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FATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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

SEC FILE NUMBER
B- 45684

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 January 1, 2008 AND ENDING December 31, 2008  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Peace Financial Services, LLC.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

4401 Fair Lakes Court

(No. and Street)

Fairfax

(City)

VA

(State)

22033

(Zip Code)

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

Daniel Blanchard

703-539-1216

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Karll, Harvey CPA, P.C.

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

41 Middle St.

(Address)

Newburyport

(City)

MA

(State)

SEP 27 55  
Mail Processing  
Section

MAR 3 12 009

Washington, DC  
101

CHECK ONE:

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

FOR OFFICIAL USE ONLY

\*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)

Pace Financial Services, LLC  
Schedule I  
Computation of Net Capital  
December 31, 2008

Net Worth		\$ 91,683
Less: Non-Allowable Assets		<u>41,961</u>
Net Capital (ANC)		\$ 49,722
Minimum Net Capital Required 6 2/3%	22,022	
Minimum Dollar Net Capital Requirement	5,000	
Net Capital Requirement		<u>22,022</u>
Excess Capital		\$ 27,700
Aggregate Indebtedness		=====
		\$ 330,334
		=====
Ratio of Aggregate Indebtedness To Net Capital		6.64 to 1

See Accountant's Report and Accompanying Notes

Revised version  
received 3/19/2009

A.	Contractual securities commitments	_____	[3660]	
B.	Subordinated securities borrowings	_____	[3670]	
C.	Trading and investment securities:			
1.	Exempted securities	_____	[3735]	
2.	Debt securities	_____	[3733]	
3.	Options	_____	[3730]	
4.	Other securities	_____	[3734]	
D.	Undue Concentration	_____	[3650]	
E.	Other (List)			
		_____	[3736A]	
		_____	[3736B]	
		_____	[3736C]	
		_____	[3736D]	
		_____	[3736E]	
		_____	[3736F]	
		0	[3736]	0
				[3740]
10.	Net Capital			49,722
				[3750]

**COMPUTATION OF BASIC NET CAPITAL REQUIREMENT**

**Part A**

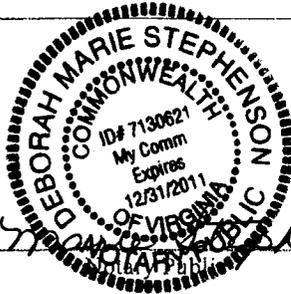
11.	Minimum net capital required (6-2/3% of line 19)	_____	22,022	[3756]
12.	Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with <u>Note(A)</u>	_____	5,000	[3758]
13.	Net capital requirement (greater of line 11 or 12)	_____	22,022	[3760]
14.	Excess net capital (line 10 less 13)	_____	27,700	[3770]
15.	Excess net capital at 1000% (line 10 less 10% of line 19)	_____	16,688	[3780]

**COMPUTATION OF AGGREGATE INDEBTEDNESS**

16.	Total A.I. liabilities from Statement of Financial Condition	_____	330,334	[3790]
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OATH OR AFFIRMATION

I, Daniel I. Blanchard, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Pace Financial Services, LLC, as of March 30, 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:



Deborah Marie Stephenson

[Handwritten Signature]
Signature

Managing Director / LLC
Title

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).