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**ANNUAL AUDITED REPORT** Mail Processing Section  
**FORM X-17A-5**  
**PART III** FEB 27 2009

SEC FILE NUMBER
8-49034

FACING PAGE Washington, DC  
**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 01/01/2008 AND ENDING 12/31/2008  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER:  
**AMEREST SECURITIES Inc**  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
**2828 NORTH HARWOOD STREET, SUITE 2000**

OFFICIAL USE ONLY
FIRM I.D. NO.

(No. and Street)

DALLAS

TX

75201

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
**JACK L SHARP** (972) 317-9575  
(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

**DANCE, BIGELOW, SHARP & CO., LLP**

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

**2300 HIGHLAND VILLAGE ROAD, STE. 650**

**HIGHLAND VILLAGE**

**TX**

**75077**

(Address)

(City)

(State)

(Zip Code)

**CHECK ONE:**

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

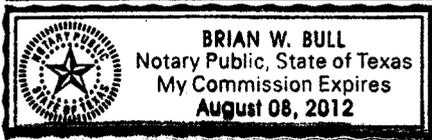
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\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2).

BBB  
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OATH OR AFFIRMATION

I, AL PARVIZIAN, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of AMEREST SECURITIES, 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:



[Signature]  
Signature  
President  
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).

AMEREST SECURITIES, INC.  
AUDITED FINANCIAL STATEMENTS  
SUPPLEMENTARY INFORMATION  
REQUIRED BY RULE 17A-5  
DECEMBER 31, 2008 AND 2007



Dance, Bigelow, Sharp & Co., LLP  
CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors and Stockholder  
of Amerest Securities, Inc.

We have audited the accompanying balance sheet of Amerest Securities, Inc. (a Texas corporation) as of December 31, 2008 and 2007, and the related statements of income, changes in stockholder's equity, liabilities subordinated to the claims of creditors and cash flows for the years 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 audits.

We conducted our audit in accordance with U.S. generally accepted auditing standards. 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 Amerest 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 U.S. generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information is presented for the 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 Security 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.

*Dance, Bigelow, Sharp & Co., LLP*

Highland Village, Texas  
February 25, 2009

**AMEREST SECURITIES, INC.**  
**STATEMENT OF FINANCIAL CONDITION**  
**AS OF DECEMBER 31, 2008 AND 2007**

ASSETS

	<u>2008</u>	<u>2007</u>
<b>CURRENT ASSETS:</b>		
Cash	\$ 26,875	\$ 22,825
Accounts receivable-affiliate	12,146	5,734
Prepaid expense	<u>24,314</u>	<u>27,437</u>
Total Current Assets	<u>63,335</u>	<u>55,996</u>
<b>OTHER ASSETS:</b>		
Deferred tax asset	<u>7,764</u>	<u>7,764</u>
Total Other Assets	<u>7,764</u>	<u>7,764</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 71,099</u></u>	<u><u>\$ 63,760</u></u>

LIABILITIES AND STOCKHOLDER EQUITY

<b>CURRENT LIABILITIES:</b>		
Accrued expenses	<u>\$ 12,487</u>	<u>\$ 5,534</u>
Total Current Liabilities	<u>12,487</u>	<u>5,534</u>
<b>STOCKHOLDER EQUITY :</b>		
Common stock, \$.01 par value, 5,000,000 shares authorized, 100,000 shares issued and outstanding	1,000	1,000
Additional paid-in capital	68,304	68,304
Retained earnings	<u>(10,692)</u>	<u>(11,078)</u>
Total Stockholder Equity	<u>58,612</u>	<u>58,226</u>
<b>TOTAL LIABILITIES AND STOCKHOLDER EQUITY</b>	<u><u>\$ 71,099</u></u>	<u><u>\$ 63,760</u></u>

The accompanying notes are an integral part of the financial statements

**AMEREST SECURITIES, INC.**  
**STATEMENT OF INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
REVENUES :		
Commission income	\$ 334,841	\$ 223,884
Interest income	1,060	954
	<u>335,901</u>	<u>224,838</u>
EXPENSES:		
Commissions	288,556	217,573
Professional fees	20,825	21,839
Taxes	26,769	19,071
Other operating expenses	1,453	1,354
Personnel expense	151,200	151,200
Rent	318,816	318,816
Telephone	90,000	90,000
Registration expense	53,572	56,992
Expense reimbursement	<u>(615,676)</u>	<u>(654,524)</u>
	<u>335,515</u>	<u>222,321</u>
INCOME BEFORE INCOME TAXES	386	2,517
PROVISION FOR DEFERRED INCOME TAXES	<u>-</u>	<u>(378)</u>
NET INCOME	<u>\$ 386</u>	<u>\$ 2,139</u>

The accompanying notes are an integral part of these financial statements

**AMEREST SECURITIES, INC.**  
**STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY**  
**AS OF DECEMBER 31, 2008 AND 2007**

	<u>Common Stock</u>	<u>Additional Paid-In Capital</u>	<u>Retained Earnings</u>	<u>Totals</u>
BALANCE, DECEMBER 31, 2006	\$ 1,000	\$ 68,304	\$ (13,217)	\$ 56,087
Net Loss			2,139	2,139
BALANCE, DECEMBER 31, 2007	<u>1,000</u>	<u>68,304</u>	<u>(11,078)</u>	<u>58,226</u>
Net Income			<u>386</u>	<u>386</u>
BALANCE, DECEMBER 31, 2008	<u>\$ 1,000</u>	<u>\$ 68,304</u>	<u>\$ (10,692)</u>	<u>\$ 58,612</u>

The accompanying notes are an integral part of the financial statements

**AMEREST SECURITIES, INC.**  
**STATEMENT OF LIABILITIES SUBORDINATED TO THE CLAIMS OF CREDITORS**  
**DECEMBER 31, 2008 AND 2007**

The Company had no liabilities subordinated to creditors at December 31, 2008, nor at December 31, 2007

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

**AMEREST SECURITIES, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
Cash flows from operating activities -		
Net income (loss)	\$ 386	\$ 2,139
Adjustments to reconcile net earnings to net cash provided (used) by operating activities -		
Net Change:		
Accounts receivable - affiliate	(6,412)	634
Prepaid expenses	3,123	(1,395)
Deferred tax asset	-	378
Accrued expenses	6,953	(733)
Taxes payable	<u>-</u>	<u>-</u>
Net cash provided by operating activities	<u>4,050</u>	<u>1,023</u>
Cash provided from financing activities:		
Additional paid-in capital	<u>-</u>	<u>-</u>
Net cash provided by investing activities	<u>-</u>	<u>-</u>
Net change in cash	4,050	1,023
Cash at beginning of year	<u>22,825</u>	<u>21,802</u>
Cash at end of year	<u><u>\$ 26,875</u></u>	<u><u>\$ 22,825</u></u>
 Supplemental Disclosures of Cash Flow Information		
Cash paid during the year for:		
Interest	<u>-</u>	<u>-</u>
Income taxes	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of the financial statements

**AMEREST SECURITIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2008 AND 2007**

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization –**

Amerest Securities, Inc. (the Company), a Texas Corporation was incorporated in May 1996. The Company operates as a securities broker-dealer firm, registered with the Securities and Exchange Commission (SEC) and securities regulatory commissions in the state of Texas. It is a member of the Financial Industry Regulation Authority (FINRA).

**Method of Accounting –**

The accounts of the Company are maintained on the accrual method of accounting with security transactions recorded on a trade date basis.

**Cash and cash equivalents –**

For the purpose of cash flow, the Company considers financial instruments with the original maturity of three months or less to be cash equivalents.

**Basis of presentation –**

The financial statements are presented in a comparative year format.

**Accounting estimates –**

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP), requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

**Adoption of SFSA No. 130 –**

The Company adopted SFAS No. 130, Reporting Comprehensive Income.

**2) NET CAPITAL REQUIREMENTS**

The Company is subject to the Securities and Exchange Commission's Uniform Net Capital (Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. At December 31, 2008 and 2007 the Company had net capital of \$14,328 and \$17,234 respectively, which was \$9,328 and \$12,234 respectively over the required net capital of \$5,000.

**3) RELATED PARTY TRANSACTIONS**

All of the Company's revenues were generated from an affiliated company (having common ownership): Arcturus Corporation. Commission income from this affiliate was \$334,841 and \$223,884 for the years ending December 31, 2008 and 2007, respectively. Accounts receivable from affiliate at December 31, 2008 was \$12,147 and at December 31, 2007 was \$5,734.

During 2006 the Company entered into an Exclusive Service and Support Agreement with this affiliate in accordance with a mandate from the National Association of Security Dealers whereby the

**AMEREST SECURITIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2008 AND 2007**

Company would be charged its pro-rata share of common expenses such as personnel costs, rent and telephone. This agreement was made retroactive to January 1, 2006. Under the terms of the agreement the Company would be reimbursed for these expenses by the affiliate. Expenses charged to the Company pursuant to the agreement for 2008 and 2007 were: rent \$318,816, personnel costs \$151,200 and telephone \$90,000. Reimbursements to the Company by the affiliate were \$615,676 and \$654,524 for the years ended December 31, 2008 and December 31, 2007, respectively.

**4) ECONOMIC DEPENDENCY**

All of the Company's business is dependent upon an affiliated company. This affiliated company originates all of the oil and gas joint venture interests marketed by the Company. The loss of these originations could have a material adverse effect on the Company.

**5) INCOME TAXES**

The Company adopted Statement of Financial Accounting Standards No. 109 (SFAS No. 109), "Accounting for Income Taxes." Under SFAS No. 109, an asset and liability tax provision approach is required when applicable. Such approach results in the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the book carrying amounts and the tax basis of assets and liabilities. Income reported for financial statement purposes is the same as taxable income, as defined by the Internal Revenue Code for the years ended December 31, 2008 and 2007.

The Company's deferred tax assets for the years ended December 31, 2008 and December 31, 2007 were \$7,764 and \$7,764, respectively and consist of the tax benefits of net operating loss ("NOL") carry forwards of \$51,061 and \$51,763 at December 31, 2008 and 2007, respectively. The Company believes that the \$51,061 of NOL carry forwards will be utilized prior to expiration through future taxable earnings. The NOL at December 31, 2008, along with the expiration dates, are listed below:

<u>Year</u> <u>Generated</u>	<u>NOL</u> <u>Amount</u>	<u>Year of</u> <u>Expiration</u>
2004	\$ 1,344	2024
2005	42,597	2025
2006	7,120	2026
	<u>\$ 51,061</u>	

SUPPLEMENTARY INFORMATION



Dance, Bigelow, Sharp & Co., LLP  
CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors  
Amerest Securities, Inc.  
Dallas, Texas

In planning and performing our audit of the financial statements of Amerest Securities, Inc. (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 consolidated financial statements and not to provide assurance on the 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 compliance with such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g), in the following:

1. Making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under rule 17a-3(a)(11) and the reserve required by rule 15c3-3(e)
2. Making the quarterly securities examinations, counts, verifications, and comparisons, and the 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

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 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 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 National Association of Securities Dealers, 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.

*Dance, Bigelow, Sharp & Co., LLP*  
Highland Village, Texas  
February 25, 2009

**AMEREST SECURITIES, INC.**  
**SUPPLEMENTARY INFORMATION**  
**DECEMBER 31, 2008**

1. Computation of net capital and aggregate indebtedness under Rule 15c3-1

Stockholders' equity	58,612
Haircut for certificate of deposit	(59)
Non-allowable assets:	<u>(44,225)</u>
Net capital	14,328
Minimum net capital required	<u>(5,000)</u>
Excess (deficit) net capital	<u>\$ 9,328</u>
Aggregate indebtedness to net capital:	
Accounts payable and accrued expenses	<u>\$ 12,487</u>
Aggregate indebtedness	<u>\$ 12,487</u>
Ratio: aggregate indebtedness to net capital	.87 to 1

The difference between the above computation of net capital pursuant to rule 15c3-1 and that filed with the Company's unaudited December 31, 2008 Focus Report is as follows;

December 31, 2008 FOCUS Report:	\$ 18,191
Increase in income	2,551
Increase in accounts receivable affiliate	<u>(6,414)</u>
December 31, 2008 Net Capital	<u>\$ 14,328</u>

2. Computation for determination of reserve requirements under Rule 15c3-3

The Company operates under the exemptive provisions of paragraph k,(2),I of SEC Rule 15c3-3

3. Information relating to the possession or control requirements under Rule 15c3-3

The Company has complied with the exemptive requirements of Rule 15c3-3 and did not maintain possession or control of any customer's funds or securities as of December 31, 2008