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

SEC FILE NUMBER
8-37601

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 04/01/07 AND ENDING 03/31/08
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: ProFunds Distributors, Inc.	OFFICIAL USE ONLY	
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.) 100 Summer Street, 15 th Floor (No. and Street)	FIRM ID. NO.	
Boston (City)	MA (State)	02110 (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Louis Mayberg 240-497-6404
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Arthur F. Bell, Jr. & Associates, L.L.C.
(Name - if individual, state last, first, middle name)

201 International Circle, Suite 400 Hunt Valley, Maryland 21030
(Address) (City) (State) (Zip Code)

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

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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, Louis Mayberg, swear (or affirm) that, to the best of my knowledge and belief, the accompanying financial statements and supporting schedules pertaining to the firm of ProFunds Distributors, Inc., as of March 31, 20 08, 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:



Louis Mayberg
Signature
Louis Mayberg
President
Title

A. Michelle Singleton
Notary Public

This report** contains (check all applicable boxes):

- (a) Facing page.
- (b) Statement of Financial Condition.
- (c) Statement of Income.
- (d) Statement of Cash Flows.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's 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 explanations, or 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.
- Schedule of Segregation Requirements and Funds in Segregation Pursuant to Commodity Exchange Act.
- (k) A Reconciliation between the Audited and Unaudited Statement of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- (m) A Copy of the SIPC Supplemental Form.
- (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).

PROFUNDS DISTRIBUTORS, INC.
(A wholly owned subsidiary of
ProFund Advisors LLC)

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

March 31, 2008

Financial Statements and Supplementary
Information Pursuant to Rule 17a-5 of the
Securities and Exchange Commission
For the Year Ended March 31, 2008

PROFUNDS DISTRIBUTORS, INC.
(A wholly owned subsidiary of ProFund Advisors LLC)

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Stockholder of
ProFunds Distributors, Inc.

We have audited the accompanying statement of financial condition of ProFunds Distributors, Inc. (the Company) as of March 31, 2008, and the related statements of operations, changes in stockholder's equity and cash flows for the year 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 audit.

We conducted our audit 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 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 audit provides 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 ProFunds Distributors, Inc. as of March 31, 2008, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained on pages 10 and 11 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 audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Arthur F. Bell, Jr. & Associates, L.L.C.

Hunt Valley, Maryland
May 28, 2008

PROFUNDS DISTRIBUTORS, INC.
(A wholly owned subsidiary of ProFund Advisors LLC)
STATEMENT OF FINANCIAL CONDITION
March 31, 2008

ASSETS

Cash	\$2,509,737
Distribution fees receivable	314,878
Distribution related fees receivable	51,750
Prepaid expenses	8,380
Receivable from affiliate, net	<u>17,503</u>
Total assets	<u>\$2,902,248</u>

LIABILITIES

Accrued distribution related expenses	\$1,878,553
Distribution fees payable	314,878
Other accrued expenses	<u>49,342</u>
Total liabilities	<u>2,242,773</u>

STOCKHOLDER'S EQUITY

Common stock – \$1 par value; 1,000 shares authorized; 820 shares issued and outstanding	820
Capital in excess of par value	994,652
Retained deficit	<u>(335,997)</u>
Total stockholder's equity	<u>659,475</u>
Total liabilities and stockholder's equity	<u>\$2,902,248</u>

See accompanying notes.

PROFUNDS DISTRIBUTORS, INC.
(A wholly owned subsidiary of ProFund Advisors LLC)
STATEMENT OF OPERATIONS
For the Year Ended March 31, 2008

REVENUE

Distribution and distribution related fees	\$4,884,146
Base distribution fees	150,000
License fees rebill	41,749
Interest income	4,658
Other income	<u>35,000</u>
Total revenues	<u>5,115,553</u>

EXPENSES

Distribution and distribution related expense	4,884,146
Administrative service fee to affiliates	122,450
Professional fees	46,270
Licenses and fees	56,503
Intangibles tax	5,626
Other expenses	<u>3,207</u>
Total expenses	<u>5,118,202</u>

Loss before income tax expense	(2,649)
Income tax expense	<u>38</u>

NET LOSS \$ (2,687)

See accompanying notes.

PROFUNDS DISTRIBUTORS, INC.
(A wholly owned subsidiary of ProFund Advisors LLC)
STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY
For the Year Ended March 31, 2008

	<u>Common Stock</u>	<u>Capital in Excess of Par Value</u>	<u>Retained Deficit</u>	<u>Total Stockholder's Equity</u>
Balances at March 31, 2007	\$ 820	\$1,244,652	\$ (333,310)	\$ 912,162
Net loss for the year ended March 31, 2008	-	-	(2,687)	(2,687)
Dividend to Citi	-	(250,000)	-	(250,000)
Balances at March 31, 2008	<u>\$ 820</u>	<u>\$ 994,652</u>	<u>\$ (335,997)</u>	<u>\$ 659,475</u>

See accompanying notes.

PROFUNDS DISTRIBUTORS, INC.
(A wholly owned subsidiary of ProFund Advisors LLC)
STATEMENT OF CASH FLOWS
For the Year Ended March 31, 2008

Cash flows provided by (used in) operating activities	
Net (loss)	\$ (2,687)
Adjustments to reconcile net (loss) to net cash (used in) operating activities	
Decrease in distribution fees receivable	58,044
(Increase) in distribution fees receivable	(51,750)
Decrease in prepaid expenses	8,726
(Increase) in receivable from affiliates, net	(27,600)
Decrease in other receivables	367,303
(Decrease) in accrued distribution related expenses	(1,841,998)
(Decrease) in distribution fees payable	(58,044)
Increase in other accrued expenses	<u>8,640</u>
Net cash (used in) operating activities	<u>(1,539,366)</u>
Cash flows (used in) financing activities	
Dividend to Citi	<u>(250,000)</u>
Net cash (used in) financing activities	<u>(250,000)</u>
Net change in cash	(1,789,366)
Cash	
Beginning of year	<u>4,299,103</u>
End of year	<u>\$ 2,509,737</u>

See accompanying notes.

PROFUNDS DISTRIBUTORS, INC.
(A wholly owned subsidiary of ProFund Advisors LLC)
NOTES TO FINANCIAL STATEMENTS

Note 1. ORGANIZATION

ProFunds Distributors, Inc. (the "Company") is a wholly owned subsidiary of ProFund Advisors LLC. The Company is registered with the Securities and Exchange Commission ("SEC") as a broker-dealer and is a member of the Financial Industry Regulatory Authority ("FINRA") (the successor organization to the National Association of Securities Dealers, Inc.).

On August 1, 2007, Citi Investor Services, Inc. ("Citi"), a Delaware corporation, which is a wholly-owned subsidiary of Citibank N.A., acquired the outstanding common stock of the Company under an agreement and plan of merger among Citibank N.A. and The BISYS Group, Inc.

Effective February 29, 2008, ProFund Advisors LLC acquired the outstanding common stock of the Company under a Stock Purchase Agreement among the Company, ProFund Advisors LLC and Citi (the "Acquisition").

The Company serves as distributor and underwriter for the mutual funds in the ProFunds and Access One Trusts (the "Funds") and, as a result, substantially all the Company's revenues are earned from the Funds from the sale of the Funds' shares and from income received under a third party marketing agreement as described below.

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Cash

The Company maintains cash deposits in a bank which, from time to time, exceed the amount of deposit insurance available. Management periodically assesses the financial condition of the bank and believes that any potential credit loss is minimal.

B. Revenue Recognition

Distribution fees represent 12b-1 and shareholder servicing fees paid by the Funds pursuant to the Distribution Agreement (the "Agreement") between the Funds and the Company. These fees are principally determined based on average daily net assets of the Funds and are accrued monthly.

The Company has an agreement with a third party asset manager of an investment vehicle in which the Money Market ProFund invests. Under this agreement, the third party provides funding for marketing, advertising and distribution related activities of the Money Market ProFund and other ProFunds. During the year, the Company recorded \$631,114 of revenues earned from the third party and \$631,114 of associated marketing/advertising/distribution related expenses. These amounts are reflected in the statement of operations as distribution and distribution related fees and distribution and distribution related expenses, respectively.

Base distribution fees are fees earned from the Funds' investment advisor for providing ongoing management and oversight of distributor activities. These fees are billed and earned monthly. The fees contain a fixed annual amount plus a variable portion, if additional services are provided.

PROFUNDS DISTRIBUTORS, INC.
(A wholly owned subsidiary of ProFund Advisors LLC)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Revenue Recognition (continued)

Licenses and fees rebill represent payments made by the Funds' advisor or distribution plan to compensate the Company for certain expenses incurred. The expenses include FINRA licensing and advertising review fees.

C. Distribution and Distribution Related Expense

Distribution expense represents 12b-1 fees paid to other broker-dealers which originally sold the Funds' shares that generated the distribution fees pursuant to the Agreement. Distribution fees not paid to selling brokers are used to support other distribution related activities as allowed under the Distribution and Service Plan. Distribution related expenses include, but are not limited to, the printing of prospectuses and reports used for sales purposes, advertisements, expenses of preparation and printing of sales literature, expenses associated with electronic marketing and sales media and communications, and other sales or promotional expenses.

D. Intangibles Tax

The intangibles tax represents a net worth based tax paid by dealers in intangibles in the state of Ohio.

E. Income Taxes

Up to the date of the Acquisition, as described in Note 1., Citigroup, Inc. and its affiliates will file a consolidated Federal income tax return that includes the Company. Citigroup, Inc. apportioned Federal income tax expense or benefit among all the affiliates based on their taxable income or loss, using corporate statutory rate adjusted for the effect of any temporary differences of the Company. There are no state income taxes associated with the Company.

Effective as of the date of the Acquisition, the Company will file its own Federal income tax return and calculate income tax expense (credit) as a stand alone entity.

Effective April 1, 2007, the Company adopted Financial Accounting Standards Board Interpretation No. 48 (FIN 48) entitled "Accounting For Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109." FIN 48 prescribes the minimum recognition threshold a tax position must meet in connection with accounting for uncertainties in income tax positions taken or expected to be taken by an entity before being measured and recognized in the financial statements. The adoption of FIN 48 had no impact on the Company's financial statements.

F. Use of Estimates

The preparation of financial statements in conformity with accounting principles 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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

PROFUNDS DISTRIBUTORS, INC.
(A wholly owned subsidiary of ProFund Advisors LLC)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 3. RELATED PARTY TRANSACTIONS

Prior to the Acquisition, pursuant to a management agreement, Citi provided various services to the Company such as collecting and paying agent, use of office facilities, equipment, personnel and other administrative services. Citi charged the Company an administrative service fee for these services designed to cover the costs of providing such services.

Since the Acquisition, ProFund Advisors LLC provides various services to the Company such as collecting and paying agent, use of office facilities, equipment, personnel and other administrative services. ProFund Advisors LLC charged the Company an administrative service fee for these services designed to cover the costs of providing such services.

The aggregate administrative service fee charged by Citi and ProFund Advisors LLC amounted to \$122,450 for the year ended March 31, 2008. The administrative service fee would not necessarily be the same if an unrelated party provided these services to the Company.

Note 4. OTHER INCOME

In August 2007, the Company received a one time special payment of \$35,000 from FINRA as a benefit of the consolidation of the NASD and New York Stock Exchange Member Regulation. This special payment is reflected as other income in the Company's statement of operations.

Note 5. NET CAPITAL REQUIREMENT

As a registered broker-dealer engaged in the sale of redeemable shares of registered investment companies and certain other share accounts, the Company is subject to the SEC's Uniform Net Capital Rule 15c3-1 (the "Rule"), which requires the maintenance of minimum net capital, and requires that the ratio of aggregate indebtedness to net capital shall not exceed 15 to 1. At March 31, 2008, the Company had net capital under the Rule of \$503,029, which was \$353,511 in excess of its minimum required net capital of \$149,518. The Company's ratio of aggregate indebtedness to net capital at March 31, 2008 was 4.46 to 1.

Note 6. REGULATORY COMPLIANCE

The Company has claimed exemption from the provisions of SEC Rule 15c3-3 under Subparagraph (k)(1)—all customer transactions are limited to the sale and redemption of redeemable securities of registered investment companies and the Company does not handle customer funds.

Note 7. CONTRACTS

The Company has Agreements with the Funds under which it provides distribution services. The Agreements continue in effect until terminated by either party. The Company receives commissions on sales of certain new Fund shares and 12b-1 and shareholder servicing fees paid by the Funds for shares sold which are still outstanding.

PROFUNDS DISTRIBUTORS, INC.
(A wholly owned subsidiary of ProFund Advisors LLC)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 7. CONTRACTS (CONTINUED)

The Company enters into sales agreements with various selling broker-dealers related to the sale of the shares of the Funds. The Company pays these broker-dealers distribution expense (12b-1 fees or commissions) as outlined in their respective agreements.

The Company had a Distributor Services Agreement with the Funds' investment advisor for which the Company provided ongoing management and oversight of distributor activities. The Funds' investment advisor had agreed to compensate and reimburse the Company to the extent that the Funds are not authorized to so compensate and reimburse the Company. The revenue is realized as base distribution fees. The agreement contained a fixed annual fee plus a variable portion, if additional services were provided. The agreement was terminated effective February 29, 2008.

The Company also has a Compliance Consulting Services Agreement with Foreside Distributors, LLC ("Foreside") for which Foreside performs certain compliance consulting services on an outsourced basis. The agreement contains a fixed monthly fee and is in effect upon termination by either party.

Note 8. INDEMNIFICATIONS

In the normal course of business, the Company may enter into contracts that contain a number of representations and warranties, which may provide for general or specific indemnifications. The Company's exposure under these contracts is not currently known, as any such exposure would be based on future claims, which could be made against the Company. Management is not currently aware of any such pending claims.

PROFUNDS DISTRIBUTORS, INC.
(A wholly owned subsidiary of ProFund Advisors LLC)

SUPPLEMENTARY INFORMATION

PROFUNDS DISTRIBUTORS, INC.
(A wholly owned subsidiary of ProFund Advisors LLC)
COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1
OF THE SECURITIES AND EXCHANGE COMMISSION
March 31, 2008

Total stockholder's equity		\$ 659,475
Deductions for nonallowable assets		
Distribution fees receivable	\$78,813	
Distribution related fees receivable	51,750	
Prepaid expenses	8,380	
Other receivable	<u>17,503</u>	<u>156,446</u>
Net capital		503,029
Minimum net capital required (greater of 6 2/3% of aggregate indebtedness or \$5,000)		<u>149,518</u>
Excess net capital		<u>\$ 353,511</u>
Total aggregate indebtedness		<u>\$2,242,773</u>
Percentage of aggregate indebtedness to net capital		<u>446.0%</u>

Statement Pursuant to Paragraph (d) of Rule 17a-5:

There are no material differences between the computation above and the computation included in the March 31, 2008 Unaudited FOCUS Report, Form X-17a5, Part II, as amended.

PROFUNDS DISTRIBUTORS, INC.
(A wholly owned subsidiary of ProFund Advisors LLC)
COMPUTATION FOR DETERMINATION OF
RESERVE REQUIREMENTS PURSUANT TO RULE 15c3-3
AND INFORMATION RELATING TO POSSESSION OR CONTROL REQUIREMENTS
UNDER RULE 15c3-3
March 31, 2008

The Company claims exemption under the exemptive provisions of Rule 15c3-3 under Subparagraph (k)(1) – all customer transactions are limited to the sale and redemption of redeemable securities of registered investment companies and the Company does not handle customer funds.

PROFUNDS DISTRIBUTORS, INC.
(A wholly owned subsidiary of ProFund Advisors LLC)

**INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL**

Supplementary Report to Financial
Statements and Supplementary Information
(Form X-17a-5)

For the Year Ended March 31, 2008

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL

To the Board of Directors and Stockholder of
ProFunds Distributors, Inc.

In planning and performing our audit of the financial statements of ProFunds Distributors, Inc. (the Company), as of and for the year ended March 31, 2008 in accordance with auditing standards generally accepted in the United States 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 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 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 customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons
2. Recordation of differences required by rule 17a-13
3. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System
4. Obtaining and maintaining physical possession or control of all fully paid and excess margin securities of customers as required by rule 15c3-3

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 and the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

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 the 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, as described in the second paragraph of this report, were adequate at March 31, 2008, to meet the SEC's objectives.

This report is intended solely for the information and use of the stockholder, 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.

Arthur F. Bell, Jr. & Associates, L.L.C.

Hunt Valley, Maryland
May 28, 2008