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ANNUAL AUDITED REPORT

**FORM X-17A-5
PART III**

SEC FILE NUMBER
8-3150

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 10/1/07 AND ENDING 9/30/08
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

SWENEY CARTWRIGHT & CO.

OFFICIAL USE ONLY
FIRM ID. NO.

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

17 South High Street, Suite 300

(No. and Street)

Columbus

(City)

Ohio

(State)

43215-3438

(Zip Code)

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

Chris Keklak

(614) 228-5391

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Crowe Horwath LLP

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

10 West Broad Street, Suite 1700,

(Address)

Columbus,

(City)

Ohio

(State)

43215-3713

(Zip Code)

CHECK ONE:

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

PROCESSED

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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).

12/9

OATH OR AFFIRMATION

I, Stephen Cartwright, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of SWENEY CARTWRIGHT & CO., as of September 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:



CRYSTAL L. LYNCH
Notary Public, State of Ohio
My Commission Expires 10-13-10

Stephen Cartwright
Signature

PRESIDENT
Title

Crystal L. Lynch
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 (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 or 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.
- (o) Independent Auditors' Report on Internal Control Required by SEC Rule 17a-5

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

SWENEY CARTWRIGHT & Co.

FINANCIAL STATEMENTS

September 30, 2008

SWENEY CARTWRIGHT & Co.

FINANCIAL STATEMENTS

September 30, 2008

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REPORT OF INDEPENDENT AUDITORS

Board of Directors and Stockholders
Sweney Cartwright & Co.
Columbus, Ohio

We have audited the accompanying statement of financial condition of Sweney Cartwright & Co. (the "Company") as of September 30, 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 the 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 Sweney Cartwright & Co. as of September 30, 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 supplemental schedules of the Company as of September 30, 2008: Computation of Net Capital for Brokers and Dealers Pursuant to Rule 15c3-1 under the Securities Exchange Act of 1934, Computation for Determination of Reserve Requirements for Brokers and Dealers Pursuant to Rule 15c3-3 under the Securities Exchange Act of 1934, and Information Relating to Possession or Control Requirements for Brokers and Dealers Pursuant to Rule 15c3-3 under the Securities Exchange Act of 1934 are presented for the purpose of additional analysis and are not a required part of the basic financial statements, but are supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934. Such schedules have been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, are fairly stated in all materials respects in relation to the basic financial statements taken as a whole.


Crowe Horwath LLP

Columbus, Ohio
November 18, 2008

SWENEY CARTWRIGHT & Co.
STATEMENT OF FINANCIAL CONDITION
September 30, 2008

Assets

Cash and cash equivalents	\$ 130,810
Cash segregated in special reserve account	232,000
Deposits with clearing organizations	596,132
Receivable from customers	107,777
Accrued interest and dividends receivable	88,713
Trading securities owned, at market value:	
State and municipal obligations	3,557,906
Corporate equity securities	1,008,774
Corporate fixed income securities	443,654
Government and government sponsored agencies	5,000
Furniture and equipment, net	21,022
Deferred income taxes, net	91,851
Other assets	<u>28,976</u>
Total assets	<u>\$ 6,312,615</u>

Liabilities and Stockholders' Equity

Liabilities

Short-term borrowings	\$ 935,000
Trading securities sold, not yet purchased, at market value	1,100
Payable to customers	7,188
Payable to clearing organizations	5,261
Accrued liabilities	<u>179,537</u>
Total liabilities	1,128,086

Stockholders' equity

Common stock:

Authorized: 100,000 shares	
Issued and outstanding: 33,896 shares	
Par value: \$.50 per share	16,948
Retained earnings	<u>5,167,581</u>
Total stockholders' equity	<u>5,184,529</u>
Total liabilities and stockholders' equity	<u>\$ 6,312,615</u>

See accompanying notes to financial statements

SWENEY CARTWRIGHT & Co.
STATEMENT OF OPERATIONS
For the year ended September 30, 2008

Revenues	
Net trading gains	\$ 2,453,514
Commissions	326,336
Interest and dividends	226,064
Underwriting profit	80,130
Other	<u>5,997</u>
	3,092,041
 Operating expenses	
Compensation and commissions	2,118,465
Custody and clearing charges	66,633
Service charges	173,128
Rent and office operations	110,507
Communications	43,709
Interest	7,997
Computer and information services	76,966
Floor brokerage	36,183
Local and state taxes	31,500
Other	<u>119,225</u>
	<u>2,784,313</u>
 Net income before income taxes	 307,728
 Income tax expense	 <u>57,338</u>
 Net income	 <u><u>\$ 250,390</u></u>

See accompanying notes to financial statements

SWENEY CARTWRIGHT & Co.
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
For the year ended September 30, 2008

	<u>Common Stock</u>		<u>Retained Earnings</u>	<u>Total Stockholders' Equity</u>
	<u>Shares</u>	<u>Amount</u>		
Balances, October 1, 2007	33,896	\$ 16,948	\$ 4,917,191	\$ 4,934,139
Net income	-	-	250,390	250,390
Balances, September 30, 2008	<u>33,896</u>	<u>\$ 16,948</u>	<u>\$ 5,167,581</u>	<u>\$ 5,184,529</u>

See accompanying notes to financial statements

SWENEY CARTWRIGHT & Co.
STATEMENT OF CASH FLOWS
For the year ended September 30, 2008

Cash flows from operating activities	
Net income	\$ 250,390
Depreciation	5,767
Changes in assets and liabilities:	
Deposits with clearing organizations	(370,153)
Receivable from customers	522,047
Accrued interest and dividends receivable	(39,777)
Securities owned	62,222
Other assets	36,326
Payable to customers	(1,181)
Payable to clearing organization	(174,330)
Accrued liabilities	62,260
Trading securities sold, not yet purchased	<u>(118,163)</u>
Net cash provided by operating activities	235,408
Cash flows from investing activities	
Cash segregated in special reserve account	<u>(207,000)</u>
Cash flows from financing activities	
Decrease in short-term borrowings	<u>(150,000)</u>
Net decrease in cash and cash equivalents	(121,592)
Cash and cash equivalents at beginning of year	<u>252,402</u>
Cash and cash equivalents at end of year	<u>\$ 130,810</u>
Supplemental Disclosure of Cash Flow Information	
Cash paid during the year for:	
Interest	\$ <u>7,997</u>
Income taxes	<u>\$ -</u>

See accompanying notes to financial statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description and Business

Sweney Cartwright & Co. (the "Company") is an SEC-registered broker-dealer in securities and member of the Financial Industry Regulatory Authority ("FINRA"), specializing in sales of investment grade stocks and bonds for customers. The Company also conducts principal trading primarily in municipal bonds, other fixed income securities and community bank stocks. The following is a summary of significant accounting policies followed in the preparation of the financial statements.

Securities Transactions

The Company's proprietary securities transactions in regular-way trades are recorded on trade date. Profit and loss arising from all securities transactions entered into for the account and risk of the Company are recorded on a trade date basis. Customers' securities transactions (where the Company serves as an agent) are reported on a settlement date basis with the related commission income and expenses reported on a trade date basis.

Amounts receivable and payable for securities transactions that have not reached their contractual settlement date are recorded net on the statement of financial condition.

Trading securities owned and trading securities sold, but not yet purchased are stated at market value. Securities not readily marketable are valued at fair value as determined by management. The resulting difference between cost and market (or fair value) is included in income. The Company determines market value by using public market quotations, quoted prices from dealers or recent market transactions, depending upon the underlying security.

Underwriting Profits

Underwriting profits include fees net of expenses, arising from securities offerings in which the Company acts as an underwriter, and are recognized when the transaction is complete (generally trade date). Concession fees are also included in underwriting profits and recorded on trade date.

Furniture and Equipment

Furniture and equipment are stated at cost less accumulated depreciation. Depreciation of office furniture and equipment is provided for on the straight line method over estimated useful lives of five to ten years.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. At September 30, 2008 the company had \$20,675 held on deposit at Huntington National Bank and \$110,135 held on deposit at National City Bank. Up to \$100,000 is insured at each institution by the Federal Deposit Insurance Corporation "FDIC".

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Company accounts for income taxes under Statement of Financial Accounting Standards No. 109, *Accounting for Income Taxes*. Deferred tax assets and liabilities are determined based on the difference between the financial statement and tax bases of the assets and liabilities using enacted tax rates. Deferred tax assets and liabilities are recognized for the expected future tax consequences of events that have been included in the financial statements or tax returns.

The temporary differences, which comprise deferred income tax assets and liabilities, are related to the recognition of certain income and expense items, including depreciation and valuation of securities.

Loss Contingencies

Loss contingencies, including claims and legal actions arising in the ordinary course of business, are recorded as liabilities when the likelihood of loss is probable and an amount or range of loss can be reasonably estimated. Management does not believe there are such matters that will have a material effect on the financial statements.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principals 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.

New Accounting Standards

In June 2006, the FASB issued Interpretation ("FIN") No. 48, "Accounting for Uncertainty in Income Taxes - an Interpretation of FASB Statement No. 109", which clarifies the accounting for uncertainty in income taxes recognized in a company's financial statements in accordance with SFAS 109, *Accounting for Income Taxes*. FIN 48 prescribes a recognition and measurement threshold for a tax position taken or expected to be taken in a tax return. FIN 48 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. Due to deferral, issued by FASB on February 1, 2008, FIN 48 will be effective October 1, 2010 for the Company. The impact of adopting FIN 48 will not be material to the financial statements.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In September 2006, FASB issued SFAS No. 157, *Fair Value Measurements*. SFAS No. 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007. Management does not expect that the adoption of this standard on October 1, 2008, will have a material impact on the Company's financial statements.

NOTE 2 - CASH SEGREGATED UNDER FEDERAL REGULATIONS

Cash of \$232,000 has been segregated in a special reserve bank account for the benefit of customers as required under Rule 15c3-3 of the Securities and Exchange Act of 1934.

NOTE 3 - RECEIVABLE FROM AND PAYABLE TO CUSTOMERS

Accounts receivable from and payable to customers represent amounts due on cash and when-issued transactions. The Company does not extend margin transactions to their customers, thus, no allowance is deemed necessary for uncollectible accounts. Securities owned by customers are held as collateral for receivables. Such collateral is not reflected in the financial statements.

NOTE 4 - SHORT-TERM BORROWINGS

During the year ended September 30, 2008, the Company maintained unsecured demand lines of credit that total \$5,000,000. The interest rate, based on LIBOR plus 2%, was 6.09% at September 30, 2008. At September 30, 2008, the Company had a balance of \$935,000 drawn on the lines of credit.

(Continued)

SWENEY CARTWRIGHT & Co.
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2008

NOTE 5 - INCOME TAXES

During the year ended September 30, 2008, the Company had tax exempt interest income of approximately \$116,000. Current tax provision totaled \$1,606 and deferred tax expense totaled \$55,732 for the year ended September 30, 2008. The effective tax rate differs from the statutory rate of 34% principally due to tax-exempt interest income.

Deferred tax assets totaled \$102,762 and deferred tax liabilities totaled \$10,911 at September 30, 2008.

NOTE 6 - STOCK REPURCHASE AND PURCHASE AGREEMENTS

The Company has a stock repurchase agreement with its stockholders which requires the Company to repurchase its common stock contingent upon notice from an individual stockholder. The stock would be purchased by the Company at book value. During fiscal year 2008, the Company did not repurchase any shares of common stock.

On September 12, 2005, one of the Company's stockholders entered an agreement with one of the Company's officers allowing the officer the option to purchase 1,000 shares of the Company's stock from the other offering stockholder at a weighted average price of \$139 between January 1, 2012 and 2016.

NOTE 7 - PREMISES AND EQUIPMENT

Year-end premises and equipment were as follows:

Furniture and equipment	\$	<u>631,697</u>
Accumulated depreciation		<u>(610,675)</u>
		<u>\$ 21,022</u>

Depreciation expense was \$5,767 for the year ended September 30, 2008.

(Continued)

SWENEY CARTWRIGHT & Co.
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2008

NOTE 7 - PREMISES AND EQUIPMENT (continued)

The Company leases its office under a lease expiring December 31, 2013. The lease can be terminated by the Company after December 31, 2010; however, the Company intends to exercise the renewal option. Future minimum lease payments under this operating lease are as follows:

<u>Fiscal Year, September 30,</u>	
2009	\$ 75,248
2010	77,595
2011	<u>19,988</u>
	<u>\$ 172,831</u>

The office lease agreement provides for increased payments during the term of the lease if operating expenses and taxes exceed certain base amounts. Total office lease expenses were \$73,035 for the year ended September 30, 2008.

NOTE 8 - OFF-BALANCE SHEET RISK

In the normal course of business, the Company executes and settles customer securities transactions on a basis of delivery versus payment. The risk with these transactions is that customers may fail to satisfy their obligations requiring the Company to purchase or sell various financial instruments at prevailing market prices to fulfill customer obligations.

At September 30, 2008, the Company did not have any outstanding "when issued commitments" to purchase municipal bonds from customers, dealers or commitments from other investors to purchase these bonds upon issuance at year end.

NOTE 9 - EMPLOYEE BENEFITS

The Company has a 401(k) Employee Retirement Plan for all eligible employees. The Company's Board of Directors, subject to Department of Labor and Internal Revenue Code limitations, determines the amount of the annual matching employer contribution. The Company's contribution and expense to the Plan for fiscal year 2008 was \$22,750.

(Continued)

NOTE 10 - NET CAPITAL REQUIREMENTS

The Company is subject to regulatory capital requirements set forth by the Securities and Exchange Commission Uniform Net Capital Rule, which requires that "aggregate indebtedness" shall not exceed fifteen times "net capital" as defined by the Rule and "net capital" shall at least be \$250,000. At September 30, 2008, the Company had net capital of \$3,843,596, which was \$3,593,596 in excess of its required minimum net capital of \$250,000. The Company's percentage of aggregate indebtedness to net capital was 30%.

SUPPLEMENTARY INFORMATION

PURSUANT TO RULE 17a-15 OF THE SECURITIES AND EXCHANGE ACT OF 1934

SWENEY CARTWRIGHT & Co.
 COMPUTATION OF NET CAPITAL FOR BROKERS AND DEALERS PURSUANT
 TO RULE 15c3-1 UNDER THE SECURITIES EXCHANGES ACT OF 1934
 As of September 30, 2008

NET CAPITAL

TOTAL STOCKHOLDER'S EQUITY QUALIFIED FOR NET CAPITAL \$ 5,184,529

DEDUCTIONS AND/OR CHARGES:

Nonallowable assets:

Partly secured and unsecured customer accounts	63
Exchange membership	3,500
Deposit with clearing organization	11,115
Furniture, equipment and leasehold improvements, net of accumulated depreciation and amortization	21,022
Other assets	<u>195,270</u>
Total deductions and/or charges	<u>230,970</u>

Net capital before haircuts on security positions 4,953,559

HAIRCUTS ON SECURITIES:

Trading and investment securities:

State and municipal obligations	358,471
Corporate obligations	189,882
Stocks and warrants	<u>561,610</u>
Total haircuts	<u>1,109,963</u>

NET CAPITAL \$ 3,843,596

AGGREGATE INDEBTEDNESS

Bank loans payable	\$ 935,000
Payable to brokers or dealers and clearing organizations	5,261
Payable to customers	18,113
Accounts payable, accrued expense and other liabilities	194,611
Deduct adjustment based upon deposits in Special Reserve Bank Accounts (15c3-1(c)(1)(vii))	<u>—</u>

TOTAL AGGREGATE INDEBTEDNESS \$ 1,152,985

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

MINIMUM NET CAPITAL REQUIRED (6-2/3% of aggregate indebtedness
or \$250,000 minimum) \$ 250,000

EXCESS NET CAPITAL \$ 3,593,596

EXCESS NET CAPITAL AT 1000%
(net capital in excess of 10% of aggregate indebtedness) \$ 3,728,298

PERCENTAGE OF AGGREGATE INDEBTEDNESS TO NET CAPITAL 30%

Note: The above computation does not differ materially from the computation of net capital pursuant to Rule 15c3-1 included in Part II of the FOCUS Report filed by the Company as of September 30, 2008.

SWENEY CARTWRIGHT & Co.
INFORMATION RELATING TO POSSESSION OR CONTROL REQUIREMENTS
FOR BROKERS AND DEALERS PURSUANT TO RULE 15c3-3 UNDER THE
SECURITIES EXCHANGE ACT OF 1934
As of September 30, 2008

State the market valuation and the number of items of:

1. Customers' fully paid and excess margin securities not in the respondent's possession or control as of the report date (for which instructions to reduce to possession or control had been issued as of the report date, but for which the required action was not taken by respondent within the time frames specified under Rule 15c3-3). \$ None
 - A. Number of items None

 2. Customers' fully paid and excess margin securities for which instructions to reduce to possession or control had not been issued as of the report date, excluding items arising from "temporary lags which result from normal business operations" as permitted under Rule 15c3-3. \$ None
 - A. Number of items None
-

SWENEY CARTWRIGHT & Co.
COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS FOR
BROKERS AND DEALERS PURSUANT TO RULE 15c3-3 UNDER THE
SECURITIES EXCHANGE ACT OF 1934
As of September 30, 2008

CREDIT BALANCES

Free credit balances and other credit balances in customers' security accounts	\$ 7,188
Bearer Coupons due to customers	10,925
Customers' securities failed to receive	<u>5,341</u>

TOTAL CREDIT ITEMS \$ 23,454

DEBIT BALANCES

Debit balances in customers' cash and margin accounts excluding unsecured accounts and accounts doubtful of collection net of deductions pursuant to Rule 15c3-3	<u>\$ 65,412</u>
--	------------------

TOTAL DEBIT ITEMS \$ 65,412

RESERVE COMPUTATION

Excess of total debits over total credits	<u>\$ 41,958</u>
Amount held on deposit at September 30, 2008	<u>\$ 232,000</u>

Note: The above computation does not differ materially from the computation for determination of reserve requirements for brokers and dealers pursuant to Rule 15c3-3 included in Part II of the FOCUS Report filed by the Company as of September 30, 2008.



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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
REQUIRED BY RULE 17A-5 OF THE SECURITIES AND EXCHANGE COMMISSION

Board of Directors and Stockholders
Sweney Cartwright & Co.
Columbus, Ohio

In planning and performing our audit of the financial statements of Sweney Cartwright & Co. (the "Company") as of and for the year ended September 30, 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 an 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 Exchange Commission (the "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 compliance with such practices and procedures that we considered relevant to the objectives stated in Rule 17a-5(g), in the following:

- (1) Making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under Rule 17a-3(a)(11) and the reserve required by Rule 15c3-3(e);
- (2) Making the quarterly securities examinations, counts, verifications, and comparisons, and the 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; and
- (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.

(Continued)

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 are 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 principals 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 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 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 September 30, 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 Financial Industry Regulatory Authority (FINRA), 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 and should not be used by anyone other than these specified parties.


Crowe Horwath LLP

Columbus, Ohio
November 18, 2008

END