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

SEC FILE NUMBER
8- 49444

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 April 1, 2007 AND ENDING March 31, 2008
MM/DD/YY MM/DD/YY

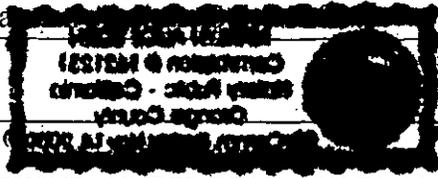
A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: AIS Financial, Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

19200 Von Ka



nd Street)

Irvine

California

92612

(State)

(Zip Code)

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

Marc Riviello

(949) 622-5598

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Breard & Associates, Inc. Certified Public Accountants

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

9221 Corbin Avenue, Suite 170

Northridge

CA

91324

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

PROCESSED

JUN 05 2008

THOMSON REUTERS

SEC
W/2: Processing
Pending

MAY 30 2008

Washington, DC

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FOR OFFICIAL USE ONLY

*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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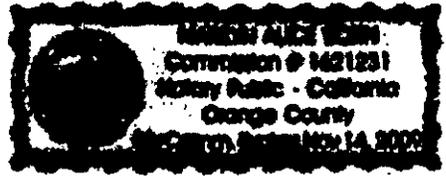
OATH OR AFFIRMATION

I, Marc Riviello, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of AIS Financial, Inc., as of March 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:

State of California
County of Orange
Subscribed and sworn to (or affirmed) before me this 17th day of Apr., 2008 by satisfactory evidence to be the person(s) who appeared by me.

[Signature]
Signature
CEO
Title

[Signature]
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 Cash Flows
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital.
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-3 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

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

AIS Financial, Inc.

Report Pursuant to Rule 17a-5 (d)

Financial Statements

For the Year Ended March 31, 2008

SEC
Washington, DC

MAY 30 2008

Washington, DC
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BREARD & ASSOCIATES, INC.
Certified Public Accountants

Independent Auditor's Report

Board of Directors
AIS Financial, Inc.:

We have audited the accompanying statement of financial condition of AIS Financial, Inc. (the Company) as of March 31, 2008, and the related statements of operations, changes in stockholders' 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 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 AIS Financial, 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 in Schedules I, II, and III 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.

Breard & Associates, Inc.

Breard & Associates, Inc.
Certified Public Accountants

Northridge, California
May 28, 2008

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AIS Financial, Inc.
Statement of Financial Condition
March 31, 2008

Assets

Cash	\$ 3,983
Deposit with clearing organization	11,234
Receivable from clearing organization	11,590
Marketable securities, at market value	2,700
Furniture & equipment, net	<u>15,242</u>
Total assets	<u>\$ 44,749</u>

Liabilities and Stockholders' Equity

Liabilities

Accounts payable	\$ 2,028
Commissions payable	<u>6,569</u>
Total liabilities	8,597

Stockholders' equity

Common stock, \$1 par value, 7,500 shares authorized, 100 shares issued and outstanding	100
Additional paid-in capital	90,673
Accumulated deficit	<u>(54,621)</u>
Total stockholders' equity	<u>36,152</u>
Total liabilities and stockholders' equity	<u>\$ 44,749</u>

The accompanying notes are an integral part of these financial statements.

AIS Financial, Inc.
Statement of Operations
For the year ended March 31, 2008

Revenues

Commission income	\$ 331,217
Consulting income	49,970
Net investment gains (losses)	673
Other income	<u>35,441</u>
Total revenues	417,301

Expenses

Commissions and floor brokerage	355,565
Communication	4,199
Occupancy and equipment rental	18,026
Taxes, other than income taxes	10,209
Other operating expenses	<u>71,956</u>
Total expenses	<u>459,955</u>

Net income (loss) before income tax provision (42,654)

Income tax provision 800

Net income (loss) \$ (43,454)

The accompanying notes are an integral part of these financial statements.

AIS Financial, Inc.
Statement of Changes in Stockholders' Equity
For the year ended March 31, 2008

	<u>Common Stock</u>	<u>Additional Paid-in Capital</u>	<u>Accumulated Deficit</u>	<u>Total</u>
Balance at March 31, 2007	\$ 100	\$ 45,673	\$ (11,167)	\$ 34,606
Capital contributions	-	45,000	-	45,000
Net income (loss)	<u>-</u>	<u>-</u>	<u>(43,454)</u>	<u>(43,454)</u>
Balance at March 31, 2008	<u>\$ 100</u>	<u>\$ 90,673</u>	<u>\$ (54,621)</u>	<u>\$ 36,152</u>

The accompanying notes are an integral part of these financial statements.

AIS Financial, Inc.
Statement of Cash Flows
For the Year Ended March 31, 2008

Cash flows from operating activities:

Net income (loss)		\$ (43,454)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation	\$ 1,325	
(Unrealized (gains) losses	(673)	
(Increase) decrease in:		
Deposit with clearing organization	(441)	
Receivable from clearing organization	25,087	
(Decrease) increase in:		
Accounts payable	2,028	
Commissions payable	(21,258)	
Income taxes payable	<u>(3,656)</u>	
Total adjustments		<u>2,412</u>
Net cash provided by (used in) operating activities		(41,042)

Cash flows from investing activities:

Purchase of marketable securities	(2,027)	
Purchase of equipment	<u>(5,484)</u>	
Net cash provided by (used in) investing activities		(7,511)

Cash flows from financing activities:

Capital contributions	<u>45,000</u>	
Net cash provided by (used in) financing activities		<u>45,000</u>

Net increase (decrease) in cash (3,553)

Cash at beginning of year 7,536

Cash at end of year \$ 3,983

Supplemental disclosure of cash flow information:

Cash paid during the year for		
Income taxes	\$ 800	
Interest	\$ -	

The accompanying notes are an integral part of these financial statements.

AIS Financial, Inc.
Notes to Financial Statements
March 31, 2008

Note 1: GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

AIS Financial, Inc. (the "Company") was incorporated in Florida on April 15, 1996, under the name Protective Asset Advisors, Inc. The Company changed its name to Advantage Investment Strategies, Inc. on July 28, 2004. On March 2, 2007, the Company changed its name to AIS Financial, Inc., but as of the issuance of these financial statements, the name change had not been approved in California. These financial statements contain no adjustments for any expenses which may arise should California deny the name change. The Company operates as a registered broker/dealer in securities under the provision of the Securities Exchange Act of 1934. It is a member of the Financial Industry Regulatory Authority ("FINRA"), the Securities Investor Protection Corporation ("SIPC") and the Municipal Securities Rulemaking Board ("MSRB").

The Company is authorized to sell corporate debt securities, corporate equity securities over-the-counter on a riskless principal basis, U.S. government securities, mutual funds, municipal securities, tax shelters or limited partnerships in primary distributions, and variable life insurance or annuities. The Company can also provide investment advisory services, serve as a non-exchange member arranging for transactions in listed securities by exchange members, be a put and call dealer, and sell private placements in securities. The Company cannot hold customer funds or safe-keep customer securities. The Company deals primarily with 250 institutional clients.

Summary of Significant Accounting Policies

The presentation 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Securities transactions and the related revenues and expenses are recorded on settlement date. Revenues and expenses recorded on a trade date basis are not materially different from revenues and expenses recorded on a settlement date basis. Clearing fees include service charges, execution fees, and commissions on order flow.

The receivable from clearing organization is stated at face amount with no allowance for doubtful accounts. An allowance for doubtful accounts is not considered necessary because probable uncollectible accounts are immaterial.

Marketable securities owned by the Company are accounted for at market value, with market value based on current published market prices. The resulting difference between cost and market (or fair value) is included in income.

AIS Financial, Inc.
Notes to Financial Statements
March 31, 2008

Note 1: GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Furniture & equipment are stated at cost. Repairs and maintenance to these assets are charged to expense as incurred; major improvements enhancing the function and/or useful life are capitalized. When items are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gains or losses arising from such transactions are recognized. Furniture & equipment are depreciated over their estimated useful lives of five (5) years and seven (7) years, respectively by the straight-line and double declining methods.

The Company accounts for its income taxes using the Financial Accounting Standards Board Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes", which requires the establishment of a deferred tax asset or liability for the recognition of future deductible or taxable amounts and the effects of operating losses and tax credit carry forwards. Deferred tax expenses or benefits are recognized as a result of the changes in the assets and liabilities during the year.

Advertising costs are expenses as incurred. For the year end March 31, 2008, the Company charged \$1,405 to other operating expenses as advertising costs.

Note 2: DEPOSIT WITH CLEARING ORGANIZATION

The Company has deposited \$10,000 with its clearing firm as security for its transactions with them. Interest is paid monthly on the deposit at the average overnight repurchase rate. The balance at March 31, 2008, includes interest earned for a deposit total of \$11,234.

Note 3: MARKETABLE SECURITIES, AT MARKET VALUE

Securities, at market value consist of the following at quoted market values:

Equities	<u>\$ 2,700</u>
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The accounting for the mark-to-market on the proprietary trading is included in net dealer inventory and investment gains (losses) as net unrealized gains of \$673. For net capital purposes, a 100% haircut is taken against this stock.

AIS Financial, Inc.
Notes to Financial Statements
March 31, 2008

Note 4: FURNITURE & EQUIPMENT, NET

The furniture & equipment are recorded at cost.

		<u>Depreciable Life Years</u>
Furniture	\$ 10,771	
Computer	1,907	7
Equipment	<u>5,699</u>	5
	18,377	
Less accumulated depreciation	<u>(3,135)</u>	
Furniture & equipment, net	<u>\$ 15,242</u>	

Depreciation expense for the year ended March 31, 2008, was \$1,325.

Note 5: INCOME TAXES

The income tax provision for the year ended March 31, 2008, consists of the California Franchise Tax Board minimum tax of \$800.

The Company has available at March 31, 2008, unused operating loss carry-forwards, which may be applied against future taxable income, resulting in a deferred tax asset of approximately \$9,497, that expire as follows:

Amount of unused operating loss carry-forwards	Expiration during year ended March 31,
\$ 19,861	2027
<u>43,454</u>	2028
<u>\$ 63,315</u>	

A 100% valuation allowance has been established against this asset since management cannot determine if it is more likely than not that the asset will be realized.

Note 6: RELATED PARTY TRANSACTIONS

For the year ended March 31, 2008, the Company paid \$41,500 as consulting fees to an entity which is owned by its majority shareholder.

AIS Financial, Inc.
Notes to Financial Statements
March 31, 2008

Note 7: CONCENTRATION OF CREDIT RISK

The Company is engaged in various trading and brokerage activities in whose counterparties primarily include broker/dealers, banks, and other financial institutions. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends upon the creditworthiness of the counterparty or issuer of the instrument. To mitigate the risk of loss, the Company maintains its accounts with credit worthy customers and counterparties.

Note 8: RECENTLY ISSUED ACCOUNTING STANDARDS

Accounting for Certain Hybrid Financial Instruments

In February 2006, the FASB issued Statement of Financial Accounting Standards No. 155 ("SFAS 155"), "Accounting for Certain Hybrid Financial Instruments, an amendment of FASB statements No. 133 and 140." The statement allows financial instruments that have embedded derivatives to be accounted for as a whole (eliminating the need to bifurcate the derivative from its host) as long as the entire instrument is valued on a fair value basis. SFAS 155 also resolves and clarifies other specific issues contained in SFAS 133 and 140. The statement is effective for all financial instruments acquired or issued after the beginning of an entity's first fiscal year that begins after December 15, 2006. The adoption of SFAS 155 has not had a material impact upon the Company's financial statements.

Accounting for Uncertainty in Income Taxes

In June 2006, the FASB issued Financial Interpretation No. 48 ("FIN 48"), "Accounting for Uncertainty in Income Taxes - an Interpretation of FASB Statement No. 109" which prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FIN 48 requires that the Company recognize in its financial statements the impact of a tax position if it is more likely than not that such position will be sustained on audit based on its technical merits. This interpretation also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. The effective date of the provisions of FIN 48 for all nonpublic companies has been postponed to fiscal years beginning after December 15, 2007. The Company is currently evaluating the impact of this statement, but does not expect that it will have a material impact upon the Company's financial statements.

AIS Financial, Inc.
Notes to Financial Statements
March 31, 2008

Note 8: RECENTLY ISSUED ACCOUNTING STANDARDS
(Continued)

Fair Value Measurements

In September 2006, the FASB issued Statement of Financial Accounting Standards No. 157 (“SFAS 157”), “Fair Value Measurements”. The statement defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles, and expands disclosures about fair value measurements. This Statement applies under other accounting pronouncements that require or permit fair value measurements, the Board having previously concluded in those pronouncements that fair value is a relevant measurement attribute. Accordingly, this Statement does not require any new fair value measurements. SFAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007. The Company is currently evaluating the impact of this statement, but does not expect the pronouncement will have a material impact upon the Company’s financial statements.

Retirement Plans

In September 2006, the FASB issued SFAS No. 158, “Employers’ Accounting for Defined Benefit Pension and Other Postretirement Plans—an amendment of FASB Statements Nos. 87, 106, and 132(R)” (“SFAS 158”). SFAS 158 requires companies to recognize on a prospective basis the funded status of their defined benefit pension and postretirement plans as an asset or liability and to recognize changes in that funded status in the year in which the changes occur as a component of other comprehensive income, net of tax. The effective date of the pronouncement is a function of whether the Company’s equity securities are traded publicly. If the entity has publicly traded securities, the effective date is for fiscal years ending after December 15, 2006. Entities without publicly traded securities must adopt the standard for fiscal years ending after June 15, 2007. Adoption of the new standard has not had a material effect on the Company’s financial statements.

Fair Value Option

In February 2007, the FASB issued Statement of Financial Accounting Standards No. 159 (“SFAS 159”), “Fair Value Option for Financial Assets and Financial Liabilities-including an amendment of FASB Statement No. 115”. SFAS 159 is expected to expand the use of fair value accounting but does not affect existing standards which require certain assets or liabilities to be carried at fair value. The objective of this pronouncement is to improve financial reporting by providing companies with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. Under SFAS 159, a company may choose at specified election dates, to measure eligible items at fair value and report unrealized gains and losses on items for which the fair value option has been elected in earnings at each subsequent reporting date. SFAS 159 is effective for financial statements issued for fiscal years beginning after November 15, 2007. The Company is currently evaluating the impact of this statement, but does not expect that it will have a material impact upon the Company’s financial statements.

AIS Financial, Inc.
Notes to Financial Statements
March 31, 2008

Note 9: NET CAPITAL REQUIREMENTS

The Company is subject to the uniform net capital rule (Rule 15c3-1) of the Securities and Exchange Commission, which requires both 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. Net capital and aggregate indebtedness change day to day, but on March 31, 2008, the Company's net capital was \$18,210, which was \$13,210 in excess of its required net capital of \$5,000; and the Company's ratio of aggregate indebtedness (\$8,597) to net capital was 0.47 to 1, which is less than the 15 to 1 maximum ratio permissible for a broker/dealer.

Note 10: RECONCILIATION OF AUDITED NET CAPITAL TO UNAUDITED FOCUS

There is a \$2,028 difference between the computation of net capital under net capital SEC rule 15c3-1 and the corresponding unaudited FOCUS part IIA.

Net capital per unaudited schedule		\$ 20,238
Adjustments:		
Accumulated deficit	\$ 672	
Non-allowable assets	<u>(2,700)</u>	
Total adjustments		<u>(2,028)</u>
Net capital per audited statements		<u>\$ 18,210</u>

AIS Financial, Inc.
Schedule I - Computation of Net Capital Requirements
Pursuant to Rule 15c3-1
As of March 31, 2008

Computation of net capital

Stockholders' equity		
Common stock	\$	100
Additional paid-in capital		90,673
Retained earnings		<u>(54,621)</u>
Total stockholders' equity	\$	36,152
Less: Non-allowable assets		
Marketable securities, at market value		(2,700)
Furniture & equipment, net		<u>(15,242)</u>
Total adjustments		<u>(17,942)</u>
Net capital		18,210

Computation of net capital requirements

Minimum net capital requirements		
6 2/3 percent of net aggregate indebtedness	\$	573
Minimum dollar net capital required	\$	5,000
Net capital required (greater of above)		<u>5,000</u>

Excess net capital \$ 13,210

Ratio of aggregate indebtedness to net capital 0.47:1

There was a \$2,028 difference between net capital shown here and net capital as reported on the Company's unaudited Form X-17A-5 report dated March 31, 2008. See Note 10.

See independent auditor's report.

AIS Financial, Inc.
Schedule II - Computation for Determination of Reserve Requirements
Pursuant to Rule 15c3-3
As of March 31, 2008

A computation of reserve requirement is not applicable to AIS Financial, Inc. as the Company qualifies for exemption under Rule 15c3-3 (k)(2)(ii).

See independent auditor's report.

AIS Financial, Inc.
Schedule III - Information Relating to Possession or Control
Requirements Under Rule 15c3-3
As of March 31, 2008

Information relating to possession or control requirements is not applicable to AIS Financial, Inc. as the Company qualifies for exemption under Rule 15c3-3 (k)(2)(ii).

See independent auditor's report.

AIS Financial, Inc.
Supplementary Accountant's Report
on Internal Accounting Control
Report Pursuant to 17a-5
For the Year Ended March 31,2008

BREARD & ASSOCIATES, INC.
Certified Public Accountants

Board of Directors
AIS Financial, Inc.:

In planning and performing our audit of the financial statements of AIS Financial, 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 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 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 and recordation of differences required by rule 17a-13
2. 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.

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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 entity's 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 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 Board of Directors, management, the SEC, 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.

Breard & Associates, Inc.

Breard & Associates, Inc.
Certified Public Accountants

Northridge, California
May 28, 2008