

mm

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	February 28, 2010
Estimated average burden hours per response.....	12.00



09057162

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

SEC FILE NUMBER
8- 47910

**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: Hancock Financial, Inc.

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

1563 Virginia Way

(No. and Street)

La Jolla

(City)

CA

(State)

SEC  
Mail Processing  
Section  
FFR 267000  
Washington, DC

103

92037-3836  
(Zip Code)

OFFICIAL USE ONLY

FIRM I.D. NO.

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

James P. Hancock

858-459-3635

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Culver, Harold Lee

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

San Diego, CA 92108

3505 Camino Del Rio So., Suite 300

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

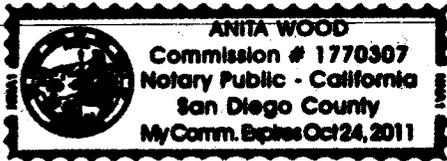
**FOR OFFICIAL USE ONLY**

\*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)

OATH OR AFFIRMATION

I, James P. Hancock, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Hancock Financial, Inc., as of December 31, 2008, 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:

No Exceptions



James P. Hancock  
Signature  
President  
Title

Anita Wood  
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.
- (o) Independent auditors report on internal accounting control.

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

**H.L. MIKE CULVER**

Certified Public Accountant  
3505 Camino del Rio South, Suite 300  
San Diego, CA 92108  
hlculver@aol.com  
(619) 282-9033

Member of California Society  
of Certified Public Accountants

February 20, 2009

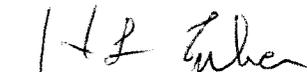
To the Board of Directors  
and Stockholders of  
Hancock Financial, Inc.

I have audited the accompanying balance sheet and the related statements of operations and of changes in stockholders' equity and statement of cash flows of Hancock Financial, Inc. at December 31, 2008 and for the year then ended. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. These standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes assessing the accounting principles and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hancock Financial, Inc., as of December 31, 2008 and the results of its operations and its changes in cash flows for the year then ended in conformity with generally accepted accounting principles.

My examination was made for the purpose of forming an opinion on the basic financial statements, taken as a whole. The information contained in Supplementary Schedules I, II and III 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 states and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



H.L. Mike Culver,  
Certified Public Accountant

HANCOCK FINANCIAL, INC.  
STATEMENT OF FINANCIAL CONDITION  
December 31, 2008

<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash	627	
Due From Correspondents	3,851	
Marketable Securities	3	
<u>TOTAL CURRENT ASSETS</u>		4,481
 <u>FIXED ASSETS</u>		
Auto & Equipment at Cost, Less		
Accumulated Depreciation of \$27,993		6,308
 <u>OTHER ASSETS</u>		
Organization Cost - Net of		
Amortization of \$3,000	-	
Deposit	10,007	
<u>TOTAL OTHER ASSETS</u>		10,007
 <u>TOTAL ASSETS</u>		20,796
 <u>LIABILITIES &amp; STOCKHOLDERS' EQUITY</u>		
 <u>LIABILITIES</u>		
Commissions Payable	2,968	
Accrued Payroll Taxes	56	
Loan - Shareholder	3,966	
<u>TOTAL LIABILITIES</u>		6,990
 <u>STOCKHOLDERS' EQUITY</u>		
Capital Stock	20,180	
Retained Earnings	(6,374)	
<u>TOTAL STOCKHOLDERS' EQUITY</u>		13,806
 <u>TOTAL LIABILITIES &amp; STOCKHOLDERS EQUITY</u>		20,796

The Accompanying Notes are an  
Integral Part of these Financial Statements

HANCOCK FINANCIAL, INC.  
STATEMENT OF LOSS  
FOR THE YEAR ENDED DECEMBER 31, 2008

REVENUES

Commissions	52,216
Other	1,283
Interest & Dividends	242

TOTAL REVENUES

53,741

EXPENSES

Salaries	25,161
Assessments & Fees	330
Administrative	2,320
Auto	2,013
Bank Charges	179
Depreciation	1,775
Dues & Fees	300
Education	75
Entertainment	5,736
Insurance	1,185
Legal & Professional	1,538
License & Permits	360
Medical	6,749
Office	1,562
Outside Service	1,540
Quote Service	5,746
Repairs & Maintenance	459
Tax - Payroll	2,188
Tax - Corporate	3,539
Telephone	2,491

TOTAL EXPENSES

65,246

NET LOSS FOR YEAR

(11,505)

The Accompanying Notes are an  
Integral Part of these Financial Statements

HANCOCK FINANCIAL, INC.  
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2008

	COMMON STOCK	ADDITIONAL PAID-IN CAPITAL	RETAINED EARNINGS
Balances, December 31, 2007	20,180	-	5,023
Prior Period Adjustment	-	-	108
Additional Contributions	-	-	-
Net Loss for Year	-	-	(11,505)
Balances, December 31, 2008	<u>20,180</u>	<u>-</u>	<u>(6,374)</u>

The Accompanying Notes are an  
Integral Part of these Financial Statements

HANCOCK FINANCIAL, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2008

CASH FLOWS FROM OPERATING ACTIVITIES

Net Loss for the Year (11,505)

ADD (DEDUCT) ADJUSTMENTS TO RECONCILE NET  
LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Amortization & Depreciation 1,775  
Correspondent Receivables (883)  
Marketable Securities 8,167  
Deposits 22  
Accounts Payable 1,936  
Prior Period Adjustment 108

CASH PROVIDED BY OPERATIONS (380)

NET DECREASE IN CASH (380)

CASH BALANCE, BEGINNING OF YEAR 1,007

CASH BALANCE, END OF YEAR 627

The Accompanying Notes are an  
Integral Part of these Financial Statements

HANCOCK FINANCIAL, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008

1. Description of the Company and Significant Accounting Policies.

Revenue Recognition

Commission Income is recorded on a Trade Date Basis.

2. Net Capital Requirements

The company is subject to the Securities and Exchange Commission uniform net capital Rule 15c3-1(a)(2) which requires that the minimum net capital be the greater of \$5,000 or 6 2/3 percent of the aggregate indebtedness to net capital, as defined. At December 31, 2008, the company had net capital of \$7,487 and its ratio of aggregate indebtedness to net capital was .00 to one.

3. Security Accounts

The company does not carry security accounts for customers or perform custodial functions. As such, the company is exempt from SEC Rule 15c3-3 Reserve Requirement per SEC Rule 15c3-3 (k) (2) (ii). Further, the company is exempt from Possession or Control Requirements under SEC Rule 15c3-3 per SEC Rule 15c3-3 (k) (2) (ii).

HANCOCK FINANCIAL, INC.  
COMPUTATION OF NET CAPITAL UNDER  
SEC RULE 15c 3-1  
December 31, 2008

SUPPLEMENTARY  
SCHEDULE I

Total Stockholders Equity 13,806

Less: Non-Allowable Assets

Organization Costs -

Other 10

Fixed Assets 6,308 6,318

Net Capital Before Haircuts on Securities  
Position 7,488

Less: Haircuts on Securities 1

Net Capital under Sec Rule 15c 3-1 7,487

The Accompanying Notes are an  
Integral Part of these Financial Statements

HANCOCK FINANCIAL, INC.  
COMPUTATION OF BASIC NET CAPITAL REQUIREMENT  
UNDER SEC RULE 15c 3-1  
December 31, 2008

SUPPLEMENTARY  
SCHEDULE II

Net Capital under Sec Rule 15c 3-1	7,487
Minimum Net Capital Required	<u>5,000</u>
Excess Net Capital	<u><u>2,487</u></u>
Total Aggregated Indebtedness	<u><u>-</u></u>
Percentage of Aggregate Indebtedness to Net Capital	<u><u>0.0%</u></u>

The Accompanying Notes are an  
Integral Part of these Financial Statements

HANCOCK FINANCIAL, INC.  
RECONCILIATION OF COMPUTATION OF NET CAPITAL  
UNDER SEC RULE 15c 3-1 TO AMOUNTS PREVIOUSLY REPORTED  
December 31, 2008

SUPPLEMENTARY  
SCHEDULE III

Net Capital as Amended	<u><u>7,487</u></u>
Net Capital as Reported on Supplementary Schedule II	<u><u>7,487</u></u>

The Accompanying Notes are an  
Integral Part of these Financial Statements

February 20, 2009

SUPPLEMENTARY REPORT OF INDEPENDENT  
ACCOUNTANTS UNDER SEC RULE 17a-5 (g) (1)

To the Board of Directors  
and Shareholders of  
Hancock Financial, Inc.

I have examined the financial statements of Hancock Financial, Inc. (the Company) for the year ended December 31, 2008, and have issued my report thereon dated February 20, 2009. As part of my examination, I made a study and evaluation of the Company's system of internal accounting control to the extent I considered necessary to evaluate the system as required by generally accepted auditing standards. The purpose of my study and evaluation, which included obtaining an understanding of the accounting system, was to determine the nature, timing, and extent of the auditing procedures necessary for expressing an opinion on the financial statements.

Also, as required by Rule 17a-5 (g) (1) of the Securities and Exchange Commission, I have made a study of the practices and procedures followed by the Company, that I considered relevant to the objectives stated in Rule 17a-5 (g), in making the periodic computations of aggregate indebtedness and net capital compliance with the exemptive provisions of Rule 15c3-3. I did not review the practices and procedures followed by the Company (i) in making the quarterly securities examinations, counts, verifications and comparisons, and the recordation of differences required by Rule 17a-13; (ii) in complying with the requirements for prompt payment for securities of Section 4 (c) of the Regulation T of the Board of Governors of the Federal Reserve System; and (iii) in obtaining and maintaining physical possession or control of all fully paid and excess margin securities of customers as required by Rule 15c3-3, because the Company does not carry security accounts for customers or perform custodial functions relating to customer securities per SEC Rule 15c3-3(k) (2) (ii).

The management of the Company is responsible for establishing and maintaining a system of internal accounting 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 control procedures and of the practices and

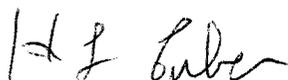
procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the Commission's above-mentioned objectives. The objectives of a system and the practices and procedures are to provide management with reasonable, but not absolute, assurance 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 accordance with generally accepted accounting principles. Rule 17a-5 (g) lists additional objectives of the procedures listed in the preceding paragraph.

Because of inherent limitations in any internal accounting control procedures, or the practices and procedures referred to above, errors or irregularities may nevertheless 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 degree of compliance with them may deteriorate.

My study and evaluation made for the limited purpose described in the first paragraph would not necessarily disclose all material weaknesses in the system. Accordingly, I do not express an opinion on the system of internal accounting control of Hancock Financial Inc. taken as a whole. However, my study and evaluation disclosed no condition that I believed to be a material weakness.

I understand that practices and procedures that accomplish those objectives referred to in the second paragraph of this report are considered by the Commission 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 material inadequacy for such purposes. Based on this understanding and on my study, I believe that the Company's practices and procedures were adequate at December 31, 2008, to meet the Commission's objectives.

This report is intended solely for the use of management and the Securities and Exchange Commission and should not be used for any other purpose.

  
H.L. Mike Culver,  
Certified Public Accountant

**HANCOCK FINANCIAL, INC.**

**December 31, 2008**

H. L. MIKE CULVER  
CERTIFIED PUBLIC ACCOUNTANT  
A PROFESSIONAL CORPORATION  
3505 CAMINO DEL RIO SOUTH, SUITE 300  
SAN DIEGO, CA 92108  
(619) 282-9033