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

SEC Mail Processing  
Section

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8-39547

FACING PAGE

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

Washington DC  
170

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: Multi-Bank Securities, Inc.

OFFICIAL USE ONLY  
FIRM I.D. NO.

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

24280 Woodward

(No. and Street)

Pleasant Ridge

Michigan

48069

(City)

(State)

(Zip Code)

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

Jeffery Maccagnone

(248) 291-1100

(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

Roseville

MI

48066

(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)

W

OATH OR AFFIRMATION

I, Jeffery T. Maccagnone, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Multi-Bank Securities, Inc. 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

Handwritten signature of Jeffery T. Maccagnone, Treasurer

Signature

Treasurer

Title

Handwritten signature of Stephanie M. Wood, Notary Public

Notary Public

STEPHANIE M. WOOD
Notary Public, Wayne County, MI
My Commission Expires April 9, 2014
Acting in the County of Oakland

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).

**MULTI-BANK SECURITIES, INC.**

**TABLE OF CONTENTS**

	<u>Page No.</u>
INDEPENDENT AUDITOR'S REPORT	1
BALANCE SHEETS	2
STATEMENTS OF STOCKHOLDER'S EQUITY	3
STATEMENTS OF INCOME	4
STATEMENTS OF CASH FLOWS	5-6
NOTES TO FINANCIAL STATEMENTS	7-9
SUPPORTING SCHEDULES:	
COMPUTATION OF NET CAPITAL UNDER RULE 15C3-1 OF THE SECURITIES AND EXCHANGE COMMISSION	10-11
COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS FOR BROKER-DEALER UNDER RULE 15C3-3	12

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

CERTIFIED PUBLIC ACCOUNTANTS

UPTON PROFESSIONAL BUILDING

30435 GROESBECK HIGHWAY

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**INDEPENDENT AUDITOR'S REPORT**

Board of Directors and Stockholder  
Multi-Bank Securities, Inc.

We have audited the accompanying balance sheets of Multi-Bank Securities, Inc. as of December 31, 2008 and 2007 and the related statements of stockholder's equity, income 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 Multi-Bank 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. Minollet & Co. P.C.*

February 18, 2009

**MULTI-BANK SECURITIES, INC.**  
**BALANCE SHEETS**  
**December 31, 2008 And 2007**

**ASSETS**

	<b>2008</b>	<b>2007</b>
Cash	\$ 1,113,896	\$ 696,733
Accounts receivable:		
Brokers, dealers and clearing organization	-	3,190,471
Deposit - clearing organization	1,000,000	1,000,000
Other	71,170	414,021
Securities owned, at market	17,412,090	6,951,625
Prepaid expenses	105,746	75,396
Amount due from Parent Company (Note 4)	1,629,181	-
	<b>\$21,332,083</b>	<b>\$12,328,246</b>

**LIABILITIES AND STOCKHOLDER'S EQUITY**

Accounts payable:		
Commissions due sales representatives	\$ 2,030,003	\$ 1,405,351
Brokers, dealers and clearing organization	1,659,733	-
Taxes withheld from employees and sales representatives	154,146	-
Other	140,632	73,761
Amount due to Parent Company (Note 4)	-	2,684,495
Securities sold, not yet purchased, at market	50,010	1,187,207
Accrued expenses	1,105,503	1,084,467
Federal income tax payable	3,190,414	145,000
State taxes payable	375,000	10,000
Total liabilities	8,705,441	6,590,281
Stockholder's equity:		
Common stock, par value \$1.00 per share; 50,000 shares authorized; 16,000 shares issued	16,000	16,000
Capital in excess of par value	733,000	733,000
Retained earnings	11,877,642	4,988,965
Total stockholder's equity	12,626,642	5,737,965
	<b>\$21,332,083</b>	<b>\$12,328,246</b>

See accompanying notes.

**MULTI-BANK SECURITIES, INC.**  
**STATEMENTS OF STOCKHOLDER'S 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>Total Stockholder's Equity</u>
Balance, December 31, 2006	\$ 16,000	\$ 733,000	\$ 4,631,415	\$ 5,380,415
Net income for the year ended December 31, 2007	-	-	357,550	357,550
Balance, December 31, 2007	16,000	733,000	4,988,965	5,737,965
Net income for the year ended December 31, 2008	-	-	6,888,677	6,888,677
Balance, December 31, 2008	<u>\$ 16,000</u>	<u>\$ 733,000</u>	<u>\$11,877,642</u>	<u>\$12,626,642</u>

See accompanying notes.

**MULTI-BANK SECURITIES, INC.**  
**STATEMENTS OF INCOME**  
**For The Years Ended December 31, 2008 And 2007**

	<b>2008</b>	<b>2007</b>
<b>Revenues:</b>		
Principal transactions	\$32,247,921	\$12,477,957
Commissions and fees	980,890	1,064,944
Interest	983,357	634,885
Total revenues	34,212,168	14,177,786
Interest expense	607,030	174,978
Net revenues	33,605,138	14,002,808
<b>Commissions and clearing fees:</b>		
Commissions paid officers and sales representatives	14,162,212	5,104,214
Trading, clearing, and CUSIP fees	2,333,303	1,418,584
Total commissions and clearing fees	16,495,515	6,522,798
Gross profit from operations	17,109,623	7,480,010
Selling, general and administrative expenses	9,923,556	6,862,460
Income from operations before provision for taxes	7,186,067	617,550
<b>Provision for taxes (Note 2):</b>		
Federal income tax	2,224,000	200,000
State taxes	700,000	60,000
Total provision for taxes	2,924,000	260,000
Net income from operations	4,262,067	357,550
<b>Other income:</b>		
Gain on settlement of liability (net of income taxes of \$1,362,000) (Note 5)	2,626,610	-
Net income	\$ 6,888,677	\$ 357,550

See accompanying notes.

**MULTI-BANK 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:		
Cash flows from operating activities:		
Principal transactions – net	\$25,314,007	\$ 11,382,411
Commissions and fees received	985,945	1,062,310
Interest received	1,036,291	604,317
Commissions paid officers and sales representatives	(13,537,560)	(4,387,830)
Trading and clearing charges	(2,178,130)	(1,391,202)
Interest paid	(628,986)	(593,513)
Selling, general and administrative expenses	(9,701,094)	(6,499,966)
Federal taxes paid	(540,586)	(55,000)
State taxes paid	(335,000)	(65,000)
Net cash provided by operating activities	<u>414,887</u>	<u>56,527</u>
Cash flows from investing activities:		
Advances from Parent Company, net	924,934	243,941
Advances (to) repayments from employee, net	76,529	(54,800)
Advances (to) repayments from officer, net	250,813	(206,411)
Net cash provided (used) by investing activities	<u>1,252,276</u>	<u>(17,270)</u>
Cash flows from financing activities:		
Payment on settlement of liability (Note 5)	<u>(1,250,000)</u>	<u>-</u>
Increase in cash	417,163	39,257
Cash, at beginning of year	<u>696,733</u>	<u>657,476</u>
Cash, at end of year	<u>\$ 1,113,896</u>	<u>\$ 696,733</u>

See accompanying notes.

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

	<b>2008</b>	<b>2007</b>
Reconciliation of net income to net cash provided (used) by operating activities:		
Net income	\$ 6,888,677	\$ 357,550
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
Gain on settlement of liability (Note 5)	(3,988,610)	-
(Increase) decrease in:		
Accounts receivable:		
Brokers, dealers and clearing organization	3,190,471	(2,053,602)
Other	15,509	7,982
Securities owned	(10,460,465)	160,405
Prepaid expenses	(30,350)	5,013
Increase (decrease) in:		
Accounts payable:		
Brokers, dealers and clearing organization	1,659,733	-
Commissions payable	624,652	716,384
Payroll taxes withheld	154,146	(9,962)
Accounts payable – other	66,871	(37)
Securities sold, not yet purchased	(1,137,197)	702,752
Accrued expenses	21,036	30,042
Federal income tax payable	3,045,414	145,000
State taxes payable	365,000	(5,000)
Total adjustments	(6,473,790)	(301,023)
Net cash provided by operating activities	\$ 414,887	\$ 56,527

See accompanying notes.

**MULTI-BANK SECURITIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2008 And 2007**

**Note 1 - ORGANIZATION**

Multi-Bank Securities, Inc., a securities broker-dealer, is a wholly owned subsidiary of Multi-Bank Services, Ltd. See Note 4 for transactions with Parent Company.

**Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Securities Transactions

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

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.

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.

Federal Income Taxes

The Company files a consolidated federal income tax return with its Parent Company. The provision for Federal income tax for the years ended December 31, 2008 and 2007 are based on a separate return filing.

**Note 3 - 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 \$100,000 or 1/15th of aggregate indebtedness, as defined.

At December 31, 2008, the Company's net capital was \$10,523,178 and its required net capital was \$577,028. The ratio of aggregate indebtedness to net capital (which may not exceed 15 to 1) was .82 to 1.

**MULTI-BANK SECURITIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2008 And 2007**  
**(Continued)**

**Note 4 - TRANSACTIONS WITH PARENT COMPANY**

The Parent Company, Multi-Bank Services Ltd., provides various administrative services to the Company, including furniture and fixtures. For the years ended December 31, 2008 and 2007, administrative expenses charged to the Company amounted to \$300,000 each year and are included in Selling, General and Administrative Expenses in the attached Statement of Income.

The Company also leases its operating facilities in Pleasant Ridge, Michigan from its Parent Company, see Note 7.

Multi-Bank Securities factors their financial institutions accounts receivable with its Parent Company at 100% of their face value.

In addition, at various times, each Company makes advances to each other. The net of all inter-company activity resulted in a receivable from the Parent Company in the amount of \$1,629,181 at December 31, 2008 and a payable in the amount of \$2,684,495 at December 31, 2007.

The net payable to the Parent Company at December 31, 2007, included the Parent Company's assumption of the Company's debt to its former Clearing Broker in the amount of \$4,950,000 plus accrued interest of \$288,610. This debt was settled in 2008, see Note 5.

**Note 5 - SUBORDINATED DEBT**

The subordinated debt outstanding at December 31, 2006, due a former Clearing Broker, in the amount of \$4,950,000 matured on May 1, 2007, and was assumed by the Parent Company along with accrued interest in the amount of \$288,610 at December 31, 2007, see Note 4.

Due to the financial problems of the former Clearing Broker, which led to their bankruptcy and termination of business, Multi-Bank Securities incurred losses and expenses relating to the replacement of this Clearing Broker in 2005. During the year ended December 31, 2008, the Company negotiated a settlement of their claim of losses by settling this obligation for \$1,250,000. As a result of this settlement, the Company has realized a gain in the amount of \$3,988,610 (\$2,626,610 net of income taxes of \$1,362,000), which is included as other income in the Statement of Income for the year ended December 31, 2008.

**MULTI-BANK SECURITIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2008 And 2007**  
**(Continued)**

**Note 6 - EMPLOYEES BENEFIT PLAN**

The Company maintains a defined contribution benefit plan 401(k) to cover all eligible employees of the Company. Under provisions of the Plan, participating employees can elect to contribute to their account a percentage of their compensation not to exceed the limitations imposed by the Internal Revenue Service. In addition, the Company at its discretion may make a matching contribution, which percentage will be determined each year by the Company. For the years ended December 31, 2008 and 2007 the Company elected not to make a matching contribution.

**Note 7 - OPERATING LEASE COMMITMENTS**

The Company leases its operating facilities in Pleasant Ridge, Michigan from its Parent Company on a year to year basis at \$15,000 per month.

The Company also leases operating facilities in Ft. Lauderdale, Florida and Newport Beach, California. The minimum lease payments on these leases outstanding at December 31, 2008 is summarized as follows:

<u>Years Ended December 31,</u>	<u>Amount</u>
2009	59,500
2010	40,500
2011	42,500
2012	45,000
2013	31,000

The lease agreements include escalation clauses that increases the minimum rental payment for increased lessor taxes and operating expenses.

In addition, the Company leases other office facilities on a month-to-month basis.

For the years ended December 31, 2008 and 2007, the total lease expense pursuant to the above operating leases amounted to \$264,435 and \$269,083, respectively, and is included in Selling, General and Administrative Expenses in the attached Statement of Income.

Furniture and equipment is provided by the Parent Company, the charge for which is included in the administrative charges paid to the Parent Company, see Note 4.

## **SUPPORTING SCHEDULES**

**MULTI-BANK SECURITIES, INC.**  
**COMPUTATION OF NET CAPITAL UNDER RULE 15C3-1**  
**OF THE SECURITIES AND EXCHANGE COMMISSION**  
**December 31, 2008**

1.	Total ownership equity	\$12,626,642
2.	Deduct ownership equity not allowable for net capital	-
3.	Total ownership equity qualified for net capital	12,626,642
4.	Add:	
	a. Liabilities subordinated to claims of general creditors allowable in computation of net capital	-
	b. Other deductions or allowable credits	-
5.	Total capital and allowable subordinated liabilities	12,626,642
6.	Deductions and/or charges:	
	a. Total non-allowable assets from Statement of Financial Condition	1,806,097
	c. Capital charges for commodity futures	-
	d. Other deductions and/or charges	-
7.	Other additions and/or allowable charges	-
8.	Net capital before haircuts on securities positions	10,820,545
9.	Haircuts on securities (computed, where applicable, pursuant to Rule 15c3-1[f]):	
	c. Trading and investment securities:	
	3. Debt securities	295,581
	4. Other securities	1,112
	d. Undue concentration	674
		297,367
10.	Net capital	10,523,178
13.	Net capital requirement	577,028
14.	Excess net capital	\$ 9,946,150

**MULTI-BANK SECURITIES, INC.**  
**COMPUTATION OF NET CAPITAL UNDER RULE 15C3-1**  
**OF THE SECURITIES AND EXCHANGE COMMISSION**  
**December 31, 2008**  
**(Continued)**

**COMPUTATION OF AGGREGATE INDEBTEDNESS**

16.	Total aggregate indebtedness liabilities from balance sheet	<u>\$ 8,655,431</u>
19.	Total aggregate indebtedness	<u>\$ 8,655,431</u>
20.	Percentage of aggregate indebtedness to net capital	<u>82%</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 Multi-Bank Securities, Inc. and included in the Company's unaudited Part IIA, FOCUS Report filing as of the same date.

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

Multi-Bank 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)(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....” .

**MULTI-BANK 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**

SEC Mail Processing  
Section

FEB 25 2009

Washington, DC  
110

**MULTI-BANK 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  
ROSEVILLE, MICHIGAN 48066

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LOUIS J. CARNAGHI, CPA

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FAX (586) 771-8970  
E-MAIL: minoletti@ameritech.net

**Board of Directors and Stockholder  
Multi-Bank Securities, Inc.**

In planning and performing our audit of the financial statements of Multi-Bank 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 18, 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.



February 18, 2009