

SEC



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

SEC FILE NUMBER
8-37151

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: FINANCIAL GOAL SECURITIES, INC.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

35-900 BOB HOPE DRIVE, SUITE 202

(No. and Street)

RANCHO MIRAGE, CA 92270

(City)

(State)

(Zip Code)

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

BRYAN KOCEN

760/324-4015

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

GOODRICH, BARON, GOODYEAR, LLP

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

6700 E. PACIFIC COAST HWY., SUITE 255, LONG BEACH, CA 90803

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

**SEC Mail Processing  
Section**

FEB 23 2009

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 basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

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AD  
3/24

OATH OR AFFIRMATION

I, BRYAN KOZEN, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of FINANCIAL GOAL SECURITIES, INC., as of DECEMBER 31, 2008, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

NONE

Bryan A. Kozen  
Signature

PRESIDENT

Title

See attached

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~~ **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 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) **Independent Auditors' Report on Internal Accounting Control**

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

# CALIFORNIA JURAT WITH AFFIANT STATEMENT

- See Attached Document (Notary to cross out lines 1-6 below)
- See Statement Below (Lines 1-5 to be completed only by document signer[s], *not* Notary)

1 \_\_\_\_\_

2 \_\_\_\_\_

3 \_\_\_\_\_

4 \_\_\_\_\_

5 \_\_\_\_\_

6 \_\_\_\_\_

Signature of Document Signer No. 1

Signature of Document Signer No. 2 (if any)

State of California

County of LOS ANGELES

Subscribed and sworn to (or affirmed) before me on this

19TH day of FEBRUARY, 20 09, by  
Date Month Year

(1) GREGORY A. GOODYEAR,  
Name of Signer

proved to me on the basis of satisfactory evidence to be the person who appeared before me (.) ~~(/)~~

(and

(2) \_\_\_\_\_,  
Name of Signer

proved to me on the basis of satisfactory evidence to be the person who appeared before me.)

Signature *Georgia F. Shaw*  
Signature of Notary Public **GEORGIA F. SHAW**



Place Notary Seal Above

## OPTIONAL

*Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.*

### Further Description of Any Attached Document

Title or Type of Document: SEC ANNUAL AUDITED REPORT  
FORM X-17A-5, PART III

Document Date: FEBRUARY 3, 2009 Number of Pages: 12

Signer(s) Other Than Named Above: BRYAN KOCEN

RIGHT THUMBPRINT OF SIGNER #1  
Top of thumb here

RIGHT THUMBPRINT OF SIGNER #2  
Top of thumb here

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GOODRICH • BARON • GOODYEAR LLP  
*Certified Public Accountants*

## INDEPENDENT AUDITORS' REPORT

The Board of Directors  
Financial Goal Securities, Inc.  
Rancho Mirage, California

We have audited the accompanying statement of financial condition of Financial Goal Securities, Inc. as of December 31, 2008, and the related statements of income (loss), 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. 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 Financial Goal Securities, Inc. 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.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained on Pages 8-10 is presented for the purpose 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.

A handwritten signature in cursive script that reads "Goodrich Baron Goodyear, LLP".

Long Beach, California  
February 3, 2009

**FINANCIAL GOAL SECURITIES, INC.**  
**STATEMENT OF FINANCIAL CONDITION**

DECEMBER 31, 2008

ASSETS

Cash in bank	\$ 10,460
Concessions receivable	23,970
Advances to shareholders	22,655
Prepaid fidelity bond	320
Deposit - CRD	<u>506</u>
Total assets	\$ <u>57,911</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Liabilities:		
Accounts payable	\$ 630	
Commissions payable	5,870	
Payroll taxes payable	<u>638</u>	
Total liabilities		7,138
Commitments		-
Stockholders' equity:		
Common stock, no par value per share; authorized 100,000 shares; issued and outstanding 10,000 shares	\$ 10,000	
Additional paid-in capital	22,833	
Retained earnings	<u>17,940</u>	
Total stockholders' equity		<u>50,773</u>
Total liabilities and stockholders' equity		\$ <u>57,911</u>

The accompanying notes are an integral part of these financial statements.

**FINANCIAL GOAL SECURITIES, INC.**  
**STATEMENT OF INCOME (LOSS)**

YEAR ENDED DECEMBER 31, 2008

Revenues:		
Concessions - DPP		\$ 483,061
Due diligence fees		5,714
Marketing allowance		13,294
Interest income		<u>1,250</u>
Total revenues		503,319
Operating expenses:		
Salaries and commissions	\$ 465,210	
Professional fees	19,157	
Payroll taxes	10,660	
Regulatory assessments	10,128	
Fidelity bond expense	467	
Overhead reimbursement	22,575	
Other	<u>627</u>	
Total expenses		<u>528,824</u>
Loss before income taxes		(25,505)
Income taxes		<u>800</u>
Net loss		\$ <u>(26,305)</u>

The accompanying notes are an integral part of these financial statements.

**FINANCIAL GOAL SECURITIES, INC.**  
**STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY**

YEAR ENDED DECEMBER 31, 2008

	<u>Common Stock</u>	<u>Additional Paid-In Capital</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance at beginning of year, as previously reported	\$ 10,000	22,833	57,028	89,861
Prior year adjustment (see accompanying notes to financial statements)	<u>-</u>	<u>-</u>	<u>3,217</u>	<u>3,217</u>
Balance at beginning of year, as restated	10,000	22,833	60,245	93,078
Net loss for the year ended December 31, 2008	-	-	(26,305)	(26,305)
Dividend	<u>-</u>	<u>-</u>	<u>(16,000)</u>	<u>(16,000)</u>
Balance at end of year	<u>\$ 10,000</u>	<u>22,833</u>	<u>17,940</u>	<u>50,773</u>

The accompanying notes are an integral part of this financial statement.

**FINANCIAL GOAL SECURITIES, INC.**  
**STATEMENT OF CASH FLOWS**  
**INCREASE (DECREASE) IN CASH**

YEAR ENDED DECEMBER 31, 2008

Cash flows from operating activities:		
Net loss		\$ (26,305)
Adjustments to reconcile net loss to net cash provided from operating activities:		
Decrease in concessions	\$ 15,842	
Decrease in prepaid expenses	272	
Increase in accounts payable	630	
Increase in commissions payable	5,870	
Decrease in income taxes payable	(3,829)	
Increase in payroll taxes payable	638	
Prior period adjustment	<u>3,217</u>	
Total adjustments		<u>22,640</u>
Net cash flows used for operating activities		(3,665)
Cash flows from investing activities:		
Decrease in shareholder advances	<u>18,961</u>	
Net cash flows provided by investing activities		18,961
Cash flows from financing activities:		
Dividends paid	<u>(16,000)</u>	
Net cash flows used for financing activities		<u>(16,000)</u>
Net decrease in cash		(704)
Cash at beginning of year		<u>11,164</u>
Cash at end of year		\$ <u>10,460</u>

SUPPLEMENTAL CASH INFORMATION

Cash payments for:		
Income taxes		\$ <u>800</u>
Interest expense		\$ <u>-</u>

The accompanying notes are an integral part of these financial statements.

**FINANCIAL GOAL SECURITIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2008

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Business**

The Company is a registered broker-dealer incorporated under the laws of the State of California maintaining its main office in Rancho Mirage, California. The Company is subject to a minimum net capital requirement of \$5,000 pursuant to SEC Rule 15c3-1. The Company operates pursuant to the (k)(2)(i) exemptive provision of SEC Rule 15c3-3 and does not hold customer funds or securities. Therefore, the Company is exempt from the computation for the determination of reserve requirements pursuant to Rule 15c3-3 as well as the disclosure of information relating to possession and control requirements pursuant to Rule 15c3-3. The Company's business consists of public and private placements of equity securities, debt securities, mortgage debt, secured notes, lease participations, and deeds of trust.

**Method of Accounting**

The Company maintains its books and records on the accrual basis of accounting.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates. Actual results could differ from those estimates and such differences could be material.

**SIPC**

The SIPC assessment has been determined fairly in accordance with applicable instructions and was remitted timely.

**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.

**(2) PROVISION FOR INCOME TAXES**

The provision for income taxes consists of the following:

	<u>Federal</u>	<u>California</u>	<u>Total</u>
Current	\$ -	\$ 800	\$ 800
Deferred	<u>-</u>	<u>-</u>	<u>-</u>
Total	\$ <u>-</u>	\$ <u>800</u>	\$ <u>800</u>

**FINANCIAL GOAL SECURITIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS, CONTINUED**

DECEMBER 31, 2008

(2) PROVISION FOR INCOME TAXES, Continued

Deferred taxes are accounted for under Financial Accounting Standard 109 (FAS 109) which uses an asset and liability approach in recognizing timing differences. This approach requires the recognition of deferred tax liabilities and assets for the expected future tax consequences of such timing differences. Timing differences include the use of the cash basis for tax purposes and accrual basis for accounting purposes and the recognition of net operating loss carry-forwards. There were no material deferred tax items as of December 31, 2008.

(3) RELATED PARTY TRANSACTIONS

The Company has entered into an expense-sharing agreement with a related corporation, whereby the Company secures necessary office space, support staff, equipment, telephone and utilities from the affiliated corporation for a monthly payment of \$2,415. This agreement is for one year beginning August 1, 2008, and may be renewed annually.

The Company also pays commissions to two independent contractors, for services performed, who are the parents of one of the two shareholders of the Corporation. Amounts included in expenses in the current year applicable to such related parties amounted to \$178,210.

(4) PRIOR PERIOD ADJUSTMENT

The Company has adjusted beginning retained earnings by \$3,217 for certain fees paid that were originally expensed in 2007 that related to 2008, netted against certain 2007 payables that were not originally recorded at December 31, 2007.

(5) NET CAPITAL

The Company is subject to a \$5,000 minimum capital requirement pursuant to SEC Rule 15c3-1, which requires that the ratio of aggregate indebtedness to net capital shall not exceed 15 to 1. Net capital and the related net capital ratio fluctuate on a daily basis; however, as of December 31, 2008, the net capital was \$9,192 which exceeded the required minimum capital by \$4,192. The aggregate indebtedness to net capital ratio was .78 to 1.

**FINANCIAL GOAL SECURITIES, INC.**  
**COMPUTATION OF NET CAPITAL PURSUANT TO RULE 15c3-1**

DECEMBER 31, 2008

Total equity from statement of financial condition		\$ 50,773
Less non-allowable assets:		
Concessions receivable, net of commissions payable	\$ 18,100	
Prepaid fidelity bond	320	
Deposit – CRD	506	
Advances to shareholders	<u>22,655</u>	<u>(41,581)</u>
Net capital		\$ <u>9,192</u>

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Minimum net capital required (6-2/3% of aggregate indebtedness)	\$ <u>475</u>
Minimum dollar net capital required	\$ <u>5,000</u>
Net capital requirement (greater of above two figures)	\$ <u>5,000</u>
Excess net capital	\$ <u>4,192</u>

COMPUTATION OF RATIO OF AGGREGATE INDEBTEDNESS TO NET CAPITAL

Total aggregate indebtedness	\$ <u>7,138</u>
Ratio of aggregate indebtedness to net capital	<u>78 to 1</u>
Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1(d)	<u>N/A</u>

The computation of net capital as reported in the unaudited Part IIA filing agrees with the audited net capital above.

**FINANCIAL GOAL SECURITIES, INC.**  
**COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS**  
**PURSUANT TO RULE 15c3-3**

DECEMBER 31, 2008

Not Applicable – The Company is exempt pursuant to the (k)(2)(i) exemptive provision of SEC Rule 15c3-3 and does not hold customer funds or securities.

**FINANCIAL GOAL SECURITIES, INC.**  
**INFORMATION RELATING TO THE POSSESSION**  
**OR CONTROL REQUIREMENTS PURSUANT TO RULE 15c3-3**

DECEMBER 31, 2008

Not Applicable – The Company is exempt pursuant to the (k)(2)(i) exemptive provision of SEC Rule 15c3-3 and does not hold customer funds or securities.



GOODRICH • BARON • GOODYEAR LLP  
*Certified Public Accountants*

## REPORT ON INTERNAL ACCOUNTING CONTROL

The Board of Directors  
Financial Goal Securities, Inc.  
Rancho Mirage, California

In planning and performing our audit of the financial statements of Financial Goal Securities, Inc. (the Company) as of and 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 (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 computation 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, errors or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that 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 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 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 an 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, 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.

A handwritten signature in cursive script that reads "Audric Baron Gooden, CPA". The signature is written in black ink and is positioned above the typed name and date.

Long Beach, California  
February 3, 2009

**FINANCIAL GOAL SECURITIES, INC.**

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FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2008

(With Independent Auditors' Report Thereon)