of the Company. The Company paid \$11,334 and \$83,221 to the Firm for the years ended May 31, 2008 and 2007, respectively.

One investor holding the Company's Series A Preferred Units is a shareholder in a specialty retail business (Specialty Retailer). In May 2007, the Specialty Retailer engaged the Company as its financial advisor. For the year ended May 31, 2008, the Company recorded financial advisory fees of \$708,365 related to the Specialty Retailer. As of May 31, 2007, the Company had recorded \$20,000 as deferred revenue from the Specialty Retailer relating to an up-front, non-refundable retainer.

Note 11 - Major clients:

For the year ended May 31, 2008, the Company had three clients who accounted for approximately 72% of the revenue. For the year ended May 31, 2007, the Company had two clients who accounted for approximately 94% of the revenue.

VRA PARTNERS, LLC

Schedule 1: Computation of Net Capital Under Rule 15c3-1 of the Securities and Exchange Commission

	<i>For the Years Ended May 31,</i>	
	<u>2008</u>	<u>2007</u>
COMPUTATION OF NET CAPITAL		
Total members' equity from statement of financial condition	\$ 2,201,347	\$ 2,418,015
Deduct amounts not allowable for net capital	<u>-</u>	<u>-</u>
Total members' equity qualified for net capital	2,201,347	2,418,015
Add:		
Subordinated borrowings allowable in computation of net capital	-	-
Other deductions or allowable credits	<u>-</u>	<u>-</u>
Total capital and allowable subordinated borrowings	2,201,347	2,418,015
Deductions and/or charges:		
Total non-allowable assets	(268,816)	(772,183)
Other deductions and/or charges	<u>-</u>	<u>-</u>
Net capital before haircuts on securities positions (tentative net capital)	1,932,531	1,645,832
Haircuts on securities	<u>-</u>	<u>-</u>
Net capital	<u>\$ 1,932,531</u>	<u>\$ 1,645,832</u>

See independent auditors' report.

VRA PARTNERS, LLC

Schedule 1: Computation of Net Capital Under Rule 15c3-1 of the Securities and Exchange Commission - Continued

	<u>For the Years Ended May 31,</u>	
	<u>2008</u>	<u>2007</u>
COMPUTATION OF AGGREGATE INDEBTEDNESS		
Total liabilities from statement of financial condition	\$ 1,132,324	\$ 922,734
Add:		
Other unrecorded amounts	<u>-</u>	<u>-</u>
Total aggregate indebtedness	<u>\$ 1,132,324</u>	<u>\$ 922,734</u>
COMPUTATION OF BASIC NET CAPITAL REQUIREMENT		
Minimum net capital required	<u>\$ 75,488</u>	<u>\$ 115,341</u>
Minimum dollar requirement	<u>\$ 5,000</u>	<u>\$ 5,000</u>
Net capital requirement	<u>\$ 75,488</u>	<u>\$ 115,341</u>
Excess net capital	<u>\$ 1,857,043</u>	<u>\$ 1,530,491</u>
Excess net capital at 1000%	<u>\$ 1,819,297</u>	<u>\$ 1,553,558</u>
Percentage of aggregate indebtedness to net capital	<u>59 %</u>	<u>56 %</u>

There are no material differences between the net capital amount in this schedule and the Company's original unaudited filing of Part II A of the Focus report.

See independent auditors' report.

VRA PARTNERS, LLC

Schedule 2: Exemption from SEC Rule 15c3-3

May 31, 2008

Note: Exemption from SEC Rule 15c3-3 is claimed under Reg. Section 240.15c3-3(k)(1).

See independent auditors' report.



FRAZIER & DEETER, LLC
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
REQUIRED BY SEC RULE 17a-5**

To the Managers and Members
VRA Partners, LLC
Atlanta, Georgia

In planning and performing our audits of the financial statements and supplemental schedules of VRA Partners, LLC (the Company) for the years ended May 31, 2008 and 2007, we considered its internal control structure, including procedures 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 the internal control structure.

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 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 securities accounts for clients or perform custodial functions relating to client securities, we did not review the practices and procedures followed by the Company in any of the following:

- Making quarterly securities examinations, counts, verifications and comparisons;
- Recordation of differences required by Rule 17a-13; and
- Complying with the requirements for prompt payment for securities under Section 8 of Regulation T of the Board of Governors of the Federal Reserve System.

The management of the Company is responsible for establishing and maintaining an internal control structure 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 internal control structure policies and procedures 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 an internal control structure 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 preparation of financial statements in conformity with U.S. generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

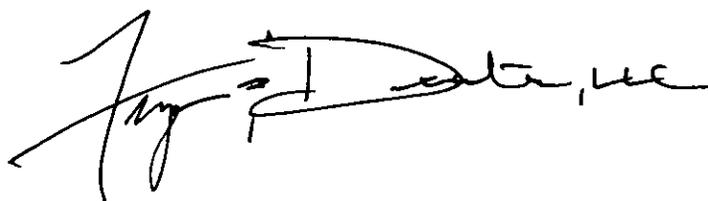
Because of inherent limitations in any internal control structure or the practices and procedures referred to above, errors or irregularities may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure 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 structure elements does not reduce to a relatively low level the risk that errors or irregularities 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 the internal control structure, including procedures 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 May 31, 2008 and 2007, to meet the SEC's objectives.

This report is intended solely for the use of the members, management, the SEC, the New York Stock Exchange, 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 should not be used for any other purpose.

July 24, 2008

A handwritten signature in black ink, appearing to read "J. P. [unclear]", is written over a horizontal line.

END