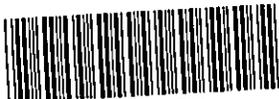


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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

SEC Mail Processing
Section

SEC FILE NUMBER
8- 67657

FACING PAGE

FEB 27 2009

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: **APPLE TREE INVESTMENTS, INC.**

OFFICIAL USE ONLY
FIRM I.D. NO.

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

15300 Kanis Road

(No. and Street)

Little Rock

AR

72211

(City)

(State)

(Zip Code)

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

Michael O. Brown

404-797-7040

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Gary C. Cox, CPA P.A.

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

811 Parkway

Conway

AR

72034

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

PROCESSED
MAR 13 2009
THOMSON REUTERS

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)

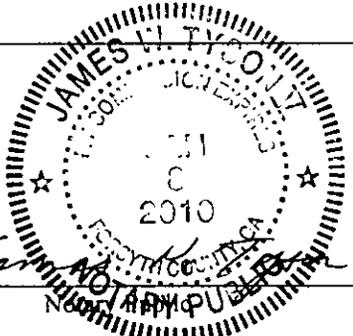
SEC 1410 (06-02)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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OATH OR AFFIRMATION

I, Michael O. Brown, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of APPLE TREE INVESTMENTS, INC., as 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:



Michael Brown
Signature
FINOP/CFO
Title

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).

APPLE TREE INVESTMENTS, INC.
AN S-CORPORATION
Financial Statements
Year Ended December 31, 2008

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GARY C. COX, CPA P.A.

Gary Cox, CPA, CVA
Debbie Turner, CPA, CFE
Jon Richardson, CPA

811 Parkway, Conway, AR 72034
150 So. Broadview, Greenbrier, AR 72058
Website: www.cpasite.net/taxguy

Independent Auditor's Report

Officers and Stockholders
Apple Tree Investments, Inc.
Little Rock, Arkansas

We have audited the accompanying statement of financial condition of Apple Tree Investments, Inc., (an S - Corporation), as of December 31, 2008 and the related statement of income, changes in stockholder's capital, cash flows and changes in subordinated borrowings for the year 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 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 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.

Our audit was conducted for the purposes of forming an opinion on the basic financial statements taken as a whole. The information contained in the supplemental schedules is presented for additional analysis purposes and is required by Rule 17a-5 under the Securities Exchange Act of 1934. This supplemental information is not required as a part of the basic financial statements but 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, in conformity with generally accepted accounting principles in the United States of America.

February 10, 2009



Gary C. Cox, CPA, PA

Apple Tree Investments, Inc.
Statement of Financial Condition
December 31, 2008

Assets

Cash (Note 1)	\$269,861
Clearing Deposit	51,032
Commissions receivable (Note 1)	58,773
Receivable from affiliates (Note 4 & 5)	68,968
Broker clearing account	710
CRD daily account	1,108
Prepaid insurance (Note 1)	1,440
Total Assets	<u><u>\$451,892</u></u>

Liabilities and Capital

Liabilities:

Commissions payable (Note 1)	\$40,514
Accrued expenses (Note 1)	1,522
Total Liabilities	<u><u>42,036</u></u>

Capital:

Common stock (Note 1)	100
Additional paid-in capital	100,000
Retained earnings	<u>309,756</u>
Total Capital	<u><u>409,856</u></u>
Total Liabilities and Capital	<u><u>\$451,892</u></u>

See accompanying notes and independent accountants' report.

Apple Tree Investments, Inc.
Statement of Income
For the Year Ended December 31, 2008

Revenues:	
Commissions and fees	\$2,274,782
Interest	889
Other	19,178
	<u>\$2,294,849</u>
Expenses:	
Brokerage and clearing fees	53,572
Commissions paid	1,473,953
Salaries and wages (Note 5)	283,988
Professional fees	21,687
Marketing and promotion (Note 1)	14,562
Rent (Note 5)	48,000
Insurance	14,250
Office expense (Note 5)	17,713
Telephone	3,083
Utilities (Note 5)	6,480
Regulatory fees	11,037
Miscellaneous	745
	<u>\$1,949,070</u>
Net Income (Note 8)	<u><u>\$345,779</u></u>

See accompanying notes and independent accountants' report.

Apple Tree Investments, Inc.
Statement of Changes in Stockholder's Capital
For the Year Ended December 31, 2008

	<u>Common Stock</u>		<u>Additional</u>	<u>Retained</u>
	<u>Shares</u>	<u>Amount</u>	<u>Paid in</u> <u>Capital</u>	<u>Earnings</u>
Balances, December 31, 2007	100	\$100	\$100,000	-\$36,023
Net Income 2008				\$345,779
Balances, December 31, 2008	<u>100</u>	<u>\$100</u>	<u>\$100,000</u>	<u>\$309,756</u>

See accompanying notes and independent accountants' report.

Apple Tree Investments, Inc.
Statement of Cash Flows
For the Year Ended December 31, 2008

Cash Flows from Operating Activities:

Net Income (Loss)	\$345,779
Adjustments to reconcile net income to net cash provided by operating activities:	
Change in commissions receivable	(58,773)
Change in CRD daily account	(1,108)
Change in prepaid insurance	(1,440)
Change in broker clearing account	137
Change in commissions payable	18,656
Change in accrued expenses	1,057
Increase in due from affiliate	(68,868)
Net Cash Provided (Used) by Operating Activities	235,440

Cash Flows from Investment Activities:

Net Cash Provided (Used) by Investing Activities	0
---	---

Cash Flows form Financing Activities:

Net Cash Provided (Used) by Financing Activities	0
---	---

Net Increase (Decrease) in Cash	235,440
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Cash at Beginning of Period	85,453
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Cash at End of Period	\$320,893
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Supplemental Disclosures:

Cash paid for:	
Interest expense	\$0
Income taxes paid	\$0

See accompanying notes and independent accountants' report.

Apple Tree Investments, Inc.
Statement of Changes in Subordinated Borrowings
For the Year Ended December 31, 2008

<u>Subordinated borrowings at December 31, 2007</u>	\$0
Increases	0
Decreases	0
Subordinated borrowings at December 31, 2008	<u>0</u>

See accompanying notes and independent accountants' report.

APPLE TREE INVESTMENTS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

Note 1 - Significant Accounting Policies:

Business Activities

Apple Tree Investments, Inc., is a securities broker-dealer registered with the Securities and Exchange Commission. The company primarily offers brokerage services to its customers and engages in the brokerage of securities and other investment products for individual and business customers. The company serves clients throughout Arkansas and the mid-south region.

Under the Securities Exchange Act of 1934 the Company is classified as a "Broker or Dealer That Introduces Customer Accounts and Receives Securities."

Organization and Capitalization

The corporation was formed February 2007 under the Arkansas Business Corporation Act of 1987.

Common stock authorized was 100 shares with \$1.00 par value. 100 shares of \$1.00 par, common stock have been issued.

Use of Estimates

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

Cash and Cash Equivalents

The Company considers all liquid investments with a maturity of three months or less when purchased as cash equivalents, unless they have been restricted by regulation.

Broker Accounts Receivable

The Company is subject to normal credit risk should the clearing broker be unable to repay the balance due. Management does not anticipate non-performance on the reported amounts.

Amounts receivable from broker clearing organizations consist of the following as of December 31:

Commissions receivable	\$58,773
------------------------	----------

Revenue Recognition

All service revenue is recognized by the accrual method of accounting

Cost Recognition

General and administrative costs are charged to expense as incurred.

Fair Value of Financial Instruments

The carrying amounts, of cash and cash equivalents, receivables, other assets, notes and liabilities, meeting the definition of a financial instrument, approximate fair value.

The fair value of the Company's remaining financial instruments, are estimated using projected cash flows or other estimating methods. The carrying amounts of the Company's long-term debt approximate fair value.

APPLE TREE INVESTMENTS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

Note 1 - Significant Accounting Policies (continued):

Prepaid Expenses

Prepaid expenses consist of the following:

Prepaid or Unexpired Insurance	\$1,440
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Accrued Expenses and Commissions Payable

Payables and Accrued Expenses consist of the following:

Accrued expenses	\$ 1,522
------------------	----------

Commissions payable to representatives	\$40,514
--	----------

Concentration and Credit Risk

The majority of the Company's commissions receivable, are from broker dealers in the financial industry and are located in metropolitan areas of the United States. The Company is subject to normal credit risk should the clearing brokers be unable to repay the balance reflected in the financial statement. Management does not anticipate non-performance by the clearing broker.

The company uses multiple vendors for its supplies.

Marketing and Promotion

The company expenses advertising costs as incurred. Amounts expensed were \$14,562 for 2008.

Depreciation and Fixed Assets

The Company presently does not own any fixed assets subject to depreciation. The Company shares office space and equipment with an Kiefer Retirement Services, Inc. an affiliated company.

Note 3 – Reserved:

Note 4 –Related Parties (affiliates):

Apple Tree Assets Management, Inc. is a Registered Investment Advisor Service providing wealth management and financial fee based advisory services to customers. Mr. Steven Kiefer owns 100% of the company.

Kiefer Retirement Services, Inc. is a financial service company, providing commission based retirement services to customers. Mr. Steven Kiefer and Mrs. Alice Kiefer each own 50% of the company.

Note 5 - Operating Expense Sharing and Administrative Services Agreement:

The Corporation has entered into an expense sharing agreement with an affiliate company, Kiefer Retirement Services, Inc. Under the agreement the Company pays its affiliate \$21,660 per month for rent, utilities, supplies, equipment , repairs, and administrative support personnel.

Note 6 – Reserved:

APPLE TREE INVESTMENTS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

Note 7 – Net Capital Requirements:

The company is subject to the Security and Exchange Commissions Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of \$50,000 minimum net capital. At December 31, 2008 the Company had net capital of \$338,340, which was \$288,340 in excess of the required minimum.

Note 8 - Income Taxes:

The shareholder has elected tax-optional corporate status effective February 2007. By electing to be an Subchapter S - Corporation for income tax purposes, the income taxes resulting from the company operations will be payable personally by the shareholder based on his income and deductions from all sources. Accordingly, the financial statements do not reflect a provision for corporate income taxes.

Supplemental Information

Apple Tree Investments, Inc.
 Supplemental Schedule 1
For the Year Ended December 31, 2008

Computation of Net Capital Under Rule 15c3-1 of the Securities and Exchange Commission

Net Capital:

Total ownership equity qualified for net capital	\$409,856
Less ownership equity not qualified for capital	0
Add liabilities subordinated to claims of general creditors allowable	<u>0</u>
Total capital and allowable subordinated liabilities	\$409,856

Deduction for nonallowable assets and other charges:

Receivable from affiliate	\$68,968
Other nonallowable assets	2,548
Other deductions and/or charges	<u>0</u>
Total deductions and/or charges	71,516
Tenative net capital	<u>338,340</u>

Haircuts on securities	0
Undue Concentration haircuts	<u>0</u>
Net Capital	338,340

Minimum required net capital (SEC Rule 15c3-1)	50,000
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Excess net capital	<u><u>\$288,340</u></u>
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Computation of required minimum net capital:

Total liabilities (debt)	\$42,036
Required rate 6 2/3%	6.67%
Calculated required net capital	<u><u>\$2,803</u></u>

See accompanying notes and independent accountants' report.

Apple Tree Investments, Inc.
Supplemental Schedule 2
For the Year Ended December 31, 2008

Computation for Determination of Reserve Requirements Under Rule 15c3-3

As of December 31, 2008

A computation of reserve requirement is not applicable as the company qualifies for exemption under SEC Rule 15c3-3(k)(2)(ii)

Information Relating to Possession or Control Requirements Pursuant to SEC Rule 15c3-3

As of December 31, 2008

Information relating to possession or control requirements is not applicable as the company qualifies for exemption under SEC Rule 15c3-2(k)(2)(ii)

Statement pursuant to paragraph (d)(4) of Rule 17a-5.

Net Capital per Company's Unaudited Form X-17A-5 Part II Filing	\$339,862
Increase in accrued general expenses	-1,522
Net Capital per Report Pursuant to Rule 17A-5(d)	<u><u>\$338,340</u></u>

See accompanying notes and independent accountants' report.

GARY C. COX, CPA P.A.

Gary Cox, CPA, CVA
Debbie Turner, CPA, CFE
Jon Richardson, CPA

811 Parkway, Conway, AR 72034
150 So. Broadview, Greenbrier, AR 72058
Website: www.cpsite.net/taxguy

Officers and Stockholders
Apple Tree Investments, Inc.
Little Rock, Arkansas

In planning and performing our audit of the financial statements of Apple Tree Investments, Inc., (an S - Corporation), as of 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

In the course of our audit we found no material inadequacies in the areas of accounting for securities, safeguarding securities or the internal control over the securities transactions within the Company.

February 10, 2009



Gary C. Cox, CPA, PA

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Greenbrier 501-679-3830

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END