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UNITED STATES  
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- 52615

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: KOREA INVESTMENT & SECURITIES AMERICA, INC.

OFFICIAL USE ONLY  
FIRM I.D. NO.

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

400 Kelby Street

11th Floor

(No. and Street)

Fort Lee

NJ

07024

(City)

(State)

(Zip Code)

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

Hun Koo Kang

201-592-0631

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

SEJONG LLP

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

350 Fifth Ave. Suite 5715

New York

NY

(Address)

(City)

(State)

CHECK ONE:

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

PROCESSED

JUN 06 2008

THOMSON REUTERS

SEC 10118  
Mail Processing  
Section  
MAY 3 2008  
Washington, DC  
101

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\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

OATH OR AFFIRMATION

I, Hun Koo Kang, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Korea Investment & Securities America, 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:

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

Hun Koo Kang  
Signature

Managing Director  
Title

Anli J. Chang  
Notary Public  
**ANLI J. CHANG**  
**NOTARY PUBLIC OF NEW JERSEY**  
**Commission Expires 2/17/2011**

- This report \*\* contains (check all applicable boxes): **Sworn to and subscribed before me this 16 day of April 2008**
- (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 15c3-3 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).

**KOREA INVESTMENT & SECURITIES AMERICA, INC.**  
(A Wholly Owned Subsidiary of  
Korea Investment & Securities Co., Ltd.)

Statement of Financial Condition

March 31, 2008

(With Independent Auditors' Report Thereon)

SEC  
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Washington, DC  
101

### Independent Auditors' Report

The Board of Directors  
Korea Investment & Securities America, Inc.:

We have audited the accompanying statement of financial condition of Korea Investment & Securities America, Inc. (the Company), a wholly owned subsidiary of Korea Investment & Securities Co., Ltd., as of March 31, 2008, that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. This statement of financial condition is the responsibility of the Company's management. Our responsibility is to express an opinion on this statement of financial condition 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 misstatements. 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 the financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the statement of financial condition referred to above presents fairly, in all material respects, the financial position of Korea Investment & Securities America, Inc. as of March 31, 2008, in conformity with accounting principles generally accepted in the United States of America.

SEJONG LLP

April 18, 2008

**KOREA INVESTMENT & SECURITIES AMERICA, INC.**  
(A Wholly Owned Subsidiary of  
Korea Investment & Securities Co., Ltd.)

Statement of Financial Condition

March 31, 2008

<b>Assets</b>	
Cash and cash equivalents	\$ 1,485,447
Accounts receivable (note 2)	11,159
Commission receivable (note 2)	162,908
Securities owned, at market value:	
Mutual funds	3,750,422
Fixed assets, net (note 3)	18,508
Other assets	98,704
	<u>5,527,148</u>
	\$ <u>5,527,148</u>
<b>Liabilities and Stockholder's Equity</b>	
Liabilities:	
Accrued expenses and other payable (note 4)	\$ <u>842,450</u>
Commitment (note 6)	
Stockholder's equity:	
Common stock, \$0.01 par value. Authorized 1,000 shares; issued and outstanding 100 shares	1
Additional paid-in capital	2,999,999
Retained earnings	1,684,698
Total stockholder's equity	<u>4,684,698</u>
	\$ <u>5,527,148</u>

See accompanying notes to financial statements.

**KOREA INVESTMENT & SECURITIES AMERICA, INC.**

(A Wholly Owned Subsidiary of  
Korea Investment & Securities Co., Ltd.)

Notes to Statement of Financial Condition

March 31, 2008

**(1) Organization and Summary of Significant Accounting Policies**

Korea Investment & Securities America, Inc., (the "Company") was incorporated on April 18, 2000 under the laws of the State of Delaware to conduct a securities business in the United States. The Company, a wholly owned subsidiary of Korea Investment & Securities Co., Ltd., (the Parent), a Korean corporation, is a registered broker and dealer in securities under the Securities Exchange Act of 1934 and is a member of the National Association of Securities Dealers, Inc. (NASD) since January 23, 2001. The Company has changed its name to Korea Investment & Securities America, Inc. in June 2005.

The Company engages primarily in broker and dealer transactions of Korean securities, and the underwriting of Korean debt and equity securities. Its principal customers are the U.S. institutions investing in the emerging markets. The major source of income is commission income from its brokerage services.

The Company has a clearing agreement with its Parent whereby the Parent clears Korean securities transactions for the Company and its customers and carries such accounts on a fully disclosed basis as customers of the Parent. Accordingly, the Company does not carry customers' accounts and does not receive, deliver, or hold cash or securities in connection with such transactions.

**(a) Cash Equivalents**

The Company considers all highly liquid debt instruments with original maturities of three months or less at the time of purchase to be cash equivalents.

**(b) Depreciation**

Furniture and fixtures, office equipment, and automobile are depreciated using the straight-line method over their estimated useful lives.

**(c) Income Taxes**

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

**(d) Use of Estimates in the Preparation of a Statement of financial condition**

The preparation of a statement of financial condition in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the statement of financial condition. Actual results could differ from those estimates.

**KOREA INVESTMENT & SECURITIES AMERICA, INC.**

(A Wholly Owned Subsidiary of  
Korea Investment & Securities Co., Ltd.)

Notes to Statement of Financial Condition

March 31, 2008

**(2) Related Party Transactions**

The Company executes a substantial portion of its sales and purchase of Korean securities through the Parent. With respect to these transactions, accounts receivable and commission receivable from the Parent as of March 31, 2008 amounted to approximately \$4,000 and \$163,000, respectively.

**(3) Fixed Assets**

Fixed assets, at cost, as of March 31, 2008 are summarized as follows:

Furniture and fixtures	\$	16,509
Office equipment		<u>34,254</u>
		50,763
Less accumulated depreciation		<u>(32,255)</u>
	\$	<u>18,508</u>

**(4) Income Taxes**

The tax effect of temporary difference that gives rise to significant portion of the deferred tax liability at March 31, 2008 is presented below:

Deferred tax liability:	
Unrealized gains on securities	\$ <u>(89,323)</u>
Total gross deferred liability	\$ <u>(89,323)</u>

There was no change in valuation allowance for the year ended March 31, 2008.

The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, the projected future taxable income, and tax planning strategies in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes it is more likely than not that the Company will realize the benefits of these deductible differences.

**KOREA INVESTMENT & SECURITIES AMERICA, INC.**

(A Wholly Owned Subsidiary of  
Korea Investment & Securities Co., Ltd.)

Notes to Statement of Financial Condition

March 31, 2008

**(5) Net Capital Requirements**

The Company, as a registered broker and dealer in securities, is subject to the Uniform Net Capital Rule 15c3-1 of the Securities and Exchange Commission. Such rule prohibits the Company from engaging in any securities transactions whenever its "aggregate indebtedness" (as defined) exceeds fifteen times its "net capital" (as defined). Under such rule, and the related rule of the NASD, the Company may be required to reduce its business if its net capital ratio exceeds 12 to 1, and it may be prohibited from expanding its business if its net capital ratio exceeds 10 to 1.

At March 31, 2008, the Company had a minimum net capital requirement of \$100,000, whereas it had net capital of \$642,451. The Company's percentage of aggregate indebtedness to net capital was 117.23%.

**(6) Commitment**

The Company leases its office under a noncancelable operating lease which expires on June 15, 2012.

At March 31, 2008, the future minimum lease payments required under the noncancelable operating lease are approximately as follows:

Year ending March 31:

2009	\$	61,000
2010		61,000
2011		61,000
2012		61,000
Thereafter		<u>13,000</u>
Total minimum lease payments	\$	<u>257,000</u>

**Independent Auditors' Report  
on Internal Control Pursuant to SEC Rule 17a-5**

The Board of Directors  
Korea Investment & Securities America, Inc.:

In planning and performing our audit of the financial statements of Korea Investment & Securities America, Inc. (a wholly owned subsidiary of Korea Investment & Securities Co., Ltd.) (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

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 preparation of financial statements in accordance with accounting principles generally accepted in the United States of America. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control or the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or 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 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 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, the National Association of Securities Dealers, Inc., 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.

SEJONG UP

April 18, 2008