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

SEC FILE NUMBER
8- 25628

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the 8532
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01/01/08 AND ENDING 12/31/08
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: RICHARD D. SCHUBERT, INC.

OFFICIAL USE ONLY

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

FIRM I.D. NO.

241 E. SAGINAW STE 505

(No. and Street)

EAST LANSING, MI 48823

(City)

(State)

(Zip Code)

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

RICHARD D. SCHUBERT

517 332 5000

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

LYLE D. HEPFER & CO, PC

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

715 N. CEDAR ST

(Address)

LANSING, MI 48906

(City)

(State)

(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)

Handwritten initials

OATH OR AFFIRMATION

I, RICHARD D. SCHUBERT, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of RICHARD D. SCHUBERT, INC., as of DECEMBER 31, 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:

Richard D. Schubert
Signature

PRESIDENT
Title

Linda L. Kelly
Notary Public

LINDA L. KELLY
NOTARY PUBLIC - STATE OF MICHIGAN
COUNTY OF CLINTON
My Commission Expires May 12, 2013
Acting in the County of Ingham

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).

REPORT OF AUDITORS
RICHARD D. SCHUBERT INCORPORATED:
EAST LANSING, MICHIGAN
DECEMBER 31, 2008

LYLE D. HEPFER & COMPANY, P.C.
715 N. CEDAR STREET, LANSING, MICHIGAN 48906

CERTIFIED PUBLIC ACCOUNTANTS
TELEPHONE (517) 484-1346



RICHARD D SCHUBERT INCORPORATED

EAST LANSING, MICHIGAN

DECEMBER 31, 2008

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INDEPENDENT AUDITOR'S REPORT

January 22, 2009

Board of Directors
Richard D. Schubert Incorporated
East Lansing, Michigan

We have audited the accompanying balance sheet of RICHARD D. SCHUBERT INCORPORATED as of December 31, 2008, and the related statements of income, retained earnings, and cash flows for the year then ended. 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 Richard D. Schubert Incorporated as of December 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.



Certified Public Accountants

RICHARD D. SCHUBERT INCORPORATEDBALANCE SHEETDECEMBER 31, 2008ASSETSCURRENT ASSETS

Investments - Money Market Funds	\$ 27,846.39
Accounts Receivable	35,927.66

<u>TOTAL CURRENT ASSETS</u>	<u>63,774.05</u>
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FIXED ASSETS

Furniture and Fixtures	5,418.93
Vehicles	88,080.75
	<u>93,499.68</u>
LESS Accumulated Depreciation	93,499.68

<u>NET FIXED ASSETS</u>	<u>0.00</u>
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<u>TOTAL ASSETS</u>	<u><u>63,774.05</u></u>
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LIABILITIESCURRENT LIABILITIES

Accounts Payable	4,390.13
Accrued Payroll Tax	61.40
Accrued Single Business Tax	19,270.00

<u>TOTAL CURRENT LIABILITIES</u>	<u>23,721.53</u>
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STOCKHOLDERS' EQUITY

Common Stock - Par Value \$10.00	
Authorized - 5,000 Shares	
Issued - 500 Shares	5,000.00
Retained Earnings	35,052.52

<u>TOTAL STOCKHOLDERS' EQUITY</u>	<u>40,052.52</u>
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<u>TOTAL LIABILITIES AND EQUITY</u>	<u><u>63,774.05</u></u>
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See accompanying notes and auditor's report

RICHARD D. SCHUBERT INCORPORATEDSTATEMENT OF INCOMEJANUARY 1, 2008 TO DECEMBER 31, 2008INCOME

Commissions	\$	562,041.99	
Interest		<u>5,321.90</u>	
<u>TOTAL INCOME</u>		567,363.89	100.0 %

EXPENSES

Auto Expense		6,146.48	1.1
Dues & Subscriptions		1,023.80	0.2
Fees & Bonds		743.90	0.1
Legal & Accounting		4,640.00	0.8
Office Supplies		309.76	0.1
Postage		299.62	0.1
Rent		7,176.00	1.3
Salaries		50,000.00	8.8
Taxes - Payroll		3,825.00	0.7
Taxes - Single Business		22,690.00	4.0
Telephone		1,290.64	0.2
Travel, Entertainment & Seminars		<u>20,319.83</u>	<u>3.6</u>
<u>TOTAL OPERATING EXPENSES</u>		<u>118,465.03</u>	<u>20.9</u>
<u>NET INCOME FOR THE YEAR</u>		<u>448,898.86</u>	<u>79.1</u>

EARNINGS PER SHARE897.80

See accompanying notes and auditor's report.

RICHARD D. SCHUBERT INCORPORATEDSTATEMENT OF RETAINED EARNINGSJANUARY 1, 2008 TO DECEMBER 31, 2008

<u>BALANCE, JANUARY 1, 2008</u>	\$	136,153.66
<u>ADD</u>		
Net Income for the Year		<u>448,898.86</u>
		585,052.52
<u>DEDUCT</u>		
Dividends Paid		<u>550,000.00</u>
<u>BALANCE, DECEMBER 31, 2008</u>		<u><u>35,052.52</u></u>

See accompanying notes and auditor's report.

RICHARD D. SCHUBERT INCORPORATEDSTATEMENT OF CASH FLOWSJANUARY 1, 2008 TO DECEMBER 31, 2008CASH FLOWS FROM OPERATING ACTIVITIES

Net Income for the Year	\$	448,898.86
Add (Deduct) Items Not Affecting Cash:		
Decrease in Accounts Receivable		15,513.03
Increase in Accounts Payable		4,390.13
Increase in Accrued Taxes		17,454.00
		<u>17,454.00</u>

<u>TOTAL CASH FLOWS FROM OPERATING ACTIVITIES</u>		486,256.02
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CASH FLOWS FROM FINANCING ACTIVITIES

Dividends Paid		<u>(550,000.00)</u>
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<u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>		(63,743.98)
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<u>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</u>		<u>91,590.37</u>
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<u>CASH AND CASH EQUIVALENTS, END OF YEAR</u>		<u><u>27,846.39</u></u>
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<u>INTEREST PAID</u>		<u>0.00</u>
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<u>FEDERAL INCOME TAXES PAID</u>		<u>0.00</u>
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See accompanying notes and auditor's report.

RICHARD D. SCHUBERT INCORPORATEDCOMPUTATION OF NET CAPITAL AND COMPUTATION OF 17a-5(d)(1)JANUARY 1, 2008 TO DECEMBER 31, 2008COMPUTATION OF NET CAPITAL

Total Ownership Equity	\$	40,052.52
Deduct Non-Allowable Assets		<u>0.00</u>
		40,052.52
Deduct Haircuts on Securities - Other		<u>(556.93)</u>
Net Capital		<u><u>39,495.59</u></u>

COMPUTATION OF 17a-5(d)(1) RESERVE REQUIREMENT

Minimum Net Capital Required	\$	<u>1,581.28</u>
Minimum Dollar Requirement		<u>5,000.00</u>
Net Capital Requirement (Greater of Above)		<u>5,000.00</u>
Excess Net Capital		<u>34,495.59</u>
Excess Net Capital @ 1000% (net cap - 10% of AI Liabilites)		<u>37,123.44</u>
Total AI Liabilities from Balance Sheet		23,721.53
Total Aggregate Indebtedness		<u>23,721.53</u>
Ratio of AI/NC		<u>60</u>

There are no material differences between the Report of Audit and the Focus Report Part IIA as submitted.

Lyle D. Hepfer & Company, P.C.

See accompanying notes and auditor's report.

RICHARD D. SCHUBERT INCORPORATEDNOTES TO FINANCIAL STATEMENTSDECEMBER 31, 2008ORGANIZATION AND PURPOSE

Richard D. Schubert Incorporated is a Michigan, USA Corporation which is engaged in the brokerage of securities and insurance products.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Assets and liabilities and revenues and expenditures are recognized on the accrual basis of accounting.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reporting of certain assets and liabilities and disclosures. Accordingly, the actual amounts could differ from those estimates. Any adjustments applied to estimated amounts are recognized in the year in which such adjustments are determined.

Property and equipment are stated at cost. Depreciation is computed using straight line lives ranging from 5 to 7 years.

EMPLOYEE RETIREMENT PLAN

The company made no contributions to the pension plan for year 2008.

FEDERAL INCOME TAXES

Richard D. Schubert, Inc. elected Subchapter S effective January 1, 1999. Therefore there are no federal income taxes recorded.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL

January 22, 2009

Board of Directors
Richard D. Schubert Incorporated
East Lansing, Michigan

We have examined the adequacy of Richard D. Schubert Incorporated's internal control over financial reporting as of December 31, 2008 based on SEC rule 17a-5. Richard D. Schubert Incorporated's management is responsible for maintaining effective control over financial reporting. Our responsibility is to express an opinion on whether the internal control is adequate to meet such criteria based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included obtaining an understanding of the internal control over financial reporting, testing, and evaluating the design and operating effectiveness of the internal control and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides reasonable basis for our opinion.

Because of inherent limitations in any internal control, misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal control over financial reporting to future periods are subject to the risk that the internal control may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

We understand that the agency considers the controls over financial reporting that meet the criteria referred to in the first paragraph of this report adequate for its purpose. In our opinion, based on this understanding and on our examination, Richard D. Schubert Incorporated's internal control over financial reporting as of December 31, 2008 is adequate, in all material respects, based on the criteria established by the SEC rule 17a-5.


Certified Public Accountants

END