

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

SEC FILE NUMBER
8- 02-474

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 November 1, 2007 AND ENDING October 31, 2008
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

Coburn & Meredith, Inc.

OFFICIAL USE ONLY
FIRM ID. NO.

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

225 Asylum Street - 15th Floor

(No. and Street)

Hartford,

Connecticut

06103

(City)

(State)

(Zip Code)

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

Elizabeth Derway

(860) 522-7171

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Alfin, Fagin, Falce & Company, LLC

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

231 Farmington Avenue

Farmington

Connecticut

06032

(Address)

(City)

(State)

Zip Code

CHECK ONE:

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

PROCESSED
JAN 16 2009

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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 240.174-5(e)(2).

OATH OR AFFUMATION

I, Elizabeth Derway, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Coburn & Meredith, Inc., as of October 31, 192008, 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:

Elizabeth C. Derway
signature
Controller
Title

JULIA C. BRADLEY
NOTARY PUBLIC
MY COMMISSION EXPIRES SEP. 30, 2009

Julia C. Bradley
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 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 156-3.
- (i) Information Relating to the Possession or control Requirements Under Rule 156-3.
- 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).

ALFIN, FAGIN, FALCE & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

AND BUSINESS CONSULTANTS

231 FARMINGTON AVENUE

FARMINGTON, CONNECTICUT 06032-1915

JEFFREY S. ALFIN, CPA, MBA
MICHAEL W. FAGIN, CPA, MSPA
ROBERT W. FALCE, CPA, CVA
ROBERT H. LONDON, CPA

FARMINGTON, CONNECTICUT
TEL: (860) 679-5200 FAX: (860) 679-5212
E-MAIL: office@affcpa.com

JOSEPH A. BERNARDI, CPA

Board of Directors
Coburn & Meredith, Inc.
225 Asylum Street - 15th Floor
Hartford, Connecticut 06103

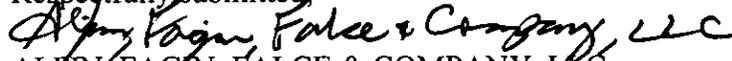
We have audited the accompanying statement of financial condition of Coburn & Meredith, Inc. (a Connecticut corporation) as of October 31, 2008, and the related statements of income, changes in stockholders' equity, and cash flows, for the year then ended that you are filing pursuant to rule 17a-5 under 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 Coburn & Meredith, Inc. as of October 31, 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 made for the purpose of forming an opinion on the basic financial statements, taken as a whole. The accompanying information contained in Schedules 1 through 3 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Schedules 1 through 3 are supplementary information required by Rule 17a-5 of the Securities and 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.

Respectfully submitted,


ALFIN, FAGIN, FALCE & COMPANY, LLC

Certified Public Accountants

November 24, 2008

We present the following report as of October 31, 2008:

Exhibit A - Statement of Financial Condition as of October 31, 2008.

Exhibit B - Statement of Income for the Year Ended October 31, 2008.

Exhibit C - Statement of Changes in Stockholders' Equity for the Year Ended October 31, 2008.

Exhibit D - Statement of Cash Flows for the Year Ended October 31, 2008.

Notes to Financial Statements.

Schedule 1 - Computation of Net Capital and Basic Net Capital Requirement Pursuant to Rule 15c3-1, as of October 31, 2008.

Schedule 2 - Computation of Aggregate Indebtedness Pursuant to Rule 15c3-1(c), as of October 31, 2008.

Schedule 3 - Computation for Determination of Reserve Requirement and Information for Possession or Control Requirements Pursuant to Rule 15c3-3, as of October 31, 2008.

COBURN & MEREDITH, INC.
HARTFORD, CONNECTICUT
STATEMENT OF FINANCIAL CONDITION
OCTOBER 31, 2008

ASSETS

Assets:

Cash		\$ 181,552
Receivables:		
Brokers and dealers clearance accounts	\$ 406,469	
Other - good faith deposit	25,175	
Non-customer registered representatives	<u>64,461</u>	
Total Receivables		496,105
Equipment, net of accumulated depreciation of \$146,376		47,436
Security deposit		30,550
Other receivables		17,424
Prepaid expenses		<u>59,672</u>
 <u>TOTAL ASSETS</u>		 <u>\$ 832,739</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Liabilities:

Accounts payable and other accrued expenses		\$ 437,965
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Stockholders' Equity:

Class A Preferred stock, 5% cumulative - \$50 par value; 20,000 shares authorized, 3,960 shares issued and outstanding	\$ 434,000	
Class B Preferred stock, 4 1/2% non-cumulative - \$.50 par value; 200,000 shares authorized, issued and outstanding		100,000
Common stock, no par value; 200,000 shares authorized; 94,000 shares issued and outstanding		470
Paid-in capital		53,121
Accumulated deficit	(192,817)	
Total Stockholders' Equity		<u>394,774</u>

<u>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</u>		<u>\$ 832,739</u>
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COBURN & MEREDITH, INC.
HARTFORD, CONNECTICUT
STATEMENT OF INCOME
FOR THE YEAR ENDED OCTOBER 31, 2008

Revenues:

Securities commissions	\$ 4,160,540	
Selling commissions on other investments	2,966,656	
Interest income	145,919	
Other income	<u>9,358</u>	
Total Revenues		\$ 7,282,473

Operating Expenses:

Salaries and commissions	5,509,054	
Payroll taxes	160,490	
Employee benefits	158,720	
Clearing expense	388,304	
Information expense	359,657	
Computer supplies	15,532	
Rent	266,192	
Depreciation and amortization	29,705	
Repairs and maintenance	2,330	
Communications	81,522	
Insurance	10,732	
Professional fees	165,519	
Licenses and fees	59,752	
Equipment rental	10,782	
Office expense	13,908	
Postage	21,376	
Property and miscellaneous taxes	5,810	
Bad debt expense	14,166	
Interest expense	4,098	
Travel, meals and entertainment	21,741	
Miscellaneous expense	319	
Settlement expense	<u>444</u>	
Total Operating Expenses		<u>7,300,153</u>

Loss Before Provision for Income Taxes (17,680)

Provision for income taxes 814

Net Loss for the Year \$ (18,494)

COBURN & MEREDITH, INC.
HARTFORD, CONNECTICUT
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEAR ENDED OCTOBER 31, 2008

	-----Capital Stock-----			Additional Paid-in Capital	Accumulated Deficit
	<u>Class A Preferred</u>	<u>Class B Preferred</u>	<u>Common</u>		
<u>Balances - November 1, 2007</u>	\$ 434,000	\$ 100,000	\$ 470	\$ 53,121	\$ (174,323)
Net Loss	-	-	-	-	(18,494)
<u>Balances - October 31, 2008</u>	\$ <u>434,000</u>	\$ <u>100,000</u>	\$ <u>470</u>	\$ <u>53,121</u>	\$ (<u>192,817</u>)

See Accompanying Notes

COBURN & MEREDITH, INC.
HARTFORD, CONNECTICUT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED OCTOBER 31, 2008
Increase (Decrease) in Cash

Cash Flows From Operating Activities:

Net Loss		\$ (18,494)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	\$ 29,705	
Change in assets and liabilities:		
Increase (Decrease) in Assets and Liabilities:		
Receivables	272,549	
Non-customer registered representatives	(63,693)	
Prepaid expenses	(5,994)	
Security deposit	(30,550)	
Accounts payable and accrued liabilities	(216,973)	
Deferred revenue	(10,811)	
Total Adjustments		(25,767)
Net Cash Used In Operating Activities		(44,261)

Cash Flows Used In Investing Activities:

Capital expenditures	(20,240)
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Net Increase in Cash (64,501)

Cash at the Beginning of Year 246,053

Cash at the End of Year \$ 181,552

Supplemental Disclosure of Cash Flow Information:

Cash paid during the year:		
Interest expense	\$ 4,098	
Income taxes	\$ 814	

COBURN & MEREDITH, INC.
HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS

Note 1 - Accounting Policies:

General:

Coburn & Meredith, Inc. (the "Company") is a registered broker-dealer whose main office is located in Hartford, Connecticut with a branch office in Boston, Massachusetts, which deals in listed and OTC securities. The Company is registered with the Securities and Exchange Commission (SEC) and is a member of the National Association of Securities Dealers (NASD) and the Securities Investors Protection Corp. (SIPC).

Securities Transactions:

The statement of financial condition reflects all securities positions utilizing the settlement-date basis, which is not materially different from the trade-date basis. In determining profit and loss, unrealized gains and losses on all securities transactions and related commissions are recognized on a trade-date basis.

Revenue and Expense Recognition:

The Company maintains its records utilizing the accrual method of accounting. Commissions, revenues and expenses are recorded on a trade-date basis.

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.

Income Taxes:

The Company records its federal and state income tax liabilities in accordance with Financial Accounting Standards Board Statement No. 109, "Accounting for Income Taxes." However, deferred taxes payable are not recorded for temporary differences between the recognition of income and expense for tax and financial reporting purposes when such amounts are immaterial.

Property and Equipment:

Property and equipment are recorded at cost. Depreciation is provided on a straight-line basis over the estimated useful lives of the respective assets.

Renewals and betterments are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. When a depreciable asset is retired or sold, the related costs and accumulated depreciation are removed from the accounts, and any gain or loss is included in the results of operations.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

COBURN & MEREDITH, INC.
HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 2 - Clearing Arrangements:

The Company clears security transactions predominantly through the Pershing Division ("Pershing") of Bank of New York, whereby Pershing carries the cash and margin accounts of the Company's customers on a fully disclosed basis. Under specific terms of the agreement, Pershing executes and reflects transactions in the customers' accounts as requested by the Company, prepares confirmations and summary monthly statements, settles contracts and transactions in securities and performs certain cashing functions, including receipt and delivery of securities. All uncollectible customer receivables are netted against commissions payable to the Company. The Company also maintains a margin account with Pershing through which it executes its own principal trading activities.

Under these agreements, the Company is required to maintain a minimum cash deposit of \$25,000 on which it receives interest at .5 % below the average broker's call rate. The Company may draw on commissions and principal trading gains as they are earned.

Note 3 - Income Taxes:

Income tax expense consists of the following components:

Federal	\$ -
State	<u>814</u>
Total	<u>\$ 814</u>

The difference between income for financial reporting and tax return purposes results from non-deductible entertainment and life insurance expenses.

As of October 31, 2008, the Company had a federal net operating loss carryforward of \$895,066 of which \$103,598 will expire in 2018, \$116,245 will expire in 2019, \$17,723 will expire in 2020, \$110,768 will expire in 2021, \$271,104 will expire in 2022, \$201,688 will expire in 2023, \$54,140 will expire in 2025, \$4,428 will expire in 2026, and \$15,372 will expire in 2027.

As of October 31, 2008, the Company had a state net operating loss carryforward of \$516,916, of which \$240,026 will expire in 2022, and \$201,438 will expire in 2023, \$62,455 will expire in 2025, \$6,736 will expire in 2026, \$6,261 will expire in 2027.

COBURN & MEREDITH, INC.
HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 4 - Aggregate Indebtedness and Net Capital:

As a registered broker-dealer, the Company is required to comply with the Uniform Net Capital Rule 15c3-1 of the Securities and Exchange Act of 1934. For the year ended October 31, 2008, the Company must maintain "net capital" as defined in the Rule equal to the greater of 6 2/3% of aggregate indebtedness, \$50,000, or specific requirements applicable to market makers. The Company would be precluded from the distribution of equity capital if net capital was less than 10% of such indebtedness.

As of October 31, 2008, the Company had net capital of \$175,231, which was \$125,231 in excess of the minimum required.

Note 5 - Commitments and Contingencies:

Leases:

In January 2004, the Company negotiated a lease for 7,488 square feet of office space. The term of the lease is from February 1, 2004 through December 31, 2009. The Company is obligated to pay a proportionate share of operating expenses. Rental expense for the Hartford location was \$156,845 for the year ended October 31, 2008.

In June 2008, the Company subleased 1,300 square feet of office space from the Hartford location on a month-to-month basis. Rental payments totaled \$9,358 for the year ended October 31, 2008, and are included in 'Other income'.

At October 31, 2008, future minimum lease payments over the term of the lease are as follows:

October 31, 2009	\$ 132,013
October 31, 2010	<u>22,002</u>
Total	\$ <u>154,015</u>

In March 2005, the Company entered into a sub-lease for the new location of its Boston office, covering the five years through February 28, 2010. The lease term called for monthly payments of \$7,875. Fluctuations with respect to lease payments vary due to adjustments for utility costs. Total rent expense for this Boston location was \$109,347 for the year ended October 31, 2008. Rent expense also included miscellaneous storage costs and related utilities.

COBURN & MEREDITH, INC.
HARTFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 6 - Capital Stock and Equity Considerations:

As of October 31, 2008, Class A preferred stock had a par value of \$50 per share and a cumulative dividend of five percent. There were 20,000 shares authorized, 3,960 shares issued and outstanding. Class B preferred stock had a par value of \$.50 per share. Class B preferred stock had authorized shares of 200,000, with 200,000 shares issued and outstanding. Common stock had no par value. There were 200,000 shares of common stock authorized, with 94,000 shares issued and outstanding.

Note 7 - Retirement Plan and Employee Benefits:

The Company maintains a non-contributory 401k retirement plan covering substantially all employees. The Company also maintains a Flexible Spending Plan for the benefit of its electing employees.

Note 8 - Advertising Costs:

The Company did not incur any advertising costs for the year ended October 31, 2008.

COBURN & MEREDITH, INC.
HARTFORD, CONNECTICUT
COMPUTATION OF NET CAPITAL AND BASIC NET CAPITAL REQUIREMENT
PURSUANT TO RULE 15c3-1
OCTOBER 31, 2008

NET CAPITAL:

Stockholders' Equity		\$ 394,774
Less: Non-allowable assets -		
Advances to registered representatives	\$ (81,885)	
Furniture and equipment	(47,436)	
Prepaid expenses	(59,672)	
Security deposit	(30,550)	
Total Non-allowable Assets		(219,543)
Net Capital Before Haircuts on Securities Positions		175,231
Haircuts on trading securities		<u> -</u>
Net Capital		\$ 175,231
Less: Net capital requirement (greater of \$29,198, 6 2/3% of aggregate indebtedness of \$437,965, \$50,000 or requirements applicable for market makers, \$6,000)		<u>50,000</u>
<u>Net Capital in Excess of Requirement</u>		<u>\$ 125,231</u>

Reconciliation with the Company's computation (included in Part II of Form X-17A-5 as of October 31, 2008) is as follows:

Net capital, as reported in the Company's Part II (unaudited) Focus Report		\$ 392,320
<u>Adjustments:</u>		
Adjustment for depreciation expense	(7,592)	
Adjustment for communication expense	<u>10,046</u>	
Total Adjustments		<u>2,454</u>
<u>Net Capital Per Above</u>		<u>\$ 394,774</u>

COBURN & MEREDITH, INC.
HARTFORD, CONNECTICUT
COMPUTATION OF AGGREGATE INDEBTEDNESS
PURSUANT TO RULE 15c3-1(e)
OCTOBER 31, 2008

<u>Total Liabilities</u>	\$ 437,965
Exclusions from aggregate indebtedness	<u>-</u>
<u>Aggregate Indebtedness</u>	\$ <u>437,965</u>
Reconciliation with the Company's computation (included in Part II of Form X-17A-5 as of October 31, 2008) is as follows:	
Aggregate indebtedness, as reported in the Company's Part II (unaudited) FOCUS report	\$ 437,965
<u>Adjustments:</u>	
None	<u>-</u>
<u>Aggregate Indebtedness</u>	\$ <u>437,965</u>

COBURN & MEREDITH, INC.
HARTFORD, CONNECTICUT
COMPUTATION FOR DETERMINATION OF RESERVE
REQUIREMENT AND INFORMATION FOR POSSESSION
OR CONTROL REQUIREMENTS
PURSUANT TO RULE 15c3-3
OCTOBER 31, 2008

The Company clears all customer transactions through the Pershing Division of Bank of New York on a fully disclosed basis and is exempt from Rule 15c3-3 under the exemptive provision Section (k)(2)(ii).

ALFIN, FAGIN, FALCE & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

AND BUSINESS CONSULTANTS

231 FARMINGTON AVENUE

FARMINGTON, CONNECTICUT 06032-1915

JEFFREY S. ALFIN, CPA, MBA
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E-MAIL: office@affcpa.com

JOSEPH A. BERNARDI, CPA

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL REQUIRED BY SEC RULE 17a-5

November 24, 2008

Board of Directors
Coburn & Meredith, Inc.
150 Trumbull Street - 6th Floor
Hartford, Connecticut 06103

In planning and performing our audit of the financial statements of Coburn & Meredith, Inc. for the year ended October 31, 2008, we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company, including tests of such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications and comparisons
2. Recordation of differences required by rule 17a-13
3. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System

The management of the Company is responsible for establishing and maintaining an 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 conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control or the practices and procedures referred to above, errors or 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.

Our consideration of internal control would not necessarily disclose all matters in internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving internal control, including control activities for safeguarding securities that we consider to be material weaknesses as defined above.

We have also considered the Anti-Money Laundering (AML) Compliance and Supervisory Procedures of Coburn & Meredith, Inc. (a Connecticut corporation) as of October 31, 2008, as required by the USA Patriot Act of 2001 and NASD Rule 3011. These procedures are the responsibility of the Company's management. Our responsibility was to determine the adequacy of and adherence to these procedures, based on our findings.

Based on our study of the anti-money laundering compliance procedures referred to above, we believe that they collectively provide reasonable assurance that these procedures are adequate and implemented in accordance with the guidelines provided by the United States Treasury Department's Office of Foreign Asset Control, created by the United States Patriot Act. No findings were cited within our examination; any matters discussed have been determined to be immaterial with respect to the effects on obtaining such reasonable assurance for purposes of expressing our opinion.

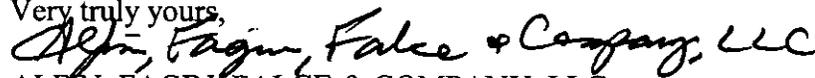
We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that 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 October 31, 2008 to meet the SEC's objectives.

We examined the Corporation's policies regarding anti-money laundering for compliance with those policies specified by the Banking Secrecy Act, the United States Patriot Act, the United States Treasury Department's Office of Foreign Asset Control and the National Association of Securities Dealers, Inc.

In our opinion, the anti-money laundering compliance procedures referred to above, provide reasonable assurance that the procedures are adequate and implemented in accordance with the guidelines provided by the United States Treasury Department's Office of Foreign Asset Control, created by the United States Patriot Act.

This report is intended solely for the information and use of the Board of Directors and management of Coburn & Meredith, Inc., the Securities and Exchange Commission and any other regulatory agencies which 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.

Very truly yours,



ALFIN, FAGIN, FALCE & COMPANY, LLC

Certified Public Accountants

END