

SECURITIES AND EXCHANGE COMMISSION
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FINANCIAL INSTITUTIONS

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

ington, D.C.

SEC FILE NUMBER
~~XXXXXXXXXX~~
8-28967

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**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 01/01/08 AND ENDING 12/31/08
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Bentley-Lawrence Securities, Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

888 W. Big Beaver Road, Suite 850

(No. and Street)

Troy

(City)

Michigan

(State)

48084

(Zip Code)

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

Richard L. Coskey

(248) 720-0300

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

William I. Minoletti & Co., P.C.

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

30435 Groesbeck Highway

(Address)

Roseville

(City)

Michigan

(State)

48066

(Zip Code)

CHECK ONE:

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

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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)

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OATH OR AFFIRMATION

I, Richard L. Coskey, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Bentley-Lawrence Securities, 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:

None

Richard L. Coskey
Signature

President

Title

Kathleen A. Hofer
Notary Public

KATHLEEN A. HOFER
Notary Public, State of Michigan
County of Oakland
My Commission Expires Oct. 18, 2011
Acting in the County of

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.
(x) (o) Independent Auditor's Report on Internal Accounting Control.

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

BENTLEY-LAWRENCE SECURITIES, INC.

FINANCIAL STATEMENTS

and

SUPPORTING SCHEDULES PURSUANT TO RULE 17a-5 OF THE

SECURITIES AND EXCHANGE COMMISSION

FOR THE YEAR ENDED DECEMBER 31, 2008

with

REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

BENTLEY-LAWRENCE SECURITIES, INC.

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WILLIAM I. MINOLETTI & Co., P.C.

CERTIFIED PUBLIC ACCOUNTANTS
UPTON PROFESSIONAL BUILDING
30435 GROESBECK HIGHWAY
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LOUIS J. CARNAGHI, CPA

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E-MAIL: minoletti@ameritech.net

INDEPENDENT AUDITOR'S REPORT

Board of Directors and Stockholders
Bentley-Lawrence Securities, Inc.

We have audited the accompanying balance sheets of Bentley-Lawrence Securities, Inc. as of December 31, 2008 and 2007 and the related statements of stockholders' equity, operations and cash flows for the years 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 audits.

We conducted our audits 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 audits provide 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 Bentley-Lawrence Securities, Inc. as of December 31, 2008 and 2007 and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in the supporting schedules on pages 10 to 12 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 of the Securities and Exchange Commission. Such information has been subjected to the auditing procedures applied in the examination 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.

William I. Minoletti & Co. P.C.

February 12, 2009

BENTLEY-LAWRENCE SECURITIES, INC.
BALANCE SHEETS
December 31, 2008 And 2007

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
Cash	\$162,838	\$205,480
Securities owned:		
Money market funds	11,910	93,105
Other, at market	7,413	14,847
Accounts receivable:		
Brokers, dealers and clearing organization	16,862	9,635
Salesmen and other	18,366	28,810
Deposit – clearing organization	25,000	25,000
Prepaid expenses	10,996	10,324
Equipment, net of accumulated depreciation of \$51,190 and \$50,407	-	783
	<u>\$253,385</u>	<u>\$387,984</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Accounts payable:		
Commissions due sales representatives	\$ 8,667	\$ 46,141
Accrued expenses	18,148	14,963
Total liabilities	26,815	61,104
Stockholders' equity:		
Common stock, par value \$1.00 per share:		
Class A voting, 100,000 shares authorized; 52,671 shares issued	52,671	52,671
Class B non-voting, 500,000 shares authorized; 20,000 shares issued	20,000	20,000
Capital in excess of par value	140,574	140,574
Retained earnings	13,325	113,635
Net stockholders' equity	226,570	326,880
	<u>\$253,385</u>	<u>\$387,984</u>

See accompanying notes.

BENTLEY-LAWRENCE SECURITIES, INC.
STATEMENTS OF STOCKHOLDERS' EQUITY
For The Years Ended December 31, 2008 And 2007

	<u>Common Stock</u>		<u>Capital In Excess Of Par Value</u>	<u>Retained Earnings</u>	<u>Net Stockholders' Equity</u>
	<u>Class A Voting</u>	<u>Class B Non-Voting</u>			
Balance, December 31, 2006	\$ 52,671	\$ 20,000	\$140,574	\$ 97,039	\$ 310,284
Net Income For The Year Ended December 31, 2007	-	-	-	16,596	16,596
Balance, December 31, 2007	52,671	20,000	140,574	113,635	326,880
Net Loss For The Year Ended December 31, 2008	-	-	-	(100,310)	(100,310)
Balance, December 31, 2008	<u>\$ 52,671</u>	<u>\$ 20,000</u>	<u>\$ 140,574</u>	<u>\$ 13,325</u>	<u>\$ 226,570</u>

See accompanying notes.

BENTLEY-LAWRENCE SECURITIES, INC.
STATEMENTS OF OPERATIONS
For The Years Ended December 31, 2008 And 2007

	2008	2007
Income:		
Commissions and fees	\$1,257,953	\$2,246,763
Net gains (losses) on security transactions	(9,677)	2,987
Interest	3,181	8,375
Total income	1,251,457	2,258,125
Commissions and clearing charges:		
Commissions paid	912,297	1,620,974
Trading and clearing charges	63,676	127,571
Total commissions and clearing charges	975,973	1,748,545
Gross profit from operations	275,484	509,580
Selling, general and administrative expenses	375,657	484,737
Income (loss) before provision for taxes	(100,173)	24,843
Provision for taxes:		
Federal income tax (Note 1)	-	-
Michigan Business tax	137	8,247
Total provision for taxes	137	8,247
Net income (loss)	\$ (100,310)	\$ 16,596

See accompanying notes.

BENTLEY-LAWRENCE SECURITIES, INC.
STATEMENTS OF CASH FLOWS
For The Years Ended December 31, 2008 And 2007

	<u>2008</u>	<u>2007</u>
Increase (decrease) in cash and cash equivalents:		
Cash flows from operating activities:		
Fees and commissions received	\$1,250,726	\$ 2,280,819
Security losses	(2,243)	(2,623)
Interest received	3,181	8,375
Commissions paid	(939,327)	(1,627,299)
Trading and clearing charges	(63,676)	(127,571)
Other selling, general and administrative expenses paid	(372,361)	(503,540)
Federal and State taxes paid	<u>(137)</u>	<u>(8,247)</u>
Net cash provided (used) by operating activities	<u>(123,837)</u>	<u>19,914</u>
Net increase (decrease) in cash and cash equivalents	(123,837)	19,914
Cash and cash equivalents at beginning of year	<u>298,585</u>	<u>278,671</u>
Cash and cash equivalents at end of year	<u><u>\$ 174,748</u></u>	<u><u>\$ 298,585</u></u>

See accompanying notes.

BENTLEY-LAWRENCE SECURITIES, INC.
STATEMENTS OF CASH FLOWS
For The Years Ended December 31, 2008 And 2007
(Continued)

	2008	2007
Reconciliation of net income (loss) to net cash provided by operating activities:		
Net income (loss)	\$ (100,310)	\$ 16,596
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	783	1,317
(Gain) loss on investments	7,434	(5,610)
(Increase) decrease in:		
Accounts receivable	3,217	8,502
Prepaid expenses	(672)	976
Increase (decrease) in:		
Accounts payable	(37,474)	19,229
Accrued expenses	3,185	(21,096)
Total adjustments	(23,527)	3,318
Net cash provided (used) by operating activities	\$ (123,837)	\$ 19,914

Disclosure of accounting policy:

For purposes of the statement of cash flows, the Company considers money market funds as cash equivalents.

See accompanying notes.

BENTLEY-LAWRENCE SECURITIES, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2008 And 2007

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Bentley-Lawrence Securities, Inc., was incorporated in the State of Michigan in 1987 and operates as a securities broker dealer.

Management 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.

Securities Transactions

Securities transactions and the related commission revenues and expenses are recorded on a trade date basis.

Securities Owned

Securities owned are valued at market and unrealized gains and losses are reflected in income.

Financial Instruments With Off-Balance-Sheet Risk

In the normal course of business, the Company's activities involve the execution, settlement and financing of various securities transactions. These activities may expose the Company to off-balance-sheet risk in the event the other party to the transaction is unable to fulfill its contractual obligation.

Equipment

Equipment is recorded at cost and depreciated over the estimated useful lives of the assets on the straight-line, declining balance and accelerated and modified accelerated cost recovery system methods.

Income Taxes

Federal income taxes in the amount of approximately \$3,300 for the year ended December 31, 2007 were offset by available net operating loss carryforward from prior years.

The Company has available a net operating loss carryforward of approximately \$108,000 to offset against future taxable income.

BENTLEY-LAWRENCE SECURITIES, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2008 And 2007
(Continued)

Note 2 – NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission's Uniform Net Capital Rule (Rule 15c3-1). Based on the provisions of this rule, the Company must maintain net capital equivalent to the greater of \$50,000 or 1/15th of aggregate indebtedness, as defined.

At December 31, 2008, the Company's net capital was \$195,834 and its required net capital was \$50,000. The ratio of aggregate indebtedness to net capital (which may not exceed 15 to 1) was 0.14 to 1.

Note 3 – EMPLOYEE BENEFIT PLAN

The Company maintains a Simplified Employee Pension Plan (SEP) for all eligible employees. The Company's contribution to the Plan, as determined by the Board of Directors is discretionary but may not exceed 25% of the annual aggregate compensation (as defined) paid participating employees. The Board of Directors elected not to make a contribution to the Plan for the years ended December 31, 2008 and 2007.

Note 4 – LEASE COMMITMENTS

The Company leases under operating leases its facilities and various items of equipment. Minimum lease payments on leases outstanding at December 31, 2008 are as follows:

<u>Year Ended December 31,</u>	<u>Operating Facilities</u>	<u>Equipment</u>	<u>Total</u>
2009	91,000	3,000	94,000
2010	93,000	3,000	96,000
2011	86,000	2,000	88,000

For the years ended December 31, 2008 and 2007, the total lease expense pursuant to operating leases amounted to \$77,572 and \$75,878 respectively, and is included in selling, general, and administrative expense in the attached Statement of Income.

BENTLEY-LAWRENCE SECURITIES, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2008 And 2007
(Continued)

Note 5 – CONTINGENCIES

The Company is a member of the Financial Industry Regulatory Authority (FINRA) and, as such, is subject to FINRA regulatory examinations from time to time. During the year 2008, FINRA completed an examination and notified the Company that it may bring disciplinary action against the Company and certain associated persons of the Company for alleged violations in connection with securities transactions that took place in certain customer accounts. Although no formal complaint has yet been issued, the Company is currently in settlement discussions to resolve the matter.

Also at December 31, 2008, the Company was involved in two (2) arbitration proceedings with FINRA regarding claims by individuals for losses on investments.

At the present time management cannot make a determination as to the outcome of the above matters.

SUPPORTING SCHEDULES

BENTLEY-LAWRENCE SECURITIES, INC.
COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1
OF THE SECURITIES AND EXCHANGE COMMISSION
December 31, 2008

1. Total ownership equity	\$ 226,570
2. Deduct ownership equity not allowable for net capital	<u>-</u>
3. Total ownership equity qualified for net capital	226,570
4. Add:	
A. Liabilities subordinated to claims of general creditors allowable in computation of net capital	-
B. Other (deductions) or allowable credits	<u>-</u>
5. Total capital and allowable subordinated liabilities	226,570
6. Deduction and/or charges:	
A. Total non-allowable assets from Statement of Financial Condition	29,386
7. Other additions and/or allowable credits	<u>-</u>
8. Net capital before haircuts on securities positions	197,184
9. Haircuts on securities (computed, where applicable, pursuant to Rule 15c3-1[f])	<u>1,350</u>
10. Net capital	195,834
13. Net capital requirement	<u>50,000</u>
14. Excess net capital	<u><u>\$ 145,834</u></u>

BENTLEY-LAWRENCE SECURITIES, INC.
COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1
OF THE SECURITIES AND EXCHANGE COMMISSION
December 31, 2008

COMPUTATION OF AGGREGATE INDEBTEDNESS

16. Total liabilities from balance sheet	<u>\$ 26,815</u>
19. Total aggregate indebtedness	<u>\$ 26,815</u>
20. Percentage of aggregate indebtedness to net capital	<u>13.69%</u>

STATEMENT PURSUANT TO PARAGRAPH (d) (4)
OF RULE 17a-5

There are no differences between this computation of net capital and the corresponding computation prepared by Bentley-Lawrence Securities, Inc. and included in the Company's unaudited Part IIA, FOCUS Report filing as of the same date.

**BENTLEY-LAWRENCE SECURITIES, INC.
COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS
FOR BROKER-DEALER UNDER RULE 15c3-3
December 31, 2008**

Bentley-Lawrence Securities, Inc., is exempt from the Computation for Determination of Reserve Requirements for Broker-Dealers under Rule 15c3-3 of the Securities and Exchange Commission because of exemption provided under Rule 15c3-3(k)(2)(ii), as a broker-dealer, "who, as an introducing broker-dealer, clears all transactions with and for customers on a fully disclosed basis with a clearing broker-dealer ...".

BENTLEY-LAWRENCE SECURITIES, INC.
SUPPLEMENTAL REPORT ON INTERNAL ACCOUNTING CONTROL
PURSUANT TO RULE 17a-5 OF THE
SECURITIES AND EXCHANGE COMMISSION
December 31, 2008

WILLIAM I. MINOLETTI & Co., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

UPTON PROFESSIONAL BUILDING

30435 GROESBECK HIGHWAY

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Board of Directors and Stockholders
Bentley-Lawrence Securities, Inc.

In planning and performing our audit of the financial statements of Bentley-Lawrence Securities, Inc. 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 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 consideration of control activities for safeguarding securities. This study included 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 and 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 deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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. However, we identified certain deficiencies in internal control that we consider to be significant deficiencies and communicated them in writing to management on February 12, 2009.

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 and 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 Board of Directors, management, the SEC, the Financial Industry Regulatory Authority (FINRA) and other regulatory agencies which rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulations of registered broker-dealers, and is not intended to be and should not be used by anyone other than these specified parties.

William J. Minolotto - Sr. P. C.

February 12, 2009

END