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

SEC FILE NUMBER
8-65883

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 7/01/2007 AND ENDING 6/30/2008
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: SOMED Financial, LLC

OFFICIAL USE ONLY
FIRM I.D. NO.

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

35 Lakeshore Drive

(No. and Street)

Birmingham,

AL

35209

(City)

(State)

(Zip Code)

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

Kim Thompson

(205) 945-1840

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Sellers, Richardson, Holman & West, LLP

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

3500 Blue Lake Drive, Suite 325

Birmingham,

Al **DEB**
Wall Processing
Section

35243

(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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THOMSON REUTERS

AUG 27 2008

Washington, DC
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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)

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11/9/08

OATH OR AFFIRMATION

I, William L. Hartsfield, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of SOMED Financial, LLC, as of June 30, 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:

NOTARY PUBLIC STATE OF ALABAMA AT LARGE
MY COMMISSION EXPIRES: July 22, 2011
BONDED THRU NOTARY PUBLIC UNDERWRITERS

William L. Hartsfield
Signature

President

Title

Lipo L. Manuel
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 Financial Condition.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital.
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

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



SELLERS RICHARDSON HOLMAN & WEST^{LLP}

SOMED FINANCIAL, LLC

**Financial Statements
Years Ended June 30, 2008 and 2007**

**THE ADVICE YOU NEED.
THE ATTENTION YOU DESERVE.**

SOMED FINANCIAL, LLC

Financial Statements

Years Ended June 30, 2008 and 2007

SOMED FINANCIAL, LLC

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SELLERS RICHARDSON HOLMAN & WEST, LLP

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
SOMED Financial, LLC

We have audited the accompanying statements of financial condition of SOMED Financial, LLC as of June 30, 2008 and 2007, and the related statements of income, changes in member's 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 auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 SOMED Financial, LLC as of June 30, 2008 and 2007, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on page 9 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.

Sellers Richardson Holman & West, LLP

August 12, 2008

SOMED FINANCIAL, LLC

Statement of Financial Contition June 30, 2008

	<u>Allowable</u>	<u>Non-Allowable</u>	<u>Total</u>
Assets			
Cash	\$ 89,850	\$ -	\$ 89,850
Receivables from broker-dealers	-	35	35
Prepaid insurance	-	9,715	9,715
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 89,850</u>	<u>\$ 9,750</u>	<u>\$ 99,600</u>
	<u>A.I. Liabilities</u>	<u>Non-A.I. Liabilities</u>	<u>Total</u>
Liabilities			
Payable to broker-dealers	\$ 350	\$ -	\$ 350
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	350	-	350
Member's Equity	-	-	99,250
	<u> </u>	<u> </u>	<u> </u>
Total liabilities and member's equity	<u>\$ 350</u>	<u>\$ -</u>	<u>\$ 99,600</u>

SOMED FINANCIAL, LLC

Statement of Financial Condition June 30, 2007

	<u>Allowable</u>	<u>Non-Allowable</u>	<u>Total</u>
Assets			
Cash	\$ 50,505	\$ -	\$ 50,505
Receivables from broker-dealers	1,928	-	1,928
Prepaid insurance	-	10,131	10,131
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 52,433</u>	<u>\$ 10,131</u>	<u>\$ 62,564</u>
	<u>A.I. Liabilities</u>	<u>Non-A.I. Liabilities</u>	<u>Total</u>
Liabilities			
Payable to broker-dealers	\$ 350	\$ -	\$ 350
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	350	-	350
	<u> </u>	<u> </u>	<u> </u>
Member's Equity			
	-	-	62,214
	<u> </u>	<u> </u>	<u> </u>
Total liabilities and member's equity	<u>\$ 350</u>	<u>\$ -</u>	<u>\$ 62,564</u>

SOMED FINANCIAL, LLC

Statements of Income

Years Ended June 30, 2008 and 2007

	2008	2007
Revenue		
Security commissions	\$ 373	\$ 1,574
Revenue from sale of investment company shares	-	2,249
Fees for account supervision, investment advisory and administrative services	5,631	11,857
Other revenue	65,013	28,747
Total revenue	<u>71,017</u>	<u>44,427</u>
Expenses		
Regulatory fees and expenses	7,135	5,775
Other expenses	26,846	27,032
Total expenses	<u>33,981</u>	<u>32,807</u>
Net income	<u>\$ 37,036</u>	<u>\$ 11,620</u>

See notes to financial statements.

SOMED FINANCIAL, LLC

Statements of Changes in Member's Equity Years Ended June , 2008 and 2007

Balance, June 30, 2006	\$	50,594
Net income		<u>11,620</u>
Balance, June 30, 2007		62,214
Net income		<u>37,036</u>
Balance, June 30, 2008	\$	<u><u>99,250</u></u>

SOMED FINANCIAL, LLC

Statements of Cash Flows Years Ended June 30, 2008 and 2007

	2008	2007
Cash Flows from Operating Activities		
Net income	\$ 37,036	\$ 11,620
Adjustments to reconcile net income to net cash provided by operating activities:		
Decrease in receivables from broker-dealers	1,893	942
Decrease (increase) in prepaid insurance	416	(374)
	<u>39,345</u>	<u>12,188</u>
Net cash provided by operating activities		
	<u>39,345</u>	<u>12,188</u>
Net increase in cash		
	39,345	12,188
Cash		
Beginning of year	<u>50,505</u>	<u>38,317</u>
End of year	<u>\$ 89,850</u>	<u>\$ 50,505</u>

See notes to financial statements.

SOMED FINANCIAL, LLC

Notes to Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies

Nature of Activities

SOMED Financial, LLC (the Company) is a wholly owned subsidiary of SMA Services, Inc. (SMAS). The Company was formed and organized as a limited liability company in the state of Alabama on September 25, 2002. The Company's business is to provide comprehensive brokerage services to its client base, including effecting transactions in equities, municipal bonds, corporate bonds, mutual funds, and annuities (variable and fixed).

The Company is authorized to act as a broker or dealer in securities pursuant to Section 15(b) of the Securities Exchange Act of 1934 and is a member of the Financial Industry Regulatory Authority (FINRA). The Company carries no customer funds or securities and therefore is exempt from Rule 15c3-3 of the United States Securities and Exchange Commission (the SEC). The Company has established dealer-to-dealer agreements that allow it to work with outside representatives to reach its clients to solicit and effect transactions in such investments.

Basis of Presentation

The accompanying financial statements of the Company have been prepared under the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America.

Estimates

The preparation of the 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 reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash in banks and short-term investments that have an original maturity of three months or less. The Company had no cash equivalents at June 30, 2008 and 2007.

Revenue Recognition

Commission revenues earned on investment transactions executed by the Company's representatives are recognized at the time of the transaction.

Income Taxes

The Company has chosen to be treated as a partnership for federal and state income tax purposes. As a partnership, the Company is not a taxpaying entity for federal or state income tax purposes. Accordingly, no income tax expense has been recorded in the statements. All income or losses will be reported on SMAS' income tax returns.

SOMED FINANCIAL, LLC

Notes to Financial Statements

Note 2. Concentrations

Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalent accounts in financial institutions, which from time to time exceed the federally insured limits.

The Company's commission revenue is generated from investment transactions with its client base, which are primary members of Southern Medical Association (SMA), therefore, the Company's existence is dependent upon the financial stability of SMA.

Note 3. Related Party Transactions

The Company was organized with the support of SMAS. SMAS has agreed to assist the Company by providing it with certain services or goods for charges agreed upon, such as rent, utilities, salaries, telephone, equipment, furniture and fixtures, postage, office supplies, accounting services, and other general administrative and office expenses. Although SMAS did provide the Company with certain services, there were no such charges for the years ended June 30, 2008 and 2007.

Note 4. Other Income

The Company received \$35,000 in other income during the year ended June 30, 2008 from the National Association of Securities Dealers for being one of its member firms at the time of its consolidation with the New York Stock Exchange. This income is included as a component of other income on the statements of income. There was no such income received for the year ended June 30, 2007. In addition, \$30,013 and \$28,747 of other income represents other commissions reported on the FOCUS reports at June 30, 2008 and 2007, respectively.

Note 5. Other Expenses

Other expenses on the statements of income consisted of the following at June 30, 2008 and 2007:

	<u>2008</u>	<u>2007</u>
Insurance and bonds expenses	\$ 14,416	\$ 14,458
Proequities clearing fees and expenses	4,200	4,224
Professional service fees and expenses	7,330	7,450
Tax expenses	900	900
	<u>\$ 26,846</u>	<u>\$ 27,032</u>

Note 6. Net Capital Requirements

The Company is subject to the SEC's 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. The rule also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1. At June 30, 2008, the Company had net capital of \$89,500, which was \$84,500 in excess of its required net capital of \$5,000. The Company's net capital ratio was .004 to 1. At June 30, 2007, the Company had net capital of \$52,083,

SOMED FINANCIAL, LLC

Notes to Financial Statements

which was \$47,083 in excess of its required net capital of \$5,000. The Company's net capital ratio was .007 to 1.

SOMED FINANCIAL, LLC

Computation of Net Capital and Aggregate Indebtedness Under Rule 15c3-1 of the Securities and Exchange Commission June 30, 2008

Computation of Net Capital:

Total ownership equity qualified for net capital	\$	99,250
Deductions and/or charges:		
Receivables from broker-dealers		(35)
Prepaid insurance		(9,715)
Total deductions and/or charges		<u>(9,750)</u>
Net capital	\$	<u>89,500</u>

Aggregate Indebtedness:

Total aggregate indebtedness from statement of financial condition	\$	<u>350</u>
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Computation of Basic Net Capital Requirement:

Minimum net capital required (6-2/3% of aggregate indebtedness)	\$	<u>23</u>
Minimum dollar net capital requirement	\$	<u>5,000</u>
Net capital requirement	\$	<u>5,000</u>
Excess net capital	\$	<u>84,500</u>
Excess net capital at 1000% (net capital less 10% of aggregate indebtedness)	\$	<u>89,465</u>
Ratio: aggregate indebtedness to net capital		<u>.004 to 1</u>

Reconciliation with the Company's Computation:

Net capital, as reported in the Company's Part IIA (unaudited) FOCUS report	\$	<u>89,500</u>
Net capital per calculation above	\$	<u>89,500</u>



SELLERS RICHARDSON HOLMAN & WEST LLP

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
REQUIRED BY SEC RULE 17A-5 FOR BROKER-DEALER CLAIMING
EXEMPTION FROM SEC RULE 15c3-3**

To the Board of Directors
SOMED Financial, LLC

In planning and performing our audits of the financial statements and supplemental schedule of SOMED Financial, LLC (the Company), for the years ended June 30, 2008 and 2007, we considered its internal control, including control activities 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 internal control.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission (the 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 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
3. 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 or the practices and procedures referred to above, error or fraud may occur and not be detected. In addition, projection of any evaluation of effectiveness of internal

controls 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 internal control would not necessarily disclose all matters in internal control 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 one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud 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 internal control, including 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 June 30, 2008 and 2007, to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, the SEC, and other regulatory agencies, which 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 used by anyone other than these specified parties.

Sellers Richardson Holman & West, LLP

August 12, 2008



SELLERS RICHARDSON HOLMAN & WEST^{LLP}

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Birmingham, AL 35243

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srhwcpa.com

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