

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
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8-23285

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 ENDING December 31, 2008

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER
Hunter, Keith, Marshall & Co., Incorporated

OFFICIAL USE ONLY
FIRM ID. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
450 Seventh Ave. Ste 1505

New York (City) New York (State) 10123 (Zip Code)

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

Henry C. Marshall 212-736-6140
(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Levy & Gold, LLP (Name - if individual, state last, first, middle name)
310 Northern Blvd. (Address) Great Neck (City) NY (State) 11021 (Zip Code)

CHECK ONE

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

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Washington, DC
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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 exemption. See section 240, 17a-5(e)(2).

3/25

OATH OR AFFIRMATION

I, Henry C. Marshall, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of

Hunter, Keith, Marshall & Co., Incorporated

, 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:

JEAN H. HERCULE
NOTARY PUBLIC, STATE OF NEW YORK
QUALIFIED IN NEW YORK COUNTY
MY COMMISSION EXPIRES JAN. 23, 2010

Henry C. Marshall Jr.
Signature

Principal
Title

Jean H. Hercule
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 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 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 an audited 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) A report on internal control.

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

HUNTER, KEITH, MARSHALL & CO., INCORPORATED

***FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION
YEAR ENDED DECEMBER 31, 2008***

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Levy & Gold, LLP

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Stockholders
Hunter, Keith, Marshall & Co., Incorporated
New York, New York

We have audited the accompanying statement of financial condition of Hunter, Keith, Marshall & Co., Incorporated (the "Company") as of December 31, 2008, and the related statements of operations, changes in stockholder's 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 statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also 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 Hunter, Keith, Marshall & Co., Incorporated at 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.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information contained in Schedule 1 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 Exchange Act of 1934. This schedule is the responsibility of the Company's management. Such schedule 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.

Levy & Gold LLP

CERTIFIED PUBLIC ACCOUNTANTS

*Great Neck, New York
February 23, 2009
310 Northern Boulevard
Great Neck, New York 11021-4806*

*Tel 516-829-3664
Fax 516-829-3646*

HUNTER, KEITH, MARSHALL & CO., INCORPORATED

STATEMENT OF FINANCIAL CONDITION DECEMBER 31, 2008

ASSETS

Cash	\$	245
Securities owned		104,731
Furniture, fixtures and equipment, at cost, less accumulated depreciation of \$63,976		2,423
Loans receivable-shareholder		46,566
Other assets		12,986
		<hr/>
Total Assets	\$	166,951
		<hr/>

LIABILITIES AND STOCKHOLDER'S EQUITY

Accounts payable and accrued expenses	\$	2,952
Pension contribution payable		27,278
		<hr/>
Total Liabilities		30,230
		<hr/>
Commitments		
Stockholder's equity		
Common stock, \$10 par value; 3,000 shares authorized, 1,000 shares issued and outstanding		10,000
Additional paid-in-capital		429,949
Retained earnings (deficit)		(303,228)
		<hr/>
Total Stockholder's Equity		136,721
		<hr/>
Total Liabilities and Stockholder's Equity	\$	166,951
		<hr/>

See notes to financial statements

HUNTER, KEITH, MARSHALL & CO., INCORPORATED

**STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2008**

REVENUES

Commission and fees	\$ 147,502
Interest, dividend other income	4,622
Unrealized (loss) on investments	<u>(34,907)</u>
	<u>117,217</u>

EXPENSES

Occupancy	23,156
Communications	4,601
Consulting fees	9,521
Pension expense	35,955
Professional fees	6,114
Other operating expenses	<u>11,530</u>
	<u>90,877</u>

INCOME BEFORE INCOME TAXES 26,340

INCOME TAXES 600

NET INCOME \$ 25,740

See notes to financial statements

HUNTER, KEITH, MARSHALL & CO., INCORPORATED

**STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Common Stock</u>	<u>Additional Paid-in Capital</u>	<u>Retained Earnings (Deficit)</u>	<u>Total</u>
Balance - Beginning	\$ 10,000	\$ 429,949	\$ (328,968)	\$ 110,981
Net income	-	-	25,740	25,740
Balance - End	<u>\$ 10,000</u>	<u>\$ 429,949</u>	<u>\$ (303,228)</u>	<u>\$ 136,721</u>

See notes to financial statements

HUNTER, KEITH, MARSHALL & CO., INCORPORATED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2008

Cash flows from operating activities

Net income	\$ 25,740
Adjustments to reconcile net income to net cash provided by operating activities:	
(Increase) decrease in assets:	
Depreciation	754
Securities owned	30,285
Accounts receivable	22,500
Loans receivable-shareholder	(46,566)
Other assets	(5,996)
Increase (decrease) in liabilities:	
Accounts payable and accrued expenses	(20,252)
Pension contribution payable	(5,758)
Total adjustments	<u>(25,033)</u>

Net cash provided by operating activities 707

Cash flows from investing activities

Purchase of equipment (2,692)

Net cash used in investing activities (2,692)

NET CHANGE IN CASH (1,985)

CASH- BEGINNING OF YEAR 2,230

CASH - END OF YEAR \$ 245

Supplemental disclosures of cash flow information:

Cash paid during the year for:

Interest expense	\$ 92
Income Tax	<u><u>\$ 300</u></u>

See notes to financial statements

HUNTER, KEITH, MARSHALL & CO., INCORPORATED

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008**

1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

ORGANIZATION

Hunter, Keith, Marshall & Co., Incorporated (the "Company") is a broker-dealer registered with the Financial Industry Regulatory Authority (FINRA) and the Securities and Exchange Commission (SEC) and does not carry or hold securities for customer accounts. There are no liabilities subordinated to claims of general creditors during the year ended December 31, 2008.

SIGNIFICANT CREDIT RISK AND ESTIMATES

The Company as a non-clearing broker does not handle any customer funds or securities

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

REVENUE RECOGNITION

The Company's principal source of revenue is commissions earned on private placement transactions. Such commissions are recorded as earned and related expenses are recognized when the underlying contract is consummated

DEPRECIATION

Depreciation of furniture, fixtures and equipment is provided over the estimated useful lives of the respective assets (five to seven years) using accelerated methods.

CASH

Financial instruments that potentially subject the Company to credit risk consist primarily of cash and accounts receivable. The Company maintains cash with a major financial institution. At times, such amounts might exceed Federal Deposit Insurance Corporation ("FDIC") limits.

2- DUE FROM STOCKHOLDER

The Company made non-interest bearing advances to the stockholder due upon demand. The stockholder has an outstanding balance of \$46,566 at December 31, 2008.

HUNTER, KEITH, MARSHALL & CO., INCORPORATED

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008**

3- INCOME TAXES

The Company files its federal income tax as an S corporation under the provisions of the Internal Revenue Code. Under these provisions, the Company's net income or loss is reported directly on the individual tax return of the stockholder. Accordingly, the current year's income tax provision consists solely of state and local income taxes.

4- PENSION PLAN

The Company maintains a defined benefit pension plan, which covers substantially all the Company's employees after one year of employment. The benefits are based on years of service and the employee's compensation. Pension expense for 2008 was approximately \$36,000.

5- LEASE COMMITMENTS

The Company leases its office facilities under an agreement, which provides for scheduled rent increases. The Company signed an extension of its lease from January 1, 2008 thru December 13, 2010. Included in operations for 2008 is rent expense of approximately \$23,000. Future minimum rental payments under non-cancelable operating lease are approximately as follows.

Year ended December 31,

2009	\$ 22,000
2010	<u>23,000</u>
	<u>\$ 45,000</u>

6- COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS FOR
BROKERS AND DEALERS PURSUANT TO RULE 15C3-3

The Company is exempt from the provisions of Rule 15c3-3 under the securities Exchange Act of 1934, in that Company's activities are limited to those set forth in the conditions for exemption appearing in paragraph (k)(2)(ii) of the Rule.

7- NET CAPITAL REQUIREMENT

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c-3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1 (and that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1). At December 31, 2008, the Company had net capital of \$74,746, which was \$69,746 in excess of its required net capital of \$5,000. The Company had a percentage of aggregate indebtedness to net capital of 40% as of December 31, 2008.

HUNTER, KEITH, MARSHALL & CO., INCORPORATED

**COMPUTATION OF NET CAPITAL UNDER RULE 15C-3-1
OF THE SECURITIES AND EXCHANGES
DECEMBER 31, 2008**

Net Capital

Stockholder's equity	<u>\$ 136,721</u>
Deductions and/or charges:	
Non-allowable assets:	
Furniture, fixtures and equipment, net	2,423
Loans receivable-shareholder	46,566
Other assets	<u>12,986</u>
	<u>61,975</u>
Net capital before haircuts on security positions	74,746
Haircut on exempt securities	<u>-</u>
NET CAPITAL	<u><u>\$ 74,746</u></u>
AGGREGATE INDEBTNESS	<u><u>\$ 30,230</u></u>
MINIMUM NET CAPITAL REQUIRED	<u><u>\$ 5,000</u></u>
EXCESS OF NET CAPITAL OVER MINIMUM REQUIREMENTS	<u><u>\$ 69,746</u></u>
PERCENTAGE OF AGGREGATE INDEBTNESS TO NET CAPITAL	<u><u>40%</u></u>
Net Capital per Company's unaudited Form X-17A-5 filing	\$ 93,913
Auditors' adjustments-additional accrued liabilities	<u>(19,167)</u>
Net capital per above calculation	<u><u>\$ 74,746</u></u>

See independent auditor's report

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL REQUIRED BY SEC
RULE 17a-5(g)(1) FOR A BROKER-DEALER CLAIMING AN EXEMPTION FROM SEC
RULE 15c3-3**

To the Stockholders
Hunter, Keith, Marshall & Co., Incorporated
New York, New York

In planning and performing our audit of the financial statements of Hunter, Keith, Marshall & Co., Incorporated (the Company), as of and for the year ended December 31, 2008 in accordance with auditing standards generally accepted in the United States, we considered the Company's internal control over financial reporting (internal control) 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 (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 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 accounting principles generally accepted in the United States. 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 *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 misstatements of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

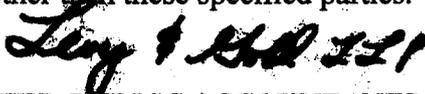
A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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 material weaknesses, as defined above. However, we identified the following matter which was considered in determining the nature, timing and extent of the procedures performed in our audit of the financial statements of Hunter, Keith, Marshall & Co., Incorporated for the year ended December 31, 2008, and this report does not affect our report thereon dated February 23, 2009.

The size of the business and resultant limited number of employees imposes practical limitations on the effectiveness of those internal control procedures that depend on the segregation of duties. Since this condition is inherent in the size of the Company, the specific weaknesses are not described herein and no corrective action has been taken or proposed by the Company.

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, 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 management, the SEC, FINRA, and other regulatory agencies that 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.


CERTIFIED PUBLIC ACCOUNTANTS

**Great Neck, New York
February 23, 2009**

Levy & Gold, LLP