

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

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

SEC FILE NUMBER
8- 67280

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

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: JSL SECURITIES, INC.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

300 WEST TENTH STREET

(No. and Street)

WEST POINT

GEORGIA

31833-1212

(City)

(State)

(Zip Code)

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

FRANK E. PLAN, PRESIDENT

706-645-8242

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

GIFFORD, HILLEGASS & INGWERSEN, LLP

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

1200 ASHWOOD PARKWAY, SUITE 300

ATLANTA

GEORGIA

30338-4747

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

Certified Public Accountant

Public Accountant

Accountant not resident in United States or any of its possessions

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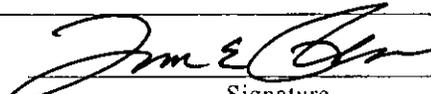
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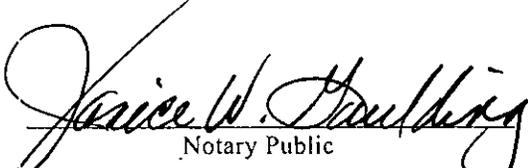
*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

OATH OR AFFIRMATION

I, FRANK E. PLAN, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of JSL SECURITIES, 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:


Signature

PRESIDENT
Title


Notary Public

MY COMMISSION EXPIRES APRIL 6, 2012

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).

JSL SECURITIES, INC.
FINANCIAL STATEMENTS
December 31, 2008
with
Independent Auditors' Report



Gifford Hillegass & Ingwersen, LLP
CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS
Where it all comes down to worth.

JSL SECURITIES, INC.

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CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholder
JSL Securities, Inc.
Atlanta, Georgia

We have audited the accompanying statement of financial condition of JSL Securities, Inc. (a C Corporation) as of December 31, 2008, and the related statements of income, stockholder's equity 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 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 JSL Securities, Inc. as of December 31, 2008, and results of its operations and cash flows for the year ended December 31, 2008, 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 information included in the supplementary schedules 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 our 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.

GIFFORD, HILLEGASS & INGWERSEN, LLP

February 20, 2009
Atlanta, Georgia

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1200 Ashwood Parkway, Suite 300
Atlanta, GA 30338-4747
Tel (770) 396-1100 • Fax (770) 393-0319
www.ghi-cpa.com

JSL SECURITIES, INC.

STATEMENT OF FINANCIAL CONDITION

December 31, 2008

ASSETS	
Current Assets	
Cash	\$ 316,346
Due from Parent (Notes B and D)	56,943
State Income Tax Receivable (Note D)	3,083
Prepaid Expenses	<u>1,353</u>
TOTAL ASSETS	<u>\$ 377,725</u>
LIABILITIES AND STOCKHOLDER'S EQUITY	
Current Liabilities	
Accrued Expenses	<u>\$ 12,000</u>
TOTAL CURRENT LIABILITES	12,000
Stockholder's Equity (Note B)	
Common Stock, \$1.00 par value, 1,000 shares authorized, issued and outstanding	1,000
Paid-in Capital	129,500
Retained Earnings	<u>235,225</u>
TOTAL STOCKHOLDER'S EQUITY	<u>365,725</u>
TOTAL LIABILITES AND STOCKHOLDER'S EQUITY	<u>\$ 377,725</u>

See accompanying notes.

JSL SECURITIES, INC.

STATEMENT OF INCOME

For the Year Ended December 31, 2008

Other Income (Note B)	\$ 1,030,223
Operating Expenses (Note B)	<u>974,435</u>
Net Income Before Tax	55,788
Income Tax Expense (Note D)	<u>1,642</u>
Net Income	<u><u>\$ 54,146</u></u>

See accompanying notes.

JSL SECURITIES, INC.
STATEMENT OF STOCKHOLDER'S EQUITY
For the Year Ended December 31, 2008

	<u>Common Stock</u>	<u>Paid in Capital</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance at December 31, 2007	\$ 1,000	\$ 129,500	\$ 181,079	\$ 311,579
Net Income	-	-	54,146	54,146
Balance at December 31, 2008	<u>\$ 1,000</u>	<u>\$ 129,500</u>	<u>\$ 235,225</u>	<u>\$ 365,725</u>

See accompanying notes.

JSL SECURITIES, INC.
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2008

Increase (Decrease) in Cash:

Cash Flows from Operating Activities

Net Income	\$ 54,146
Net increase in due from parent	(56,943)
Increase in income taxes receivable	(3,083)
Decrease in prepaid expenses	955
Decrease in income taxes payable	(5,000)
Decrease in accrued expenses	(2,233)
Net decrease in due to parent	<u>(117,945)</u>
Net cash provided by Operating Activities	<u>(130,103)</u>

NET DECREASE IN CASH (130,103)

Cash at Beginning of Year 446,449

Cash at End of Year \$ 316,346

Supplemental Cash Flow Disclosures:

Income taxes paid (Note D) \$ 9,725

See accompanying notes.

JSL SECURITIES, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Organization and Business: JSL Securities, Inc. (the “Company” or “JSL Securities”) was incorporated in Georgia on March 6, 2006. The Company is a registered broker-dealer under the Securities Exchange Act of 1934. The Company is a wholly-owned subsidiary of J. Smith Lanier & Co., (“JSL”) a regional insurance broker with offices located in Georgia, Alabama, Florida, Kentucky, North Carolina, and Tennessee. The Company started operations on March 1, 2007. The Company engages in limited securities business that does investment company and variable contract business solely on an application way basis.

Basis of Accounting: JSL Securities, Inc. prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States.

Revenue Recognition: Other income is recognized when earned and expenses are recognized when goods or services are received.

Cash and Cash Equivalents: For the purpose of reporting cash flows, the Company considers all demand notes and short-term investments with maturities of three months or less to be cash equivalents.

The Company maintains balances with banks in excess of federally insured limits. Management believes the exposure to loss from such balances to be minimal.

Income Taxes: The Company has elected to be taxed under the C Corporation rules of the Internal Revenue Code and accounts for income taxes using the asset and liability method in accordance with Statement of Financial Accounting Standards No. 109, Accounting for Income Taxes. The Company has elected to file a consolidated federal income tax return with its Parent, JSL.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fair Values of Financial Instruments: Financial instruments are reported at values which the Company believes are not significantly different from fair values. The Company believes no significant credit risk exists with respect to any of its financial instruments.

JSL SECURITIES, INC.
NOTES TO FINANCIAL STATEMENTS

December 31, 2008

NOTE B—RELATED PARTY TRANSACTIONS

For the year ended December 31, 2007, JSL contributed \$100,000 to increase the net capital of JSL Securities.

Effective March 1, 2007, JSL Securities entered into an Expense Sharing Agreement with JSL. JSL Securities agreed to pay JSL for expenses associated with the JSL Securities operations, including rent, office supplies, postage, technology and other non-regulatory expenses. During 2008, JSL Securities reimbursed JSL approximately \$120,396 under the Agreement. Additionally, JSL funded federal income taxes of the Company during 2008 which were accounted for through an inter-company charge.

Effective March 1, 2007, the Company entered into a Broker Dealer Services Agreement with Royal Alliance Associates, Inc., a broker dealer. Under this agreement, all customer relationships created shall be recorded on the books and records of and accounted for solely as a new account of Royal Alliance. Representatives affiliated with Royal Alliance and employed by JSL Securities generate commission revenues, net of ticket charges and trading fees in connection with the sale of insurance and investment products and services to customers of Royal Alliance that may also be clients of J. Smith Lanier & Co. The sales representatives have waived their rights to the commission income and instead directed Royal Alliance to pay such commissions to JSL Securities rather than the representatives. Commissions paid to JSL Securities by Royal Alliance during 2008 totaled approximately \$1,028,000.

NOTE C—NET CAPITAL REQUIREMENT

The Company, as a registered broker-dealer in securities, is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c3-1). The Company has elected to operate under that portion of the Rule which requires that the Company maintain "net capital" equal to the greater of \$5,000 or 6 ²/₃% of "aggregate indebtedness," as those terms are defined in the Rule. Reference Schedule I included in Supplemental Information of this report.

JSL SECURITIES, INC.
NOTES TO FINANCIAL STATEMENTS

December 31, 2008

NOTE D—INCOME TAXES

The provision for income taxes is as follows:

Current:	
Federal	\$ 9,725
State	<u>(8,083)</u>
	<u>\$ 1,642</u>

The Company and Parent have entered into a consolidated income tax sharing agreement whereby the Company recognizes its income tax liability as if it filed a separate income tax return.

As of December 31, 2008, the Company has recorded a federal income tax expense of \$9,725 and a related intercompany payable to its Parent to reimburse the Parent for its share of the consolidated federal income tax liability. The Company has also recorded a state income tax benefit of \$8,083 and related income tax receivable of \$3,083 during 2008. The state income tax benefit and receivable relate to an over estimate of the 2007 state income tax liability during 2007. The Company made no estimated state income tax payments during 2008.

SUPPLEMENTAL INFORMATION

JSL SECURITIES, INC.

Schedule I

COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1**December 31, 2008**

Computation of Net Capital	
Total stockholders' equity	\$ 365,725
Deduct nonallowable assets	<u>4,436</u>
Net capital	<u>\$ 361,289</u>
Computation of Aggregate Indebtedness	
Total aggregate indebtedness	<u>\$ 12,000</u>
Computation of Minimum Net Capital Requirement	
Net capital	\$ 361,289
Minimum net capital to be maintained (greater of \$5,000 or 6 ² / ₃ % of total aggregate indebtedness)	<u>5,000</u>
Net capital in excess of requirement	<u>\$ 356,289</u>
Percentage of aggregate indebtedness to net capital	<u>3.3%</u>

There is no significant difference between net capital as computed by the Company on its FOCUS report for the quarter ended December 31, 2008 and the audited financial statements at December 31, 2008.

JSL SECURITIES, INC.

Schedule II

OTHER INFORMATION

December 31, 2008

The following statements and computations are not applicable at December 31, 2008, and for the year then ended and, accordingly, are not included herein:

- a) Statement of changes in liabilities subordinated to claims of creditors.
- b) Computation for determination of the reserve requirements pursuant to Rule 15c3-3.
- c) Information relating to the possession or control requirements under Rule 15c3-3.
- d) Schedules of segregation requirements and funds in segregation pursuant to the Commodity Exchange Act.

The Company qualifies for exemption of b) and c) above under subparagraph (k) (1) of Rule 15c3-3, as customer transactions are limited to those involving redeemable securities of registered investment companies and interests in insurance company separate accounts.



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL

To the Board of Directors
JSL Securities, Inc.

In planning and performing our audit of the financial statements and supplemental schedules of JSL Securities, Inc. (the "Company") for the year ended December 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 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 and net capital under Rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of Rule 15c3-3 (specifically subparagraph (k)(1)). Because the Company does not carry security 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.
3. Obtaining and maintaining physical possession or control of all fully paid and excess margin securities of customers as required by Rule 15c3-3.

No facts came to our attention to indicate that the exemptions claimed had not been complied with during the year.

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 preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

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1200 Ashwood Parkway, Suite 300
Atlanta, GA 30338-4747
Tel (770) 396-1100 • Fax (770) 393-0319
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Because of inherent limitations in internal control and 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.

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 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. However, we identified a deficiency in internal control that we consider to be a significant deficiency, and communicated it in writing to management and those charged with governance on February 20, 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 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 December 31, 2008, to meet the SEC's objectives.

This report is intended solely for the use of the Board of Directors, management, the SEC, and 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.

GIFFORD, HILLEGASS & INGWERSEN, LLP

February 20, 2009
Atlanta, Georgia

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