

Mail Processing Section

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Washington, DC 105

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549



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OMB APPROVAL
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ANNUAL AUDITED REPORT

FORM 277-5

PART III

SEC FILE NUMBER
8-66846

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: Perlinski & Associates

OFFICIAL USE ONLY
FIRM I.D. NO.

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

Laguna Niguel (City) CA (State) 92677 (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT:
Isabel Perlinski 949.481.5482
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*
Sarna & Company
(Name - if individual, state last, first, middle name)

310 N. Westlake Boulevard Westlake Village CA 91362
(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)

TA 3/12

OATH OR AFFIRMATION

I, Isabel Pevlinski, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Pevlinski & Associates, as of December 31st, 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:

N/A

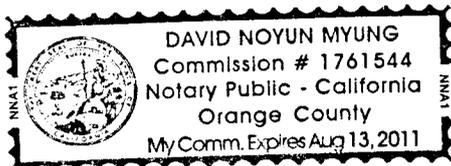
Isabel Pevlinski
Signature
CEO
Title

[Signature]
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.

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



CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

State of California

County of Orange

On 2/25/09 before me, DAVID NOYUN MYUNG,
(Here insert name and title of the officer)

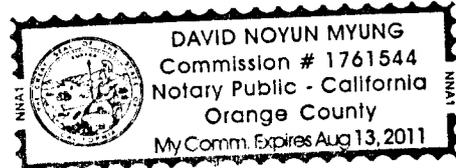
personally appeared Isabel Perliniski

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.


Signature of Notary Public



(Notary Seal)

ADDITIONAL OPTIONAL INFORMATION

INSTRUCTIONS FOR COMPLETING THIS FORM

Any acknowledgment completed in California must contain verbiage exactly as appears above in the notary section or a separate acknowledgment form must be properly completed and attached to that document. The only exception is if a document is to be recorded outside of California. In such instances, any alternative acknowledgment verbiage as may be printed on such a document so long as the verbiage does not require the notary to do something that is illegal for a notary in California (i.e. certifying the authorized capacity of the signer). Please check the document carefully for proper notarial wording and attach this form if required.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. ~~he/she/they~~, is /are) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
 - ❖ Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
 - ❖ Indicate title or type of attached document, number of pages and date.
 - ❖ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document

DESCRIPTION OF THE ATTACHED DOCUMENT

Form X-17A-5

(Title or description of attached document)

PART III

(Title or description of attached document continued)

Number of Pages _____ Document Date 2/25/09

(Additional information)

CAPACITY CLAIMED BY THE SIGNER

- Individual (s)
 Corporate Officer

(Title)

- Partner(s)
 Attorney-in-Fact
 Trustee(s)
 Other _____

PERLINSKI & ASSOCIATES

FINANCIAL STATEMENTS

DECEMBER 31, 2008

SEC
Mail Processing
Section

FEB 26 2009

Washington, DC
105

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Certified
Public
Accountants

310	Westlake	805
N. Westlake	Village	371-8900
Boulevard	California	Fax 805
Suite 270	91362	379-0140

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Perlinski & Associates
Laguna Niguel, California

We have audited the accompanying statement of financial condition of Perlinski & Associates, as of December 31, 2008, and the related statements of operations and accumulated deficit, changes in stockholders' 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 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. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included 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 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 Perlinski & Associates as of 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 of America.



Sarna & Company,
Certified Public Accountants
Westlake Village, California
January 28, 2009

PERLINSKI & ASSOCIATES
STATEMENT OF FINANCIAL CONDITION
AS OF DECEMBER 31, 2008

ASSETS

Current Assets:		
Cash	\$	26,935
Investments		3,262
Deferred Tax Asset		<u>7,620</u>
Total Current Assets	\$	37,817
Fixed Assets:		
Office Equipment		2,212
Less: Accumulated Depreciation		<u><1,401></u>
Net Fixed Assets		<u>811</u>
TOTAL ASSETS	\$	<u>38,628</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities:		
Accounts Payable and Accrued Expenses	\$	4,100
Client Retainers		<u>4,325</u>
Total Current Liabilities	\$	8,425
Subordinated Borrowings		-0-
Stockholders' Equity:		
Common Stock, \$0.001 par value 20,000,000 shares authorized, 103,500 shares issued		104
Additional Paid in Capital		61,582
Accumulated Deficit		<u><31,483></u>
Total Stockholders' Equity		<u>30,203</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$	<u>38,628</u>

See Notes to Financial Statements.

PERLINSKI & ASSOCIATES
STATEMENT OF OPERATIONS AND ACCUMULATED DEFICIT
FOR THE YEAR ENDED DECEMBER 31, 2008

Revenues		\$	27,600
Operating Expenses:			
Conferences & Seminars	\$		495
Consulting		31,020	
Regulatory Filing Fees		535	
Professional Fees		6,318	
Insurance		514	
NASD Fees		150	
Dues		499	
Meals & Entertainment		276	
Postage/Delivery		135	
Office Expenses		439	
Professional Development		100	
Depreciation		443	
Software		468	
Travel		137	
Taxes, Licenses & Fees		25	
Miscellaneous		<u>42</u>	
Total Operating Expenses			<u><41,596></u>
Loss Before Provision for Income Taxes			<13,996>
Provision for Income Taxes			<u>2,452</u>
Net Loss			<11,544>
Accumulated Deficit, Beginning of Year			<u><19,939></u>
Accumulated Deficit, End of Year		\$	<u><31,483></u>

See Notes to Financial Statements.

PERLINSKI & ASSOCIATES
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2008

	Common Stock Shares	Dollar Amount	Additional Paid in Capital	Accumulated Deficit	Total Stockholders' Equity
Balances at January 1, 2007	102,000	\$ 102	\$ 52,764	\$ <19,939>	\$ 32,927
Common Stock Issued, February 13, 2008	1,500	2	8,818	----	8,820
Net Loss, Year Ended December 31, 2008	----	----	----	<11,544>	<11,544>
Balances at December 31, 2008	<u>103,500</u>	<u>\$ 104</u>	<u>\$ 61,582</u>	<u>\$ <31,483></u>	<u>\$ 30,203</u>

See Notes to Financial Statements.

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

Cash Flows from Operating Activities:	
Net Loss	\$ <11,544>
Adjustments to Reconcile Net Income/<Loss> to Net Cash Used for Operating Activities:	
Depreciation	443
Issuance of Common Stock for Services	8,820
Stock Options Received for Services	<3,000>
Changes in Operating Assets and Liabilities:	
Accounts Receivable	3,500
Deferred Tax Asset	<3,252>
Accounts Payable	<u><6,950></u>
Net Cash Used by Operating Activities	<u><11,983></u>
 Cash Flows from Investing Activities:	 <u>-0-</u>
 Cash Flows from Financing Activities:	 <u>-0-</u>
 Net Increase in Cash	 <11,983>
 Cash at Beginning of Year	 <u>38,918</u>
 Cash at End of Year	 <u>\$ 26,935</u>
 Supplemental Disclosure:	
Interest Paid	\$ <u>-0-</u>
Income Taxes Paid	\$ <u>800</u>

See Notes to Financial Statements.

PERLINSKI & ASSOCIATES
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

Perlinski & Associates (the "Company") was incorporated on December 3, 2004 in the state of California. The Company's is a broker-dealer, and is registered with the Securities and Exchange Commission ("SEC") and the Financial Industry Regulatory Authority ("FINRA").

The Company operates pursuant to SEC Rule 15c3-3(k)(2)(i), the Customer Protection Rule. The Company will not receive customer funds or securities, and will not otherwise hold funds or securities for, or owe money or securities to customers. Customer funds will be paid directly to the issuer or placed in escrow accounts, as applicable. The Company does not hold customer funds or safe keep customer securities, and therefore the Company is exempt from the Possession and Control Requirements of Rule 15c3-3, since the Company qualifies for the exemptive provisions of SEC Rule 15c3-3 paragraph (k)(2)(i)

Basis of Presentation

The Company reports revenue and expenses using the accrual method of accounting for financial and tax reporting purposes.

Use of Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Government and Other Regulations

The Company's business is subject to significant regulations by various governmental agencies and self-regulatory organizations. Such regulation includes, among other things, periodic examinations by these regulatory bodies to determine whether the Company is conducting and reporting its operations in accordance with the applicable requirements of these organizations.

PERLINSKI & ASSOCIATES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Depreciation, Amortization and Capitalization

The Company records depreciation and amortization when appropriate using both straight-line and declining balance methods over the estimated useful life of the assets (five to seven years).

Expenditures for maintenance and repairs are charged to expense as incurred. Additions, major renewals and replacements that increase the property's useful life are capitalized. Property sold or retired, together with the related accumulated depreciation, is removed from the appropriate accounts and the resultant gain or loss is included in net income.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Income Taxes

The Company is treated as a C-Corporation for purposes of filing its federal and state income tax returns. Deferred taxes are provided on a liability method whereby deferred tax assets and liabilities are determined based on temporary differences between the bases used for financial reporting and income tax reporting purposes. Income taxes are provided based on tax rates in effect at the time such temporary differences are expected to reverse. A valuation allowance is provided for certain deferred tax assets if it is more likely than not that some portion or all of the deferred tax assets will not be realized through future operations.

Fair Value of Financial Instruments

Financial Accounting Standards Statement No. 107, "Disclosures About Fair Value of Financial Instruments", requires the Company to disclose, when reasonably attainable, the fair market values of its assets and liabilities which are deemed to be financial instruments. The Company's financial instruments consist primarily of cash and certain investments.

PERLINSKI & ASSOCIATES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2008

NOTE 2 - PROVISION FOR INCOME TAXES

The provision for income taxes for the year ended December 31, 2008 represents the minimum state income tax expense of the Company, which is not considered significant.

The Company has a net operating loss carryforward of \$33,569 that may be offset against future taxable income. All of this loss carryforward expires in 2028. The tax effect of this loss carryforward and other carryforwards gave rise to a net deferred tax asset of \$7,620 and a current tax benefit of \$2,452.

NOTE 3 - COMMITMENTS AND CONTINGENCIES

Operating Leases

The Company currently occupies administrative office space owned by its shareholder, rent-free.

Litigation

The Company is not presently involved in any litigation.

NOTE 4 - RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

Recently issued accounting pronouncements will have no significant impact on the Company and its reporting methods.

Note 5 - STOCK ISSUANCE

In January, 2008, the Company issued an additional 1,500 shares of its common stock in return for services provided by its compliance officer, valued at \$8,820.

Note 6 - NET CAPITAL REQUIREMENTS

The Company is subject to the SEC Uniform Net Capital Rule (SEC rule 15c3-1), which requires the maintenance of minimum net capital. At December 31, 2008, the Company had adjusted net capital of \$18,510, which was \$13,510 in excess of its minimum dollar net capital requirement of \$5,000. The net capital rules may effectively restrict the payment of cash dividends to the Company's shareholders.

SUPPLEMENTARY INFORMATION

Certified
Public
Accountants

310	Westlake	805
N. Westlake	Village	371-8900
Boulevard	California	Fax 805
Suite 270	91362	379-0140

INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY INFORMATION REQUIRED BY RULE 17a-5
OF THE SECURITIES AND EXCHANGE COMMISSION

To the Board of Directors
Perlinski & Associates
Laguna Niguel, California

We have audited the accompanying financial statements of Perlinski & Associates, as of and for the year ended December 31, 2008, and have issued our report thereon dated January 28, 2009. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedules I and II 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. Such information has been subjected to the auditing procedures applied in the 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.



Sarna & Company,
Certified Public Accountants
Westlake Village, California
January 28, 2009

SCHEDULE I

**PERLINSKI & ASSOCIATES
COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1 OF THE
SECURITIES AND EXCHANGE COMMISSION
AS OF DECEMBER 31, 2008**

Net Capital:	
Total stockholders' equity	\$ 30,203
Add:	
Subordinated Borrowings Allowable In Computation of Net Capital	<u>-0-</u>
Total Capital and Allowable Subordinated Borrowings	30,203
Deductions and/or Charges:	
Non-allowable Assets:	
Investments	\$ 3,262
Deferred Tax Asset	7,620
Office Equipment, net	<u>811</u>
Total Deductions	<u><11,693></u>
Net Capital Before Haircuts on Security Positions	18,510
Haircuts on Securities	<u>-0-</u>
 Net Capital	 <u>\$ 18,510</u>
 Aggregate Indebtedness:	
Items Included in Statement of Financial Condition:	
Accounts Payable and Accrued Expenses	4,100
Client Retainers	4,325
Items Not Included in Statement Of Financial Condition:	<u>-0-</u>
 Total Aggregate Indebtedness	 <u>\$ 8,425</u>
 Computation of Basic Net Capital Requirement:	
Net Capital	18,510
Minimum Dollar Net Capital Required	<u><5,000></u>
 Excess Net Capital	 <u>\$ 13,510</u>
 Excess Net Capital at 1,000 percent	 <u>\$ 17,677</u>
 Ratio: Aggregate Indebtedness to Net Capital	 <u>0.45 to 1</u>

SCHEDULE I (CONTINUED)

**PERLINSKI & ASSOCIATES
COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1 OF THE
SECURITIES AND EXCHANGE COMMISSION
AS OF DECEMBER 31, 2008**

Reconciliation with Company's computation
(included in Part II of Form X-17A-5
as of December 31, 2008):

Net Capital, as reported in Company's Part II (unaudited) FOCUS report	\$ 9,002
Adjustments:	
Accounts Payable Adjustment	<u>9,508</u>
Net Capital, per above	<u>\$ 18,510</u>

SCHEDULE II

**PERLINSKI & ASSOCIATES
COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS
UNDER RULE 15c3-3 OF THE
SECURITIES AND EXCHANGE COMMISSION
AS OF DECEMBER 31, 2008**

The Company operates under the provisions of Paragraph (k)(2)(i) of Rule 15c3-3 of the SEC, the Customer Protection Rule, and accordingly, is exempt from the remaining provisions of that rule. Essentially, the requirements of Paragraph (k)(2)(i) provide that a broker/dealer who carries no margin accounts promptly transmits all customer funds and delivers all securities received in connection with its activities as a broker or dealer, does not otherwise hold funds or securities for or owe money or securities to customers and effectuates all financial transactions between the broker or dealer and its customers through one or more bank accounts, each to be designated as "Special Account for the Exclusive Benefit of Customers of the Company..." Broker/dealers operating under the provisions of Rule 15c3-3 paragraph (k)(2)(i) are also exempted from the remaining provisions of Rule 15c3-3, including the requirement to make the reserve computations under Rule 15c3-3, and may maintain net capital of less than \$250,000.

Independent Auditor's Report on
Internal Control Required by SEC Rule 17a-5

To the Board of Directors
Perlinski & Associates
Laguna Niguel, California

In planning and performing our audit of the financial statements and supplementary information of Perlinski & Associates (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 (or aggregate debits) and net capital under Rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of Rule 15c3-3. The Company operates pursuant to SEC Rule 15c3-3(k)(2)(i), the Customer Protection Rule. The Company will not receive customer funds or securities, and will not otherwise hold funds or securities for, or owe money or securities to customers. Customer funds will be paid directly to the issuer or placed in escrow accounts, as applicable. Therefore, the Company qualifies for the exemptive provisions of SEC Rule 15c3-3 paragraph (k)(2)(i). 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
2. Recordation of differences required by Rule 17a-13
3. 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
4. Complying with the requirements for the Computation of Reserve Requirements pursuant to Rule 15c3-3 because the Company is exempted from those requirements under SEC Rule 15c3-3 paragraph (k)(2)(i).

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 or 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.

Our consideration of internal control would not necessarily disclose all matters in internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving internal control, including control activities for safeguarding securities, that we consider to be material weaknesses as defined above.

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 purpose 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 information and use of the Board of Directors, management, the SEC, the Financial Industry Regulatory Authority, 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.



Sarna & Company,
Certified Public Accountants
Westlake Village, California
January 28, 2009