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

SEC FILE NUMBER
8-29222

FACING PAGE

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

REPORT FOR THE PERIOD BEGINNING January 1, 2008 AND ENDING December 31, 2008
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: RH Investment Corporation

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box)

15760 Ventura Blvd., Suite 1732

(No. and Street)

Encino,

(City)

California

(State)

91436

(Zip Code)

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

Jose Romeo Portillo

818-789-8781

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Elizabeth Tractenberg, CPA

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

3832 Shannon Road

(Address)

Los Angeles,

(City)

CA

(State)

90027

(Zip Code)

CHECK ONE:

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

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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)

SEC 1410 (06-02)

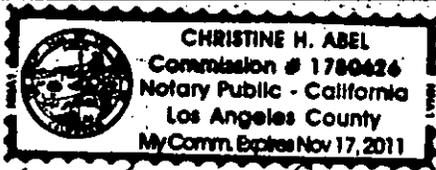
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OATH OR AFFIRMATION

I, Jose Romeo Portillo, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of RH Investment Corporation, 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:

None



Jose Romeo Portillo
Signature

President/CEO
Title

Christine H. Abel

Notary Public

Christine H. Abel

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 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.
- (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).

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C.

ANNUAL AUDIT REPORT

DATE - DECEMBER 31, 2008

R H INVESTMENT CORPORATION, INC.
15760 VENTURA BLVD., #1732
ENCINO, CALIFORNIA 91436

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Elizabeth Tractenberg, CPA

3832 SHANNON ROAD
LOS ANGELES, CALIFORNIA 90027
323/669-0545 – Fax 323/669-0575
elizabeth@tractenberg.net

INDEPENDENT AUDITOR'S REPORT

Board of Directors
R H Investment Corporation, Inc.
Encino, California

I have audited the accompanying statement of financial condition of R H Investment Corporation, Inc. (the Company) as of December 31, 2008 and related statements of operations, cash flows, and changes in shareholders' equity for the year then ended. These financial statements are being filed pursuant to Rule 17a-5 of the Securities Exchange Act of 1934 and include the supplemental schedule of the net capital computation required by rule 15c3-1. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, such financial statements referred to above present fairly, in all material respects, the financial condition of the Company as of December 31, 2008 and the results of its operations, cash flows and shareholders' equity for the year then ended in conformity with accounting principles generally accepted in the United States.

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in the supplemental information on pages 8 and 10 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Page 9 includes supplemental information required by Rule 17a-5 of the Securities and Exchange Commission. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Elizabeth Tractenberg, CPA
Los Angeles, California
January 09, 2009

R H INVESTMENTS CORPORATION, INC.
STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2008

ASSETS

Cash			
Checking	\$	15,590	
Clearing brokers		865,753	\$ 881,343
Interest receivable EOM			20,951
Equipment (net of \$7,400 Depreciation)			14,800
Note receivable			250,000
Securities inventory			1,481,910
SW receivable			30,837
Other assets			8,181
TOTAL ASSETS			\$ 2,688,022

LIABILITIES AND SHAREHOLDERS' EQUITY

Accounts payable and accrued expenses			\$ 10,122
Loans payable - securities inventory			1,709,319
			1,719,441
Liabilities subordinated to claims of general creditors			615,000
 SHAREHOLDERS' EQUITY			
Common stock (\$10 par value, 500,000 shares authorized, 115,500 shares issued and outstanding)	\$	1,155,500	
Treasury stock		(34,876)	
Paid-in capital		25,683	
Retained earnings (deficit)		(792,726)	353,581
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			\$ 2,688,022

See Accompanying Notes to Financial Statements

R H INVESTMENTS CORPORATION, INC.
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2008

REVENUES

Trading income	\$ 920,929
Interest	82,265
Defaulted bond recovery	3,836
Other income	<u>262</u>

TOTAL REVENUES 1,007,292

OPERATING EXPENSES - see page 8 789,270

INCOME BEFORE TAX PROVISION 218,022

INCOME TAX PROVISION 3,843

NET INCOME \$ 214,179

See Accompanying Notes to Financial Statements

R H INVESTMENTS CORPORATION, INC.
 STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
 FOR THE YEAR ENDED DECEMBER 31, 2008

	Common Stock Shares	Common Stock	Treasury Stock	Paid- In Capital	Retained Earnings (Deficit)	Total
Balance, December 31, 2007	115,550	\$ 1,155,500	\$ (34,876)	\$ 25,683	\$ (1,006,905)	\$ 139,402
Net Income					214,179	214,179
Balance, December 31, 2008	<u>115,550</u>	<u>\$ 1,155,500</u>	<u>\$ (34,876)</u>	<u>\$ 25,683</u>	<u>\$ (792,726)</u>	<u>\$ 353,581</u>

See Accompanying Notes to Financial Statements

R H INVESTMENTS CORPORATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2008

Cash Flows from Operating Activities:	
Net income	\$ 214,179
Add back depreciation	7,400
Changes in operating assets and liabilities:	
Interest receivable EOM	2,123
Southwest receivable	167,548
Securities inventory	33,563
Prepaid franchise taxes	(237)
Deposits	(2,207)
Accounts payable and accrued expenses	(102,448)
Loans payable - inventory	<u>(23,906)</u>
Net cash provided by operating activities	<u>296,015</u>
Cash Flows from Investing Activities:	
Purchase of equipment	<u>(22,199)</u>
Cash flows for investing activities	<u>(22,199)</u>
Cash Flows from Financing Activities	
Subordinated loan	<u>(25,000)</u>
Cash flows for financing activities	<u>(25,000)</u>
Net increase in cash	248,816
Cash at beginning of year	<u>632,527</u>
Cash at end of year	<u><u>\$ 881,343</u></u>
Supplemental Cash Flow Information:	
Cash paid for interest	<u>\$ 123,669</u>
Cash paid for taxes	<u>\$ 800</u>

See Accompanying Notes to Financial Statements

R H INVESTMENT CORPORATION, INC.
DECEMBER 31, 2008
NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

Organization

R H Investments Corporation, Inc. (The Company) was incorporated in California and is registered as a broker-dealer in securities under the Securities Exchange Act of 1934. The Company, in connection with its activities as a broker-dealer, holds no funds or securities for customers. The Company executes and clears all of its transactions through a clearing broker-dealer on a fully disclosed basis and, accordingly, is exempt from the provisions of Rule 15c3-3 under Subparagraph (k) (2) (ii).

The Company is a state and municipal bond dealer and operates out of one office in Encino.

Securities Inventory

Securities inventory is valued at market which approximates cost.

Securities Transactions

Customers' securities transactions and related commission income and expenses are recorded on a trade-date basis.

Provision for Income Taxes

The Company has elected to be taxed under the provisions of subchapter S of the Internal Revenue Code and comparable State of California statutes wherein the Company's taxable federal and state income is taxed directly to the shareholder. Additionally, the state of California imposes a 1-1/2% state franchise tax on the corporation's taxable income.

Note 2 - Net Capital Requirements

Pursuant to the net capital provisions of Rule 15c3-1 of the Securities and Exchange Act of 1934, the Company is required to maintain a minimum net capital as defined under such provisions. See the computation of net capital requirements following these Notes to Financial Statements.

R H INVESTMENT CORPORATION, INC.
DECEMBER 31, 2008
NOTES TO FINANCIAL STATEMENTS (continued)

Note 3 - Commitments

The Company leases facilities in the County of Los Angeles under a long-term agreement expiring in 2010. The annual rental commitments for years ending December 31, is as follows:

2009	\$ 59,460
2010	<u>20,313</u>
Total	<u>\$ 79,773</u>

Rental expense for the year was \$22,211 net of rental income of \$30,000. RH Investment Corporation shares office space with another company on a month to month basis.

Note 4 - Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 5 – Computation of determination of reserve requirements per Rule 15c3-3

A computation of reserve requirements is not applicable to the Company as the Company qualifies for exemption under Rule 15c3-3 (k) (2) (ii). All customer transactions are cleared through another broker-dealer on a fully disclosed basis.

Note 6 – Information relating to possession or control requirements under rule 15c3-3

The Company is exempt from the Rule 15c3-3 as it relates to possession and control requirements under the (k) (2) (ii) exemptive provision.

R H INVESTMENTS CORPORATION, INC.
SCHEDULE OF OPERATING EXPENSES
DECEMBER 31, 2008

OPERATING EXPENSES

Advertising and business promotion	\$ 380
Clearing fees	37,076
Computer fees and quote service	37,150
Depreciation	7,400
ECN	43,014
Insurance	15,606
Interest expense	123,669
Office expense	6,514
Payroll taxes	28,309
Pension plan administration	5,195
Professional services	12,811
Publications	3,612
Rent	22,211
Regulatory fees	1,507
Salaries, wages and related expenses	407,500
Taxes and licenses	2,346
Telephone	5,383
All other expenses	<u>29,587</u>
TOTAL OPERATING EXPENSES	<u>\$ 789,270</u>

See Accompanying Notes to Financial Statements

R H INVESTMENTS CORPORATION, INC.
 COMPUTATION OF NET CAPITAL REQUIREMENTS PURSUANT
 TO RULE 15c3-1
 DECEMBER 31, 2008

COMPUTATION OF NET CAPITAL

Total ownership equity	\$	353,581	
Plus: Subordinated debt			615,000
Less: Non Allowable assets			
Other receivable	\$	20,951	
Prepays and deposits		8,181	
Equipment net		<u>14,800</u>	(43,932)
Less: Haircuts on securities positions			
Exempted securities			<u>(177,723)</u>
NET CAPITAL	\$		<u>746,926</u>

COMPUTATION OF NET CAPITAL REQUIREMENTS

Minimum net aggregate indebtedness-			
6-2/3% of net aggregate indebtedness			<u>675</u>
Minimum dollar net capital required			<u>100,000</u>
Net Capital required (greater of above amounts)			<u>100,000</u>
EXCESS CAPITAL			<u>646,926</u>

COMPUTATION OF AGGREGATE INDEBTEDNESS

Total liabilities	\$	1,719,441	
Less short positions payable		<u>(1,709,319)</u>	<u>10,122</u>
Percentage of aggregate indebtedness to net capital			1.36%

The following is a reconciliation of the above net capital computation with the Company's corresponding unaudited computation pursuant to Rule 179-5(d)(4):

NET CAPITAL PER COMPANY'S COMPUTATION	\$	746,927	
VARIANCE - Rounding			<u>(1)</u>
NET CAPITAL PER AUDIT	\$		<u>746,926</u>

See Accompanying Notes to Financial Statements

R H INVESTMENTS CORPORATION, INC.
 STATEMENT OF LIABILITIES SUBORDINATED TO CLAIMS OF CREDITORS
 DECEMBER 31, 2008

	Balance Dec. 31, 2007	Additions	Deletions	Balance Dec. 31, 2008
Myron Strober and Muriel Strober 10% interest, payable monthly principal due May 31, 2009	40,000	0	0	40,000
Evelyn K. Theall, 10% interest, payable monthly principal due May 1, 2009	50,000	0	(50,000)	0
Andrew and Sandra Byrnes 10% interest, payable monthly principal due May 2, 2011	100,000	0	0	100,000
Patricia G. Bingham, 10% interest, payable monthly principal due March 1, 2010	100,000	0	0	100,000
Byrnes Family Trust dated 4/2/1990 Andrew L. Byrnes Jr. Trustee 10% interest, payable monthly principal due November 15, 2012	100,000	0	0	100,000
Byrnes Family Trust dated 4/2/1990 Andrew L. Byrnes, Jr. Trustee 10% interest, payable monthly principal due November 15, 2015	250,000	0	0	250,000
Sandra Byrnes 10% interest, payable monthly principal due March 17, 2011	0	25,000	-	25,000
Total	\$ 640,000	\$ 25,000	\$ (50,000)	\$ 615,000

See Accompanying Notes to Financial Statements

PART II

R H INVESTMENT CORPORATION, INC.

STATEMENT OF INTERNAL CONTROL

DECEMBER 31, 2008

Elizabeth Tractenberg, CPA

3832 SHANNON ROAD
LOS ANGELES, CALIFORNIA 90027
323/669-0545 – Fax 323/669-0575
elizabeth@tractenberg.net

Report of Independent Accountant
on Internal Accounting Control Required by SEC Rule 17a-5

Board of Directors
R H Investment Corporation, Inc.
Encino, California

In planning and performing my audit of the financial statements and supplemental schedules of R H Investment Corporation, Inc. (the Company) for the year ended December 31, 2008, I considered its internal control, including control activities for safeguarding securities, in order to determine my auditing procedures for the purpose of expressing my 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), I have made a study of the practices and procedures followed by the Company including tests of such practices and procedures that I 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-5(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, I 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 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

Board of Directors
R H Investment Corporation, Inc.
Encino, California

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.

My 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, I noted no matters involving internal control, including control activities for safeguarding securities, which I consider to be material weaknesses as defined above.

I 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 my study, I believe that the Company's practices and procedures were adequate on 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, 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 for anyone other than these specified parties.



Elizabeth Tractenberg, CPA
Los Angeles, California
January 09, 2009