

SECURITIES AND EXCHANGE COMMISSION



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SECURITIES AND EXCHANGE COMMISSION

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

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DIVISION OF MARKET REGULATION

**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 01/01/2008 AND ENDING 12/31/2008
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: GF INVESTMENT SERVICES, LLC

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

2080 RINGLING BOULEVARD, THIRD FLOOR

(No. and Street)

SARASOTA

(City)

FL

(State)

34237

(Zip Code)

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

DANIEL J. HUSHEK, III

941-441-1902

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

KIRKLAND, RUSS, MURPHY, & TAPP P.A.

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

13577 FEATHER SOUND DRIVE, SUITE 400 CLEARWATER

(Address)

(City)

FL

(State)

33762

(Zip Code)

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)

SEC 1410 (06-02)

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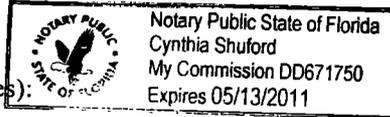
8/13

OATH OR AFFIRMATION

I, GEOFFREY A. FRAZIER, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of GF INVESTMENT SERVICES, LLC, as of DECEMBER 31ST, 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:

[Handwritten Signature]
Signature
PRESIDENT
Title

[Handwritten Signature: Cynthia Shuford]
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).

GF INVESTMENT SERVICES, LLC

**Financial Statements
and
Supplementary Information
Pursuant to Rule 17a-5 of the
Securities Exchange Act of 1934**

**December 31, 2008 and 2007
(With Independent Certified Public Accountants' Report Thereon)**

GF INVESTMENT SERVICES, LLC

INDEX

	<u>Page</u>
Report of Independent Certified Public Accountants'	1
Statements of Financial Condition as of December 31, 2008 and 2007	2
Statements of Operations for the Years Ended December 31, 2008 and 2007	3
Statements of Changes in Members' Equity for the Years Ended December 31, 2008 and 2007	4
Statements of Cash Flows for the Years Ended December 31, 2008 and 2007	5
Notes to Financial Statements	6 – 9
Supplementary Information Pursuant to Rule 17a-5 of the Securities Exchange Act of 1934:	
Computation of Net Capital Pursuant to Rule 15c3-1 of the Securities and Exchange Commission	10
Report of Independent Certified Public Accountants' on Internal Control Required by SEC Rule 17a-5	11 - 12



KIRKLAND, RUSS, MURPHY & TAPP

CERTIFIED PUBLIC ACCOUNTANTS

Jack W. Kirkland, Jr.
Andrew J. Russ
Bruce H. Murphy
William G. Tapp
Paul C. Dunham
Steven W. Grove
Daniel J. Johnson
Cindy Alvear Mull
Laura Krueger Brock
Linda S. Harding

A Professional Association

Report of Independent Certified Public Accountants'

To the Members of
GF Investment Services, LLC:

We have audited the accompanying statement of financial condition of GF Investment Services, LLC (the Company) as of December 31, 2008, and the related statements of operations, changes in members' 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 and the schedule referred to below are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of GF Investment Services, LLC as of December 31, 2007, were audited by other auditors whose report dated March 27, 2008, expressed an unqualified opinion on those statements.

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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. 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 GF Investment Services, LLC as of December 31, 2008, and the results of its operations and 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 supplementary information contained in the Computation of Net Capital Pursuant to Rule 15c3-1 of the Securities and Exchange Commission as of December 31, 2008, 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. This 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.

Kirkland, Russ, Murphy & Tapp, P.A.

March 10, 2009
Clearwater, Florida

GF INVESTMENT SERVICES, LLC

Statements of Financial Condition

December 31, 2008 and 2007

Assets	2008	2007
Cash and cash equivalents	\$ 133,049	288,452
Deposits with clearing agency	54,959	54,131
Accounts receivable:		
Commissions	61,050	134,209
Registered representatives	7,433	6,683
Accrued interest receivable	18,333	4,583
Prepaid expenses	35,713	40,392
Note receivable	250,000	250,000
	<u>560,537</u>	<u>778,450</u>
	\$	\$

Liabilities and Members' Equity

Liabilities:		
Accounts payable	\$ 3,459	44,337
Payable to clearing agency	-	40,367
Accrued commissions payable	60,443	115,245
	<u>63,902</u>	<u>199,949</u>
Members' Equity	<u>496,635</u>	<u>578,501</u>
	\$	\$
	<u>560,537</u>	<u>778,450</u>

GF INVESTMENT SERVICES, LLC

Statements of Operations

For the Years Ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Revenue:		
Commissions	\$ 1,300,133	2,238,114
Registered representative fees	24,825	33,617
Other income	-	35,566
Interest Income	15,825	9,250
	<u>1,340,783</u>	<u>2,316,547</u>
Expenses:		
Salaries, benefits and payroll taxes	340,800	383,195
Registered representative commissions	640,120	1,364,183
Advertising	955	20,817
Insurance	53,844	52,670
Office and other	50,255	24,497
Professional fees	65,645	55,471
Regulatory expenses	15,441	16,510
Rent	44,766	43,404
Telephone and utilities	9,784	3,258
Trading fees	33,246	18,565
Travel and entertainment	2,269	25,119
Web software access	101,024	122,820
	<u>1,358,149</u>	<u>2,130,509</u>
Net (loss) income	<u>\$ (17,366)</u>	<u>186,038</u>

GF INVESTMENT SERVICES, LLC

Statements of Changes in Members' Equity

For the Years Ended December 31, 2008 and 2007

	<u>Contributed Capital</u>	<u>Accumulated Earnings</u>	<u>Total</u>
Members' equity at January 1, 2007	\$ 160,000	263,713	423,713
Net income	-	186,038	186,038
Distributions	-	<u>(31,250)</u>	<u>(31,250)</u>
Members' equity at December 31, 2007	160,000	418,501	578,501
Net loss	-	(17,366)	(17,366)
Distributions	-	<u>(64,500)</u>	<u>(64,500)</u>
Members' equity December 31, 2008	<u>\$ 160,000</u>	<u>336,635</u>	<u>496,635</u>

GF INVESTMENT SERVICES, LLC

Notes to Financial Statements

December 31, 2008 and 2007

(1) Summary of Significant Accounting Policies

(a) Nature of Business

GF Investment Services, LLC (Company) is a broker-dealer registered with the Securities and Exchange Commission (SEC) and is a member of the Financial Industry Regulatory Authority (FINRA). The Company was organized as a limited liability company in Florida in 2004 and is engaged primarily in the securities brokerage business with offices in Sarasota, Fort Myers, Coral Springs and Clearwater, Florida. The Company transacts business through corresponding brokers and does not handle any customer securities.

The Company has entered into agreements with registered representatives. The registered representatives are independent contractors subject to supervision by the Company. The representatives are responsible for all of the expenses of their operations. Accordingly, the costs of the registered representatives are not included in the accompanying financial statements. The representatives receive a percentage of the gross dealer commissions paid to the Company on security based sales. The commission percentages paid to the registered representatives range from 10% to 90%.

(b) Revenue Recognition

The Company recognizes commissions revenues in the period which the commissions are earned and services are rendered.

(c) Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents for purposes of the statement of cash flows.

(d) Commissions Receivable

Commissions receivable represents commissions earned which were not received at year-end. The Company estimates the allowance for doubtful receivables based upon a review of the current status of existing receivables and management's estimate as to their collectability. No allowance for doubtful receivables was recorded at December 31, 2008 or 2007 as management believes all receivables to be fully collectible.

(e) Income Taxes

As a limited liability company, the Company's taxable income or loss is allocated to its members in accordance with the operating agreement. Therefore, no provision or liability for income taxes has been included in the financial statements.

GF INVESTMENT SERVICES, LLC

Notes to Financial Statements - Continued

(1) Summary of Significant Accounting Policies – Continued

(f) 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 various reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

(2) Concentrations of Credit Risk and Major Customer Information

Financial instruments which potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents. The Company maintains substantially all of its cash and cash equivalents in commercial depository accounts which are insured by the Federal Deposit Insurance Corporation (FDIC) up to amounts of \$250,000 per bank. At times, cash deposits exceed federally insured limits. The Company also invests in money market funds, which are not insured by the FDIC. The Company has investments in money market funds with balances of \$39,387 and \$102,430 at December 31, 2008 and December 31, 2007, respectively.

During 2008, approximately 77% of total revenue was generated by three customers. Of those three customers, 52% of total revenue was attributable to a single customer.

(3) Deposits with Clearing Agency

As of December 31, 2008 and 2007, the Company had cash deposits of \$54,959 and \$54,131, respectively, in various firm accounts with a clearing agency. These accounts are not insured by the FDIC.

(4) Note Receivable

In September 2007, the Company loaned \$250,000 to an affiliate, Global Financial Advisory, Inc., a related party through common ownership. The promissory note bears interest at 5.5%, which was payable annually beginning in September 2008. The Company has subsequently deferred the payment of interest until maturity. Principal balance is payable at maturity in September 2012. As of December 31, 2008 and 2007, accrued interest receivable totaled \$18,333 and \$4,583, respectively.

(5) Related Party Operating Lease

The Company conducts its operations in a leased facility under an operating lease with a limited liability company related through common ownership. The lease expires in December 2010. The Company may, at its option, renew the lease for two additional terms of five years each under the same terms as the current lease. The lease requires monthly payments of \$3,333. The rental payments are adjusted annually by the greater of 3% or the percentage increase in the Consumer Price Index, not to exceed 5% per year.

GF INVESTMENT SERVICES, LLC

Notes to Financial Statements - Continued

(5) **Related Party Operating Lease - Continued**

At December 31, 2008, future minimum lease payments under this lease are as follows:

<u>Year</u>	<u>Amount</u>
2009	\$ 45,020
2010	\$ 46,321

Related party rent expense related to this lease for both years ended December 31, 2008 and 2007 was approximately \$40,000.

(6) **Other Related Party Transactions**

The Company has an expense sharing agreement with Global Financial Advisory, Inc., an entity with common ownership, under which certain general and administrative costs for the Company and other related entities will be paid by Global Financial Advisory, Inc. The costs are allocated on the basis of headcount and the estimated percentage of annual work time certain employees are deemed to have dedicated to the Company. Other fees directly related to the Company paid by Global Financial Advisory, Inc. are reimbursed at 100% of the costs incurred. Total cost allocated to the Company from Global Financial Advisory, Inc. for 2008 and 2007 was \$37,915 and \$28,018, respectively. At December 31, 2008, \$3,459 of shared expense due to Global Financial Advisory, Inc. was included in accounts payable. No amounts were owed at December 31, 2007.

(7) **Retirement Plan**

On January 1, 2006, the Company adopted a SIMPLE-IRA plan covering all employees. The Company is required to match the employee's elective deferral on a dollar-for-dollar basis not to exceed 3% of the employee's compensation. Plan expense was \$7,112 and \$6,541 for the years ended December 31, 2008 and 2007, respectively.

(8) **Web Software Access License**

During 2006, the Company entered into a web software access license agreement expiring in June 2009. This agreement was cancelled in June 2008. The expense related to the agreement was \$51,121 and \$89,873 for the years ended December 31, 2008 and 2007, respectively.

(9) **Indemnifications**

In the normal course of business, the Company indemnifies and guarantees the clearing agent and financial operations and compliance management consultant against specified potential losses in connection with their acting as an agent of, or providing services to, the Company. The maximum potential amount of future payments that the Company could be required to make under these indemnifications cannot be estimated. However, the Company believes that it is unlikely it will have to make material payments under these arrangements and has not recorded any contingent liability in the financial statements for these indemnifications.

GF INVESTMENT SERVICES, LLC

Notes to Financial Statements - Continued

(10) **Commitments and Contingencies**

The Company is involved in various legal matters that arise during the ordinary course of business. Management is of the opinion that the ultimate resolution of these matters will not have a detrimental impact on the Company's financial position or results of operations.

(11) **Net Capital Requirements**

The Company is subject to SEC Uniform Net Capital Rule 15c3-1, which requires that net capital must be the greater of \$50,000 or 6.67% of aggregate indebtedness, both terms as defined by the rule. At December 31, 2008, the Company had net capital of \$168,604 which exceeded the capital requirement by \$118,604. The Company's ratio of aggregate indebtedness to net capital was .38 to 1 at December 31, 2008.

(12) **Liabilities Subordinated to Claims of General Creditors**

A statement of changes in liabilities subordinated to the claims of general creditors as required under Rule 17a-5 of the Securities and Exchange Commission is not presented since no such liabilities existed at December 31, 2008 or 2007, nor at any time during the years then ended.

(13) **Exemption Under Section (k)(2)(ii)**

The Company operates pursuant to the (k)(2)(ii) exemptive provisions of SEC Rule 15c3-3. The Company is an introducing broker-dealer who clears all transactions with and for customers on a fully disclosed basis with clearing broker-dealers, and who promptly transmits all customer funds and securities to the clearing broker-dealers which carry all of the accounts of such customers and maintain and preserve such books and records pertaining thereto pursuant to the requirements of rules 17a-3 and 17a-4, as are customarily made and kept by clearing broker-dealers.

Supplementary Information
Pursuant to Rule 17a-5 of the
Securities Exchange Act of 1934
As of December 31, 2008

GF INVESTMENT SERVICES, LLC

**Computation of Net Capital Pursuant to Rule 15c3-1
of the Securities and Exchange Commission**

December 31, 2008

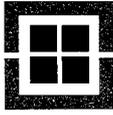
Net Capital

Members' equity	\$	496,635
Deductions for non-allowable assets:		
Prepaid expenses		(35,713)
Commissions receivable		(15,764)
Registered representative receivable		(7,433)
Accrued interest receivable		(18,333)
Note receivable		<u>(250,000)</u>
Net capital before haircuts on securities positions (tentative net capital)		169,392
Haircuts on securities:		
Money market funds		<u>(788)</u>
NET CAPITAL	\$	<u><u>168,604</u></u>

Aggregate Indebtedness

Items included in balance sheet:		
Accounts payable	\$	3,459
Accrued commissions payable		<u>60,443</u>
Total aggregated indebtedness	\$	<u><u>63,902</u></u>
Ratio: Aggregate indebtedness to net capital		<u><u>.38 to 1</u></u>
Minimum net capital requirement	\$	<u><u>50,000</u></u>

A reconciliation with the Company's computation (included in Part II of Form X-17A-5 as of December 31, 2008) is not presented as there are no material differences.



**KIRKLAND, RUSS,
MURPHY & TAPP**

CERTIFIED PUBLIC ACCOUNTANTS

*Jack W. Kirkland, Jr.
Andrew J. Russ
Bruce H. Murphy
William G. Tapp
Paul C. Dunham
Steven W. Grove
Daniel J. Johnson
Cindy Alvear Mull
Laura Krueger Brock
Linda S. Harding*

A Professional Association

Report of Independent Certified Public Accountants
On Internal Control Required
By SEC Rule 17a-5

To the Members of
GF Investment Services, LLC:

In planning and performing our audit of the financial statements and supplementary schedules of GF Investment Services, LLC, (the Company), as of and for the year ended December 31, 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 our opinion on the financial statements and supplementary schedules, 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 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 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 the 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

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 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 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, as described in the second paragraph of this report, were adequate at December 31, 2008, to meet the SEC's objectives.

This report is intended solely for the information and use of the members of GF Investment Services, LLC, management, the SEC, the Financial Industry Regulation Authority, 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.

Kirkland, Ross, Murphy & Tapp, P.A.

March 10, 2009
Clearwater, Florida