

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

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 04/01/08 AND ENDING 03/31/09
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: **EDI Financial, Inc.**

OFFICIAL USE ONLY

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

FIRM ID. NO.

12221 Merit Drive, Suite 1020

(No. and Street)

Dallas
(City)

Texas
(State)

75251-2207
(Zip Code)

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

Martin Prinz

(214) 528-4090

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

PMB Helin Donovan, LLP

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

5918 W. Courtyard Drive, Suite 400
(Address)

Austin
(City)

Texas
(State)

78730
(Zip Code)

CHECK ONE:

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

SEC
Mail Processing
Section

MAY 27 2009

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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).

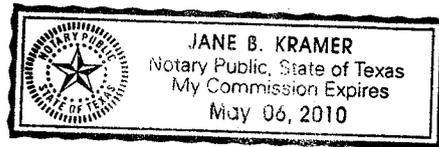
SEC 1410 (06-02)

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information contained in this form are not required to respond
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OATH OR AFFIRMATION

I, Martin Prinz, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of EDI Financial, Inc., as of March 31, 2009, 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:

NONE



Martin Prinz
Signature
President
Title

Jane B. Kramer
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 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 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.
(o) Independent auditor's report on the internal control as required by SEC rule 17a-5.

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

PMB Helin Donovan

CONSULTANTS & CERTIFIED PUBLIC ACCOUNTANTS

EDI FINANCIAL, INC.

Financial Statements and Supplemental Schedules
March 31, 2009

(With Independent Auditors' Reports Thereon)

EDI FINANCIAL, INC.
Index to Financial Statements and Supplementary Schedule
March 31, 2009

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
EDI Financial, Inc.:

We have audited the accompanying statement of financial condition of EDI Financial, Inc. as of March 31, 2009, 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 EDI Financial, Inc. as of March 31, 2009, 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 Schedule I 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.

PMB Helin Donovan, LLP

PMB Helin Donovan, LLP

Austin, Texas
May 15, 2009

EDI FINANCIAL, INC.
Statement of Financial Condition
As of March 31, 2009

Cash	\$ 70,453
Receivable from clearing broker-dealers	160,374
Receivables from related parties	11,841
Clearing deposits	259,699
Securities owned, at market value	24,778
Property and equipment, net	39,595
Other assets	<u>7,385</u>
TOTAL ASSETS	\$ <u>574,125</u>
 LIABILITIES AND STOCKHOLDERS' EQUITY	
Liabilities	
Accrued commissions payable	\$ 176,018
Payable to clearing broker-dealers	81,811
Due to shareholder	10,687
Deferred tax liabilities	1,174
Accrued expenses and other liabilities	<u>8,661</u>
Total liabilities	<u>278,351</u>
 Stockholders' Equity	
Common stock, voting, 20,000 shares authorized, \$1 par value, 20,000 shares issued and outstanding	20,000
Common stock, nonvoting, 10,000 shares authorized, \$1 par value, 0 shares issued and outstanding	-
Additional paid-in capital	366,732
Retained deficit	<u>(90,958)</u>
Total stockholders' equity	<u>295,774</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ <u>574,125</u>

See notes to financial statements and independent auditors' report.

EDI FINANCIAL, INC.
Statement of Operations
Year Ended March 31, 2009

REVENUES

Securities commissions	\$ 3,384,293
Insurance commissions	642,521
Trading profit	271,765
Interest and other income	<u>199,304</u>

Total revenues 4,497,883

EXPENSES

Commissions	3,310,578
Compensation and benefits	418,366
Clearing charges	210,536
Communications	202,619
Occupancy costs	109,494
Regulatory fees	73,629
Professional fees	65,758
Depreciation	15,461
Other expenses	<u>113,803</u>

Total expenses 4,519,373

INCOME BEFORE INCOME TAX EXPENSE (21,489)

Income tax benefit (6,115)

NET INCOME \$ (15,374)

See notes to financial statements and independent auditors' report.

EDI FINANCIAL, INC.
Statement of Changes in Stockholders' Equity
Year Ended March 31, 2009

	Common Stock		Additional Paid-In Capital	Retained Deficit	Total
	Shares	Amount			
Balances at March 31, 2008	20,000	\$ 20,000	\$366,732	\$ (75,584)	\$331,148
Net loss	-	-	-	(15,374)	(15,374)
Balances at March 31, 2009	<u>20,000</u>	<u>\$ 20,000</u>	<u>\$366,732</u>	<u>\$ (90,958)</u>	<u>\$295,774</u>

See notes to financial statements and independent auditors' report.

EDI FINANCIAL, INC.
Statement of Cash Flows
Year Ended March 31, 2009

Cash flows from operating activities:	
Net loss	\$ (15,374)
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation expense	15,461
Change in assets and liabilities	
Receivable from clearing broker-dealers	8,771
Receivables from related parties	15,649
Clearing deposits	322
Securities owned	154,263
Other assets	(2,250)
Accrued commission payable	(129,868)
Payable to clearing broker-dealers	(131,721)
Accrued expenses and other liabilities	(72,538)
Income taxes payable	10,687
Net cash used in operating activities	<u>(146,598)</u>
Cash flows from investing activities:	
Purchase of equipment	<u>(20,512)</u>
Net cash used in investing activities	<u>(20,512)</u>
Net increase in cash	(167,110)
Cash at beginning of year	<u>237,563</u>
CASH AT END OF YEAR	<u><u>\$ 70,453</u></u>
Supplemental Disclosures of Cash Flow Information:	
Income taxes paid	<u>\$ 7,890</u>
Interest paid	<u>\$ -</u>

See notes to financial statements and independent auditors' report.

EDI FINANCIAL, INC.
Notes to the Financial Statements
March 31, 2009

Note 1 - Nature of Business

EDI Financial, Inc. (Company) is registered as a broker/dealer with the Securities and Exchange Commission (SEC) and is a member of the Financial Industry Regulatory Authority (FINRA). The Company has offices located in Texas, Florida and Arkansas. The Company operates under the provisions of Paragraph K(2)(ii) of Rule 15c3-3 of the SEC, and accordingly is exempt from the remaining provisions of that Rule. The Company's customers consist primarily of individuals located throughout the United States of America.

Note 2 - Significant Accounting Policies

Basis of Accounting

These financial statements are presented on the accrual basis of accounting in accordance with generally accepted accounting principles whereby revenues are recognized in the period earned and expenses when incurred.

Cash equivalents

For purposes of the statements of cash flows, the Company considers short-term investments, which may be withdrawn at any time without penalty, and restricted cash, which will become available within one year from the date of the financial statements, to be cash equivalents.

Use of Estimates

The preparation 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Property and Equipment

The Company's policy is to capitalize all property and equipment with a useful life greater than one year. These items are then depreciated over the estimated useful lives of the assets using the straight line method as follows:

Furniture and fixtures	7 years
Computer equipment	3 years

Depreciation expense for the year ended March 31, 2009 was \$15,461.

Securities Transactions

Security transactions and the related commission revenues and expenses are recorded on the trade date.

EDI FINANCIAL, INC.
Notes to the Financial Statements
March 31, 2009

Note 2 - Significant Accounting Policies (continued)

Insurance Commissions

Insurance commissions are recorded when the insurance products are funded by the customer and the commission is earned.

Trading Profit

Trading profits include gains and losses on securities traded as well as adjustments to record securities positions at market value.

Financial instruments and credit risk

Financial instruments that potentially subject the Company to credit risk include cash, receivables from clearing broker-dealers and securities owned. The Company had cash balances in excess of federally insured limits at various times during the year. Receivables from clearing broker-dealers represent cash deposited and commissions receivable from these broker dealers and are insured by the Securities Investor Protection Corporation. Securities owned consist of securities held for trading purposes. Securities that are marketable are stated at fair market value (as determined by quoted market prices) and securities not readily marketable are carried at fair value as determined by management of the Company. The increase or decrease in net unrealized appreciation or depreciation of securities is credited or charged to operations.

Income Taxes

Income taxes are accounted for under the asset and liability method. 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. In addition, a valuation allowance is established to reduce any deferred tax asset in which the Company is not able to determine on a more likely than not basis that the deferred tax asset will be realized.

The Company is subject to Texas franchise tax. The tax is based on taxable margin, as defined under the law, rather than being based on federal taxable income. For the year ended March 31, 2009, the Company has recorded a tax benefit of \$4,104 due to an over-accrual of Texas franchise tax expense in the previous year.

EDI FINANCIAL, INC.
Notes to the Financial Statements
March 31, 2009

Note 3 - Fair Value Measurements

As defined in SFAS 157, *Fair Value Measurements*, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price methodology). SFAS 157 establishes a framework for measuring fair value that includes a hierarchy used to classify inputs used in measuring fair value. The hierarchy prioritizes inputs to valuation techniques used to measure fair value into three levels which are either observable or unobservable. Observable inputs reflect market data obtained from independent sources while unobservable inputs reflect an entity's view of market assumptions in the absence of observable market information. The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement. The three levels of the fair value hierarchy defined by SFAS 157 are as follows:

Level 1: Fair value is based on unadjusted quoted prices in active markets that are accessible to the Company for identical assets or liabilities. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis. These generally provide the most reliable evidence and are used to measure fair value whenever available. The Company's Level 1 assets include exchange traded equities and equity options. Valuations are obtained from readily available pricing sources for market transactions involving identical assets.

Level 2: Fair value is based upon significant inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable for substantially the full term of the asset or liability through corroboration with observable market data as of the reporting date. Level 2 inputs include quoted market prices in active markets for similar assets and liabilities, quoted market prices in markets that are not active for identical or similar assets or liabilities, model-derived valuations whose inputs are observable or whose significant value drivers are observable and other observable inputs.

Level 3: Fair value is based on significant unobservable inputs which reflect the entity's or third party pricing service assumptions about the assumptions market participants would use in pricing an asset or liability. Valuations are estimated based on non-binding broker prices or internally developed valuation models or methodologies, discounted cash flow models and other similar techniques.

The following table sets forth the Company's assets that are measured at fair value on a recurring basis as of December 31, 2008:

Description	Total	Level 1	Level 2	Level 3
Securities owned:				
Equity securities	\$21,857	\$21,857	\$ -	\$ -
Equity options	2,921	2,921	-	-
Total assets	<u>\$24,778</u>	<u>\$24,778</u>	<u>\$ -</u>	<u>\$ -</u>

EDI FINANCIAL, INC.
Notes to the Financial Statements
March 31, 2009

Note 3 - Fair Value Measurements (continued)

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities — Including an Amendment of FASB Statement No. 115*. SFAS No. 159 permits an entity to measure financial instruments and certain other items at estimated fair value. Most of the provisions of SFAS No. 159 are elective; however, the amendment to SFAS No. 115, *Accounting for Certain Investments in Debt and Equity Securities*, applies to all entities that own trading and available-for-sale securities. The fair value option created by SFAS No. 159 permits an entity to measure eligible items at fair value as of specified election dates. The fair value option (a) may generally be applied instrument by instrument, (b) is irrevocable unless a new election date occurs, and (c) must be applied to the entire instrument and not to only a portion of the instrument. The Company did not elect the fair value option for any assets or liabilities not previously reported at fair value. The provisions of SFAS No. 159 were effective for the Company on April 1, 2008. The adoption of SFAS No. 159 did not have a significant impact on the Company's results of operations and financial condition.

The financial instruments of the Company are reported at fair values, or at carrying amounts that approximate fair values because of the short maturity of the instruments. The following methods and assumptions were used by the Company to estimate the fair value of each class of financial instrument for which it is practicable to estimate that value:

Receivables: The carrying amount of receivables approximates their fair value because of their short-term maturities and market terms.

Payables: The carrying amount of payables approximates their fair value.

Note 4 – Marketable Securities Owned

Securities include stocks and options to purchase and sell the stocks of publicly traded companies. Securities owned consist of the following at March 31, 2009:

Equity options	\$	2,921
Equity securities		<u>21,857</u>
	\$	<u>24,778</u>

Note 5 - Property and Equipment

As of March 31, 2009, property and equipment consisted of the following:

Office furniture	\$	36,555
Computer equipment		<u>37,340</u>
		73,895
Accumulated depreciation		<u>(34,300)</u>
Property and equipment, net	\$	<u>39,595</u>

EDI FINANCIAL, INC.
Notes to the Financial Statements
March 31, 2009

Note 6 - Clearing Deposit

The Company conducts substantially all business through its primary clearing broker (First Southwest Company), which settles all trades for the Company, on a fully disclosed basis, on behalf of its customers. Under its agreement with First Southwest Company, the Company is required to maintain a clearing deposit of \$250,000. The Company is required to maintain an additional clearing deposit of \$9,699 with a second clearing broker.

Note 7 -Net Capital Requirements

The Company is subject to the SEC uniform net capital rule (Rule 15c3-1), which requires the maintenance of a minimum amount of net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. Rule 15c3-1 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 March 31, 2009, the Company had net capital and net capital requirements of \$220,814 and \$100,000, respectively. The Company's aggregate indebtedness to net capital ratio was 1.26 to 1.

Note 8 - Income Taxes

The actual Federal income tax provision differs from the amount computed by applying the Federal corporate income tax rate of 34% in 2009 to income before taxes as follows:

Expected Federal tax benefit	\$ (7,306)
Texas franchise taxes	(4,104)
Non-deductible expenses	6,049
Other items	<u>(754)</u>
Income tax benefit	\$ <u>(6,115)</u>

The deferred tax liabilities recorded on the balance sheet as of March 31, 2009 are related to the following:

Fixed assets, net	\$ <u>1,174</u>
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Note 9 - Commitments and Contingencies

Litigation

The Company is involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Company's financial position, results of operation, and liquidity.

Clearing Agreement

Included in the Company's clearing agreement with its clearing broker-dealer, is an indemnification clause. This clause relates to instances where the Company's customers fail to settle security transactions. In the event this occurs, the Company will indemnify the clearing broker-dealer to the extent of the net loss on any unsettled trades. At March 31, 2009, management of the Company had not been notified by the clearing broker-dealer, nor were they otherwise aware, of any potential losses relating to this indemnification.

EDI FINANCIAL, INC.
Notes to the Financial Statements
March 31, 2009

Note 9 - Commitments and Contingencies (continued)

Leases

The Company has entered into leases for certain administrative office space and equipment. A summary of the total minimum lease payments under non-cancelable operating leases for office space and equipment follows:

<u>Year Ending March 31,</u>		<u>Minimum Lease Payments</u>
2010	\$	84,800
2011	\$	76,435
2012	\$	78,196
2013	\$	79,956
2014	\$	47,240

During the year ended March 31, 2009, rental expense under these leases totaled \$105,969.

Note 10 - Related Party Transactions

The Company earns fee income related to insurance products from an insurance agency owned by a stockholder of the Company. Total insurance commissions earned from this related party were approximately \$108,000 during the year.

The Company has receivables from employees and stockholders totaling \$11,841 as of March 31, 2009 representing advances on commissions.

Schedule I

EDI FINANCIAL, INC.
Computation of Net Capital and Aggregate Indebtedness
Pursuant to Rule 15c3-1 of the Securities and Exchange Commission
As of March 31, 2009

Total stockholders' equity qualified for net capital	\$ 295,774
Deductions and/or charges	
Non-allowable assets:	
Receivables from related parties	11,841
Other non-allowable receivables	11,400
Property and equipment, net	39,595
Other assets	7,385
Total deductions and/or charges	<u>70,221</u>
Net capital before haircuts on securities	225,553
Haircuts on securities	<u>4,739</u>
Net capital	<u><u>\$ 220,814</u></u>
Aggregate indebtedness	
Accrued commissions payable	\$ 176,018
Payable to clearing broker-dealers	81,811
Due to shareholder	10,687
Deferred tax liabilities	1,174
Accrued expenses and other liabilities	8,661
Total aggregate indebtedness	<u><u>\$ 278,351</u></u>
Computation of basic net capital requirement	
Minimum net capital required (greater of \$100,000 or 6 2/3% of aggregate indebtedness)	<u><u>\$ 100,000</u></u>
Net capital in excess of minimum requirement	<u><u>\$ 120,814</u></u>
Ratio of aggregate indebtedness to net capital	<u><u>1.26 to 1</u></u>

Note: The above computation does not differ from the computation of net capital under Rule 15c3-1 as of March 31, 2009 as reported by EDI Financial, Inc. on un-amended Form X-17A-5. Accordingly, no reconciliation is deemed necessary.

See notes to financial statements and independent auditors' report.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL

To the Board of Directors of
EDI Financial, Inc.:

In planning and performing our audit of the financial statements and supplemental schedule of EDI Financial, Inc. (the Company) as of and for the year ended March 31, 2009 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 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. 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, 2009 to meet the SEC's objectives.

This report is intended solely for use of the Managers, management, the SEC, the Financial Industry Regulatory Authority, 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.

PMB Helin Donovan, LLP

PMB Helin Donovan, LLP

Austin, Texas
May 15, 2009