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SECURITIES AND EXCH.
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**ANNUAL AUDITED REPORT
FORM X-17A-5
PART III**

SEC FILE NUMBER	
8-	14394

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: American Trust Investment Services, Inc.

OFFICIAL USE ONLY
FIRM ID. NO.

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

1349 Calumet Avenue
(No. and Street)

Whiting Indiana 46394
(City) (State) (Zip Code)

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

John Evanich (219) 473 - 5542
(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Kehlenbrink, Lawrence & Pauckner
(Name - if individual, state last, first, middle name)

6296 Rucker Road, Suite G Indianapolis Indiana 46220
(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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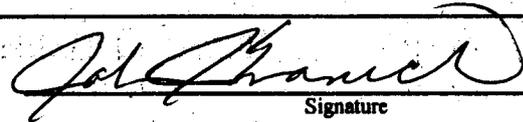
*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

SEC 1410 (06-02)

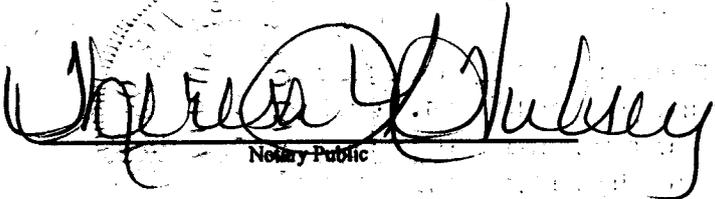
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OATH OR AFFIRMATION

I, John J. Evanich, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of American Trust Investment Services, 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:


Signature

President
Title


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 Cash Flows.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's 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 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).



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6296 Rucker Road, Suite G
Indianapolis, IN 46220

To the Board of Directors
American Trust Investment Services, Inc.

Independent Auditor's Report

We have audited the accompanying statement of financial condition of American Trust Investment Services, Inc. as of December 31, 2008 and December 31, 2007, and the related statements of income, changes in stockholder's equity, and cash flows for the years then ended that you are filing pursuant to rule 17a-5 under the Securities Exchange Act of 1934. This financial statement is 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 audits 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 American Trust Investment Services, Inc. as of December 31, 2008 and December 31, 2007, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in the schedule on page 10 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.

Kehlenbrink, Lawrence + Pauckner

February 12, 2009

American Trust Investment Services, Inc.

Statement of Financial Condition

Assets	December 31, 2008	December 31, 2007
Cash and cash equivalents	\$ 179,906	\$ 182,577
Cash segregated for the exclusive benefit of customers	77	77
Accounts receivable	20,525	6,821
Deposit with clearing organization	50,000	50,000
Marketable securities	304,585	261,425
Cash surrender value of life insurance	220,359	212,347
Property, net	9,671	13,350
	<hr/>	<hr/>
Total Assets	<u>\$ 785,123</u>	<u>\$ 726,597</u>
 Liabilities and Stockholder's Equity		
Liabilities		
Accounts payable and accrued expenses	<u>\$ 11,337</u>	<u>\$ 15,016</u>
 Stockholder's Equity		
Common stock, no par value, 100 shares authorized, issued and outstanding	25,000	25,000
Retained earnings	748,786	686,581
	<hr/>	<hr/>
Total Stockholder's Equity	<u>773,786</u>	<u>711,581</u>
	<hr/>	<hr/>
Total Liabilities and Stockholder's Equity	<u>\$ 785,123</u>	<u>\$ 726,597</u>

The accompanying notes are an integral part of these financial statements

American Trust Investment Services, Inc.

Statement of Income

	For the Years Ended	
	December 31, 2008	December 31, 2007
Revenues		
Commissions	\$ 363,802	\$ 392,221
Investment advisory fees	46,738	40,569
Trading gains (losses)	(6,385)	5,495
Interest income	22,288	23,331
Other income	4,989	38,096
	<u>431,432</u>	<u>499,712</u>
 Operating Expenses		
Employee compensation and benefits	259,987	260,235
Data processing and clearing charges	50,239	53,122
Occupancy expenses	12,308	14,605
Administrative expenses	40,328	38,597
Legal and professional fees	6,365	9,751
	<u>369,227</u>	<u>376,310</u>
 Net Income	<u>\$ 62,205</u>	<u>\$ 123,402</u>

The accompanying notes are an integral part of these financial statements

American Trust Investment Services, Inc.

**Statement of Changes in Stockholder's Equity
For the Year Ended December 31, 2008**

	<u>Common Stock</u>	<u>Retained Earnings</u>
Balance, January 1, 2007	\$ 25,000	\$ 563,179
Net Income		<u>123,402</u>
Balance, December 31, 2007	25,000	686,581
Net income		<u>62,205</u>
Balance, December 31, 2008	<u>\$ 25,000</u>	<u>\$ 748,786</u>

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

American Trust Investment Services, Inc.

Statement of Cash Flows

	For the Years Ended	
	December 31, 2008	December 31, 2007
Operating Activities		
Net income	\$ 62,205	\$ 123,402
Adjustments to reconcile income to net cash provided by operating activities:		
Depreciation	4,333	4,553
Changes in operating assets and liabilities:		
Accounts receivable	(13,704)	(1,298)
Change in trading inventory	(43,160)	(53,700)
Accounts payable and accrued expenses	(3,679)	(1,694)
Net Cash Provided by Operating Activities	5,995	71,263
Investing Activities		
Purchase of property and equipment	(654)	(3,964)
Increase in cash value of life insurance	(8,012)	(7,699)
Net Cash Used in Investing Activities	(8,666)	(11,663)
Increase (Decrease) in Cash and Cash Equivalents	(2,671)	59,600
Cash and Cash Equivalents at Beginning of Year	182,577	122,977
Cash and Cash Equivalents at End of Year	\$ 179,906	\$ 182,577

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

American Trust Investment Services, Inc.
Notes to Financial Statements
December 31, 2008

Note 1 - Significant Accounting Policies

Description of Business

American Trust Investment Services, Inc., a wholly owned subsidiary of American Trust & Savings Bank, is a registered broker and dealer. As a securities broker and dealer, the Company is engaged in various securities trading and brokerage activities serving a diverse group of individuals. The trading and brokerage activities are provided through the Company's fully-disclosed correspondent relationship with RBC Dain Rauscher, Inc.

Accounting Method

The accounts of the Company are maintained on the accrual basis of accounting. Commission revenues are recognized based on the transaction date of customer trades regardless of when cash is received. Investment advisory fees are recognized when earned.

Accounting Estimates

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Marketable Securities

Marketable securities are valued at their quoted market value. The resulting differences between cost and market value are included in income under the heading trading gains (losses). As a subsidiary of an Indiana state-chartered bank, the Company is not allowed by state banking regulations to have equity securities held in its proprietary trading/inventory account.

Property and Equipment

Purchases of property and equipment are recorded at their cost. Depreciation of \$4,333 for the year ended December 31, 2008, has been computed using straight line depreciation.

Statement of Cash Flows

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with an original maturity date of three months or less, to be cash equivalents. The Company did not pay any interest during the years ending in 2008 and 2007. The Company did not pay income taxes to its parent company during 2008 and 2007.

Note 2 - Cash Segregated Under Federal Regulations

Cash of \$77 in 2008 has been segregated in a special reserve bank account for the benefit of customers under rule 15c3-3 of the Securities and Exchange Commission.

American Trust Investment Services, Inc.
Notes to Financial Statements
December 31, 2008

Note 3 – Marketable Securities

Marketable securities are securities that are carried at quoted market values and consist of the following:

	December 31, <u>2008</u>	December 31, <u>2007</u>
U. S. Government agency obligations, maturing after five years	\$ 59,408	\$ 60,595
Certificate of Deposit, maturing within one year	100,000	50,070
Certificate of Deposit, maturing in one to five years	100,571	-
Corporate debt obligations, maturing in one to five years	-	51,206
Corporate debt obligations, maturing within one year	<u>44,606</u>	<u>99,554</u>
 Total	 <u>\$ 304,585</u>	 <u>\$ 261,425</u>

Note 4 - Property and Equipment

The following is a summary of property and equipment (at cost) less accumulated depreciation:

	December 31, <u>2008</u>	December 31, <u>2007</u>
Furniture and office equipment	\$ 42,196	\$ 59,050
Less: Accumulated depreciation	<u>32,525</u>	<u>45,700</u>
 Total	 <u>\$ 9,671</u>	 <u>\$ 13,350</u>

Note 5 - Income Taxes

The Company is included in the consolidated federal income tax return of its parent, American Trust & Savings Bank. As of January 1, 2005, the Internal Revenue Service accepted the Company's election to be treated as a qualified subchapter S Subsidiary. As such the Company is not subject to regular income taxes but may be subject to built-in-gains taxes. Regular taxable income is passed through to the shareholders. Any built-in-gains taxes would be paid at the corporate level.

American Trust Investment Services, Inc.
Notes to Financial Statements
December 31, 2008

Note 6 – Profit Sharing Plan

The Company participates with its parent in a defined contribution profit-sharing plan. Company contributions to the plan, if any, are made for all eligible employees with at least one year of service. Contributions are at the discretion of the board of directors. No contributions were made in 2008 and 2007.

Note 7 – Related Party Transactions

American Trust Investment Services, Inc. paid \$7,975 in 2008 and \$8,700 in 2007 for the lease of operating facilities to American Trust & Savings Bank, the Company's 100% owner. Employee benefit costs of \$18,618 and \$18,154 and miscellaneous office expenses of \$4,328 and \$6,039 were also reimbursed to American Trust & Savings Bank in 2008 and 2007, respectively.

Note 8 - Concentrations of Credit Risk

The Company maintains cash balances at American Trust & Savings Bank. Accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. As of December 31, 2008, there were no deposits in excess of the insured amount.

Note 9 - Net Capital Requirements

The Company is required to maintain a minimum net capital by SEC Rule 15c3-1. Net capital required under the rule is the greater of \$100,000 or 6-2/3% of the aggregate indebtedness of the Company. On December 31, 2008, the Company had net capital of \$648,469, which was \$548,469 in excess of its required net capital of \$100,000. The percentage of aggregate indebtedness to net capital was 1.7%.

Note 10 - Control Requirements

There are no amounts, as of December 31, 2008, to be reported pursuant to the possession or control requirements under Rule 15c3-3. The Company is in compliance with the exemptive provisions of Rule 15c3-3 under paragraph (k)(2)(ii) and thus is exempt from the provisions of Rule 15c3-3.

American Trust Investment Services, Inc.
Notes to Financial Statements
December 31, 2008

Note 11 - Reconciliation Pursuant To Rule 17a-5(d)(4)

Computation of Net Capital Under Rule 15c3-1

There were a few reconciling items between the December 31, 2008 unaudited Focus report and this report. The net effect on net capital was a decrease of \$19,867.

Net capital as reported on the unaudited Focus report of December 31, 2008	\$ 668,336
Decrease in nonallowable assets	1,996
Increase in haircuts on securities	<u>(21,863)</u>
 Net Capital as Audited	 <u>\$ 648,469</u>

American Trust Investment Services, Inc.

**Computation of Net Capital Pursuant to Rule 15c3-1(f)
December 31, 2008**

Net Capital

Stockholder's equity	\$ 773,786
Less nonallowable assets	<u>(13,704)</u>
Net capital before haircuts on security position	760,082
Haircuts on securities	<u>(111,613)</u>
Net capital	<u>\$ 648,469</u>
Aggregate Indebtedness	<u>\$ 11,337</u>
Net capital required based on aggregate indebtedness	<u>\$ 756</u>
Computation of Basic Net Capital Requirement	
Minimum net capital required (Based on minimum dollar requirement)	<u>\$ 100,000</u>
Excess Net Capital	<u>\$ 548,469</u>
Excess Net Capital at 1000% (Net capital less 10% of aggregate indebtedness)	<u>\$ 647,335</u>
Percentage of Aggregate Indebtedness to Net Capital	<u>1.7%</u>



To the Board of Directors of
American Trust Investment Services, Inc.

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6296 Rucker Road, Suite G
Indianapolis, IN 46220

In planning and performing our audit of the financial statements of American Trust Investment Services, Inc. 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 and including tests of such practices and procedures that we considered relevant to the objectives stated in rule 17(a)-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 15c-3-3. 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 the quarterly securities examinations, counts, verifications, and comparisons, and the 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
3. Obtaining and maintaining physical possession or control of all fully paid and excess margin securities of customers as required by Rule 15c3-3.

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 the 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 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.

To the Board of Directors of
American Trust Investment Services, Inc.
Page Two

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 (GAAP) 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 did identify a material weakness related to the lack of segregation of duties. This weakness does not affect our report on these financial statements nor the internal control or control activities for safeguarding securities.

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, 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, the FINRA, and other regulatory agencies which 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.



Kehlenbrink, Lawrence & Pauckner
Indianapolis, Indiana
February 12, 2009

American Trust Investment Services, Inc.

Financial Report

December 31, 2008

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