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

Washington, DC
106

SEC FILE NUMBER
8- 23351

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 10/01/07 AND ENDING 09/30/08
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Equishares Corporation

OFFICIAL USE ONLY
FIRM I.D. NO.

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

7 N Bemiston Ave

(No. and Street)

St. Louis

MO

63105

(City)

(State)

(Zip Code)

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

Wayne Hoffman

314-889-0690

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

RubinBrown, LLP

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

1 N Brentwood

St. Louis

MO

63105

(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)

SEC 1410 (06-02)

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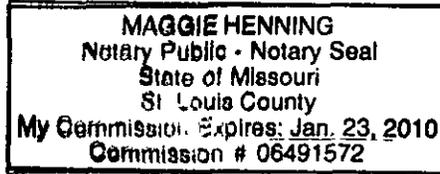
Handwritten initials/signature

OATH OR AFFIRMATION

I, Edward Balk, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Equishares Corporation, as of September 30, 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:

Edward Balk
Signature
President
Title

Maggie Henning
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. Exemptive Provision
(i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3. Exemptive Provision
(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).

EQUISHARES CORPORATION

FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

Contents

	Page
Independent Auditors' Report	1
 Financial Statements	
Statement Of Financial Condition	2
Statement Of Income	3
Statement Of Stockholder's Equity	4
Statement Of Cash Flows	5
Notes To Financial Statements	6 - 7
 Supplementary Information	
Independent Auditors' Report On Supplementary Information Required By Rule 17a-5 Of The Securities And Exchange Commission.....	8
Computation Of Net Capital Under Rule 15c3-1 Of The Securities And Exchange Commission	9
Exemptive Provision Under Rule 15c3-3	10
 Independent Auditors' Report On Internal Control	 11 - 13



RubinBrown LLP
Certified Public Accountants
& Business Consultants

One North Brentwood
Saint Louis, MO 63105

T 314.290.3300
F 314.290.3400

W rubinbrown.com
E info@rubinbrown.com

Independent Auditors' Report

Board of Directors
Equishares Corporation
St. Louis, Missouri

We have audited the accompanying statement of financial condition of Equishares Corporation (the Company) as of September 30, 2008 and 2007, and the related statements of income, stockholder'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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of September 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.

RubinBrown LLP

November 17, 2008

EQUISHARES CORPORATION
STATEMENT OF FINANCIAL CONDITION

	September 30,	
	2008	2007
Assets		
Cash	\$ 128,548	\$ 140,821
Prepaid Income Taxes	340	—
	\$ 128,888	\$ 140,821

Liabilities And Stockholder's Equity		
Income Taxes Payable	\$ —	\$ 7,500
Stockholder's Equity		
Common stock:		
Authorized 30,000 shares of \$1 par value; issued and outstanding 30,000 shares	30,000	30,000
Additional paid-in capital	30,000	30,000
Retained earnings	68,888	73,321
Total Stockholder's Equity	128,888	133,321
	\$ 128,888	\$ 140,821

EQUISHARES CORPORATION

STATEMENT OF INCOME

	For The Years	
	Ended September 30,	
	2008	2007
Revenues	\$ —	\$ —
Expenses		
Regulatory fees and expenses	1,175	798
Other operating expenses	7,967	3,068
Total Expenses	9,142	3,866
Loss From Operations	(9,142)	(3,866)
Other Income		
NASD special member payment	—	35,000
Interest income	4,709	3,578
Miscellaneous income	—	1,808
Total Other Income	4,709	40,386
Income (Loss) Before Provision		
For Income Taxes	(4,433)	36,520
Provision For Income Taxes	—	7,500
Net Income (Loss)	\$ (4,433)	\$ 29,020

EQUISHARES CORPORATION

STATEMENT OF STOCKHOLDER'S EQUITY For The Years Ended September 30, 2008 And 2007

	Common Stock		Additional Paid-In Capital	Retained Earnings	Total Stockholder's Equity
	Shares	Amount			
Balance - October 1, 2006	30,000	\$ 30,000	\$ 30,000	\$ 44,301	\$ 104,301
Net Income	—	—	—	29,020	29,020
Balance - September 30, 2007	30,000	30,000	30,000	73,321	133,321
Net Loss	—	—	—	(4,433)	(4,433)
Balance - September 30, 2008	30,000	\$ 30,000	\$ 30,000	\$ 68,888	\$ 128,888

EQUISHARES CORPORATION

STATEMENT OF CASH FLOWS

	For The Years	
	Ended September 30,	
	2008	2007
Cash Flows From Operating Activities		
Net income (loss)	\$ (4,433)	\$ 29,020
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Change in assets and liabilities:		
Increase in prepaid income taxes	(340)	—
Increase (decrease) in income taxes payable	(7,500)	1,246
Net Cash Provided By (Used In) Operating Activities	(12,273)	30,266
Net Increase (Decrease) In Cash And Cash Equivalents	(12,273)	30,266
Cash And Cash Equivalents - Beginning Of Year	140,821	110,555
Cash And Cash Equivalents - End Of Year	\$ 128,548	\$ 140,821

EQUISHARES CORPORATION

NOTES TO FINANCIAL STATEMENTS

September 30, 2008 And 2007

1. Summary Of Significant Accounting Policies

Accounting Basis

Equishares Corporation (the Company) uses the accrual basis of accounting.

Estimates And Assumptions

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Income Taxes

Income taxes are provided for the tax effects of transactions reported in the financial statements.

2. Operations

The Company was incorporated on November 6, 1978 under the laws of the State of Missouri as a broker-dealer for real estate syndications.

3. Net Capital Requirements

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. At September 30, 2008 and 2007, the Company had net capital of \$128,888 and \$133,321, which was \$123,548 and \$128,321 in excess of required net capital, respectively. The Company was also in compliance with the aggregate indebtedness ratio.

EQUISHARES CORPORATION

Notes To Financial Statements *(Continued)*

4. Subordinated Liabilities

There were no liabilities subordinated to claims of general creditors at any time during the period.

5. Securities Investor Protection Corporation

The Company is a member of the Securities Investor Protection Corporation and has paid all annual fee assessments as required.



RubinBrown

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Certified Public Accountants
& Business Consultants

One North Brentwood
Saint Louis, MO 63105

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F 314.290.3400

W rubinbrown.com
E info@rubinbrown.com

**Independent Auditors' Report On Supplementary
Information Required By Rule 17a-5 Of The
Securities And Exchange Commission**

Board of Directors
Equishares Corporation
St. Louis, Missouri

We have audited the accompanying financial statements of Equishares Corporation as of and for the years ended September 30, 2008 and 2007, and have issued our report thereon dated November 17, 2008. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in the schedules presented on pages 9 and 10 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 of 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.

RubinBrown LLP

November 17, 2008

EQUISHARES CORPORATION

COMPUTATION OF NET CAPITAL UNDER RULE 15C3-1 OF THE SECURITIES AND EXCHANGE COMMISSION

	September 30,	
	2008	2007
Net Capital		
Total stockholder's equity	\$ 128,888	\$ 133,321
Deduct:		
Stockholder's equity not allowable for net capital	—	—
Total stockholder's equity qualified for net capital	128,888	133,321
Add:		
Liabilities subordinated to claims of general creditors allowable in computation of net capital	—	—
Other deductions or allowable credits	—	—
Total capital and allowable subordinated liabilities	128,888	133,321
Deductions and/or charges:		
Nonallowable assets:		
Prepaid expenses	340	—
Investments	—	—
Other deductions and/or charges	—	—
Net capital before haircuts on securities positions	128,548	133,321
Haircuts on securities	—	—
Net Capital	\$ 128,548	\$ 133,321
Aggregate Indebtedness		
Liabilities from balance sheet	\$ —	\$ 7,500
Computation Of Basic Net Capital Requirement		
Minimum net capital required	\$ —	\$ 500
Minimum dollar net capital requirement	\$ 5,000	\$ 5,000
Net capital requirement (greater of above)	\$ 5,000	\$ 5,000
Excess net capital	\$ 123,548	\$ 128,321
Excess net capital at 1000%	\$ 128,548	\$ 132,571
Ratio of aggregate indebtedness to net capital	.00 to 1	.06 to 1

Reconciliation With Company's Computation

There are no material differences between the Company's computation and the computation above.

EQUISHARES CORPORATION

EXEMPTIVE PROVISION UNDER RULE 15c3-3

September 30, 2008 And 2007

An exemption from Rule 15c3-3 is claimed as the broker-dealer does not hold customer funds or securities.

Therefore, the schedules of "Computation For Determination Of Reserve Requirements Under Rule 15c3-3" and "Information For Possession Or Control Requirements Under Rule 15c3-3" are inapplicable.

Independent Auditors' Report On Internal Control

Board of Directors
Equishares Corporation
St. Louis, Missouri

In planning and performing our audit of the financial statements of Equishares Corporation (the Company) for the year ended September 30, 2008, we considered its internal control, including procedures for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on 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 (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
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 effective 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 internal control policies and procedures and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of 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 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, errors or irregularities may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

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 on a timely basis misstatements or noncompliance with applicable requirements of the SEC. 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 a more than remote likelihood that (a) a misstatement of the entity's financial statements, or (b) noncompliance with applicable requirements of the SEC, 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) a material misstatement of the entity's financial statements, or (b) material noncompliance with applicable requirements of the SEC, will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting and internal control over compliance was for the limited purpose described above and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control 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 September 30, 2008 to meet the SEC's objectives.

This report is intended solely for the information and use of management, the Securities and Exchange Commission and other regulatory agencies which rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 and is not intended to be and should not be used by anyone other than these specified parties.

RubinBrown LLP

November 17, 2008

END