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SECURITIES AND EXCHANGE COMMISSION

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DIVISION OF MARKET REGULATION

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

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

OMB APPROVAL
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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 06/01/08 AND ENDING 05/31/09
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

OFFICIAL USE
ONLY
FIRM ID. NO.

NAME OF BROKER-DEALER:

BARRINGTON RESEARCH ASSOCIATES, INC.

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

161 North Clark Street, Suite 2950
(No. and Street)

Chicago
(City)

Illinois
(State)

60601
(Zip Code)

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

Gregory D. Paris

(312) 634-6360
(Area Code - Telephone No)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Ryan & Juraska, Certified Public Accountants
(Name - if individual, state last, first, middle name)

141 West Jackson Boulevard, Suite 2250
(Address)

Chicago
(City)

Illinois
(State)

60604
(Zip Code)

CHECK ONE:

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

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).

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OATH OR AFFIRMATION

I, Gregory D. Paris, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Barrington Research Associates, Inc., as of May 31, 2009, 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

Signature

Title

Subscribed and sworn to before me this

_____ day of _____, 2009

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 Shareholder's Equity or Partners' or Sole Proprietor's Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital for Brokers and Dealers pursuant to Rule 15c3-1.
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or Control Requirements for Brokers and Dealers 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 audit 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.
- (p) Schedule of Segregation Requirements and Funds in Segregation - Customers' Regulated Commodity Futures Accounts Pursuant to CFTC Rule 1.10(d)2(iv).

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

BARRINGTON RESEARCH ASSOCIATES, INC.

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
PURSUANT TO SEC RULE 17a-5(d)**

for the year ended May 31, 2009



RYAN & JURASKA
Certified Public Accountants
141 West Jackson Boulevard
Chicago, Illinois 60604
Tel: 312.922.0062
Fax: 312.922.0672

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholder of
Barrington Research Associates, Inc.

We have audited the accompanying statement of financial condition of Barrington Research Associates, Inc. (the "Company") as of May 31, 2009, and the related statements of operations, changes in shareholder's 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 included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. 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 Barrington Research Associates, Inc. as of May 31, 2009, 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 in the supplementary schedules 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 our 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.

Ryan & Juraska

Chicago, Illinois
July 17, 2009

BARRINGTON RESEARCH ASSOCIATES, INC.

STATEMENT OF FINANCIAL CONDITION

May 31, 2009

ASSETS

Cash	\$	187,661
Receivable from clearing broker		572,344
Securities owned, at fair value		457,555
Commissions receivable		48,786
Research fees receivable		65,690
Other receivables		34,760
Furniture and equipment, at cost (less accumulated depreciation of \$146,666)		--
Other		20,648
	\$	<u>1,387,444</u>

LIABILITIES AND SHAREHOLDER'S EQUITY

Liabilities

Commissions payable	\$	39,764
Accounts payable and accrued expenses		113,579
Income taxes payable		14,755
		<u>168,098</u>

Shareholder's equity:

Common Stock, \$1.00 per value; 50,000 shares authorized, 1,000 shares issued and outstanding		1,000
Paid in capital		89,970
Retained earnings		1,128,376
	\$	<u>1,387,444</u>

See accompanying notes.

BARRINGTON RESEARCH ASSOCIATES, INC.

STATEMENT OF OPERATIONS
Year ended May 31, 2009

Revenues	
Commissions and fees	\$ 3,263,723
Research services	1,696,861
Interest and dividends	10,187
Trading loss	<u>(336,003)</u>
	<u>4,634,768</u>
Expenses	
Commissions	677,321
Professional and regulatory	55,557
Employee compensation and benefits	2,751,313
Communications	85,321
Clearing and execution	353,215
Travel and entertainment	302,021
Research fees	197,636
Office	92,466
Occupancy and equipment rental	358,827
Other	<u>30,531</u>
	<u>4,904,208</u>
Net loss before income taxes	(269,440)
Provision for income taxes	<u>14,873</u>
Net loss	\$ <u>(284,313)</u>

See accompanying notes.

BARRINGTON RESEARCH ASSOCIATES, INC.
STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY
Year ended May 31, 2009

	<u>Common Stock</u>	<u>Paid-in Capital</u>	<u>Retained Earnings</u>	<u>Total Shareholder's Equity</u>
Balance, June 1, 2008	\$ 1,000	\$ 89,970	\$ 1,459,189	\$ 1,550,159
Dividends paid			(46,500)	(46,500)
Net loss			<u>(284,313)</u>	<u>(284,313)</u>
Balance, May 31, 2009	<u>\$ 1,000</u>	<u>\$ 89,970</u>	<u>\$ 1,128,376</u>	<u>\$ 1,219,346</u>

See accompanying notes.

BARRINGTON RESEARCH ASSOCIATES, INC.

STATEMENT OF CASH FLOWS
Year ended May 31, 2009

Operating activities	
Net loss	\$ (284,313)
Adjustments to reconcile net income to net cash provided by operating activities:	
Changes in operating assets and liabilities:	
Receivable from clearing broker	(393,867)
Securities owned, at fair value	297,761
Commissions receivable	(14,358)
Research fees receivable	(65,690)
Other receivables	117,856
Other	216
Commissions payable	(24,084)
Accounts payable and accrued expenses	2,094
Income taxes payable	<u>(45,991)</u>
Net Cash Used in Operating Activities	<u>(410,376)</u>
Financing activities	
Dividends paid	<u>(46,500)</u>
Net Cash Used by Financing Activities	<u>(46,500)</u>
Net decrease in cash	(456,876)
Cash, beginning of year	<u>644,537</u>
Cash, end of year	<u>\$ 187,661</u>

See accompanying notes.

BARRINGTON RESEARCH ASSOCIATES, INC.

NOTES TO FINANCIAL STATEMENTS
May 31, 2009

1. Organization and Business

Barrington Research Associates, Inc. (the "Company"), was incorporated in the State of Illinois on June 1, 1983. The Company is registered as a broker-dealer ("BD") in securities under the Securities and Exchange Act of 1934 and a member of the Financial Industry Regulatory Authority (FINRA). The Company is engaged in trading securities on recognized United States security exchanges and provides research services.

2. Summary of Significant Accounting Policies

Revenue Recognition and Securities Valuation

Securities transactions and related income and expenses are recorded on a settlement date basis that does not differ materially from the trade date basis. Securities owned are recorded in the statement of financial condition at market value. Generally accepted accounting principles normally require an entity to record security transactions on a trade date basis, however, the majority of brokers and dealers record most securities transactions on the settlement date rather than the trade date. The difference between trade date and settlement date is not material to the Company's financial position at May 31, 2009, nor material to the results of its operations for the year then ended.

Commission revenue and related expenses on equity securities and research revenue are recorded as earned on an accrual basis.

Income Taxes

Any available tax credits are accounted for using the flow-through method under which the benefit is used as a reduction to the tax provision in the year it can be utilized.

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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Fixed Assets

Furniture and equipment are stated at historical cost and are depreciated on an accelerated basis that approximates straight line.

Reclassifications

For the statement of cash flows certain prior year balances have been reclassified to conform to the current year presentations.

BARRINGTON RESEARCH ASSOCIATES, INC.

NOTES TO FINANCIAL STATEMENTS, Continued
May 31, 2009

3. Receivable from Clearing Broker

The Company utilizes one clearing broker, J.P. Morgan Clearing Corp. At May 31, 2009, the receivable includes \$333,793 of cash in investment accounts held at the clearing broker.

4. Fair Value Disclosure

The Company adopted Statement of Financial Accounting Standards No. 157 ("SFAS No. 157") as of January 1, 2008, which requires, among other things, enhanced disclosures about investments that are measured and reported at fair value. SFAS No. 157 establishes a hierarchy that prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level 1 Inputs - quoted prices in active markets for identical assets or liabilities at the reporting date.

Level 2 Inputs - other than quoted prices included with Level 1 that are observable for substantially the full term of the asset or liability, either directly or indirectly. Level 2 assets include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities that are not active; and inputs other than quoted prices that are observable, such as models or other valuation methodologies.

Level 3 Inputs - unobservable inputs for the valuation of the asset or liability. Level 3 assets include investments for which there is little, if any, market activity. These inputs require significant management judgment or estimation.

At May 31, 2009, the Company had securities totaling \$457,555, which were Level 1 investments and did not have any level 2 or 3 investments.

5. Employee Benefit Plan

The Company has established a simplified employee pension ("SEP") plan for qualified employees. The Company may elect to contribute to the plan, subject to certain limitations as set forth in the plan agreement, at the discretion of the Board of Directors. No Company contribution or provision for a contribution is included in the financial statements.

6. Commitments

The Company conducts its operations in leased office facilities and annual rentals are charged to current operations. The leases are subject to escalation clauses based on the operating expenses of the lessors. The Company leases office space under noncancelable leases that expire through February 28, 2014.

BARRINGTON RESEARCH ASSOCIATES, INC.
NOTES TO FINANCIAL STATEMENTS, Continued
May 31, 2009

6. Commitments, Continued

At May 31, 2009, the aggregate minimum annual rental commitments under these leases are as follows:

<u>Year Ending May 31,</u>	<u>Amount</u>
2010	165,932
2011	170,904
2012	176,042
2013	181,299
February 28, 2014	<u>139,011</u>
	<u>\$ 833,188</u>

Rental expense charged to operations for the year ended May 31, 2009 totaled \$349,014.

The Company had an outstanding irrevocable standby letter of credit for \$25,000 at May 31, 2009. Management has determined the letter of credit does not create an additional risk for the Company.

7. Related Party Transactions

During the year ended, the Company had income of \$315,000 from consulting services rendered to Barrington Asset Management, Inc. ("BAMI"), an affiliate through common ownership. At May 31 2009, the Company owed \$8,528 to BAMI.

8. Off-Balance Sheet Risk

Risk arises from the potential inability of counterparties or exchanges to perform under the terms of the contracts (credit risk) and from changes in the values of securities, interest rates, currency exchange rates or equity index values (market risk). The Company is subject to credit risk to the extent any broker with which it conducts business is unable to fulfill contractual obligations on its behalf. The company attempts to minimize its exposure to credit risk by monitoring brokers with which it conducts investment activities. In management's opinion, market risk is substantially diminished when all financial instruments are aggregated.

9. Credit Concentration

At May 31, 2009, a significant credit concentration consisted of 88% of the net equity of the Company with the Company's sole clearing broker, J.P. Morgan Clearing Corp. These amounts are included in receivable from clearing broker, securities owned, and commissions receivable. Management does not consider any credit risk associated with this net receivable to be significant.

BARRINGTON RESEARCH ASSOCIATES, INC.

NOTES TO FINANCIAL STATEMENTS, Continued
May 31, 2009

10. Net Capital Requirements

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15(c)3-1). Under this rule, the Company is required to maintain "net capital" equal to the greater of \$100,000 or 6 and $\frac{2}{3}$ % of "aggregate indebtedness", as defined.

At May 31, 2009, the Company had net capital and net capital requirements of \$1,095,305 and \$100,000, respectively.

SUPPLEMENTAL SCHEDULES

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART III**

BROKER OR DEALER: BARRINGTON RESEARCH ASSOCIATES, INC.

as of May 31, 2009

COMPUTATION OF NET CAPITAL

1.	Total ownership (from Statement of Financial Condition-Item 1800)	\$	<u>1,219,346</u>	[3480]
2.	Deduct: Ownership equity not allowable for net capital			[3490]
3.	Total ownership equity qualified for net capital	\$	<u>1,219,346</u>	[3500]
4.	Add:			
	A. Liabilities subordinated to claims of general creditors allowable in computation of net capital	\$	<u>-</u>	[3520]
	B. Other (deductions) or allowable subordinated liabilities			[3525]
5.	Total capital and allowable subordinated liabilities	\$	<u>1,219,346</u>	[3530]
6.	Deductions and/or charges:			
	A. Total non-allowable assets from Statement of Financial Condition (Note B and C) (See detail below)	\$	<u>55,408</u>	[3540]
	1. Additional charges for customers' and non-customers' security accounts			[3550]
	2. Additional charges for customers' and non-customers' commodity accounts			[3560]
	B. Aged fail-to-deliver			[3570]
	1. Number of items			[3450]
	C. Aged short security differences- less reserved of			[3460]
	2. Number of items			[3470]
	D. Secured demand note deficiency			[3590]
	E. Commodity futures contract and spot commodities proprietary capital charges			[3600]
	F. Other deductions and/or charges			[3610]
	G. Deductions for accounts carried under Rule 15c3-1(a)(6), (a)(7) and (c)(2)(x)			[3615]
	H. Total deduction and/or charges	\$	<u>(55,408)</u>	[3620]
7.	Other additions and/or allowable credits (List)			[3630]
8.	Net Capital before haircuts on securities positions	\$	<u>1,163,938</u>	[3640]
9.	Haircuts on securities (computed, where applicable pursuant to 15c3-1(f)):			
	A. Contractual securities commitments			[3660]
	B. Subordinated securities borrowings			[3670]
	C. Trading and Investment securities			
	1. Bankers' acceptance, certificates of deposit, and commercial paper			[3680]
	2. U.S. and Canadian government obligations			[3690]
	3. State and municipal government obligations			[3700]
	4. Corporate obligations			[3710]
	5. Stocks and warrants			[3720]
	6. Options			[3730]
	7. Arbitrage			[3732]
	8. Other securities	\$	<u>68,633</u>	[3734]
	D. Undue concentration			[3650]
	E. Other (List)			[3736]
10.	Net Capital	\$	<u>1,095,305</u>	[3750]

OMIT PENNIES

Non-Allowable Assets (line 6.A):

Other receivables	\$	34,760
Other		<u>20,648</u>
	\$	<u>55,408</u>

Note: There are no material differences between the audited computation of net capital and that per the Company's unaudited FOCUS report as filed.

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART III**

BROKER OR DEALER: BARRINGTON RESEARCH ASSOCIATES, INC.

as of May 31, 2009

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Part A

11.	Minimum net capital required (6-2/3% of line 19)	\$	11,207	[3756]
12.	Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	\$	100,000	[3758]
13.	Net capital requirement (greater of line 11 or 12)	\$	100,000	[3760]
14.	Excess net capital (line 10 less 13)	\$	995,305	[3770]
15.	Excess net capital at 1000% (line 10 less 10% of line 19)	\$	1,078,496	[3780]

COMPUTATION OF AGGREGATE INDEBTEDNESS

16.	Total A.I. liabilities from Statement of Financial Condition	\$	168,098	[3790]
17.	Add:			
	A. Drafts for immediate credit		[3800]	
	B. Market value of securities borrowed for which no equivalent value is paid or credited		[3810]	
	C. Other unrecorded amounts (List)		[3820]	[3830]
18.	Deduct: Adjustment based on deposits in Special Reserve Bank Accounts (15c3-1(c)(1)(vii))		[3838]	[3838]
19.	Total aggregate indebtedness	\$	168,098	[3840]
20.	Percentage of aggregate indebtedness to net capital (line 19 – by line 10)	%	15	[3850]
21.	Percentage of aggregate indebtedness to net capital <u>after</u> anticipated capital withdrawals (line 19- by line 10 less item 4880 page 11)		0	[3853]

COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT

Part B

22.	2% of combined aggregate debit items as shown in Formula for Reserve Requirements pursuant to Rule 15c-3-3 prepared as of the date of the net capital computation including both brokers or dealers and consolidated subsidiaries debits		0	[3870]
23.	Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	\$	[3880]	[3880]
24.	Net capital requirement (greater of line 22 or 23)	\$	[3760]	[3760]
25.	Excess net capital (line 10 less 24)	\$	[3910]	[3910]
26.	Percentage of Net Capital to Aggregate Debits (line 10 ÷ by line 17 page 8)		[3851]	[3851]
27.	Percentage of Net Capital, <u>after</u> anticipated capital withdrawals, to Aggregate Debits (line 10 less item 4880, page 11 ÷ by line 17 page 8)		[3854]	[3854]
28.	Net capital in excess of: 5% of combined aggregate debit items or \$300,000	\$	-	[3920]

OTHER RATIOS

Part C

29.	Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1(d)		[3860]	[3860]
30.	Options deductions/Net Capital ratio (1000% test) total deductions exclusive of liquidating equity under Rule 15c3-1(a)(6), (a)(7) and (c)(2)(x) ÷ Net Capital		[3852]	[3852]

NOTES:

- A. The minimum net capital requirement should be computed by adding the minimum dollar net capital requirement of the reporting broker dealer and, for each subsidiary to be consolidated, the greater of:
1. Minimum dollar net capital requirement, or
 2. 6-2/3% of aggregate indebtedness or 2% of aggregate debits if alternative method is used.
- B. Do not deduct the value of securities borrowed under subordination agreements of secured demand notes covered by subordination agreements not in satisfactory form and the market values of Partnerships in exchanges contributed for use of company (contra to item 1740) and partners securities which were included in non-allowable assets.
- C. For reports filed pursuant to paragraph (d) of Rule 17a-5, respondent should provide a list of material non-allowable assets.

BARRINGTON RESEARCH ASSOCIATES, INC.
FINANCIAL AND OPERATIONAL COMBINED UNIFORM
SINGLE REPORT PART IIA
for the year ended May 31, 2009

Reconciliation Pursuant to Paragraph (d)(4) of Rule 17a-5

Following is a reconciliation and explanation for differences between the unaudited and audited FOCUS Part IIA Report as of May 31, 2009:

Net capital per unaudited FOCUS report	\$ 1,003,833
Adjustment for nonallowable assets	<u>(8,528)</u>
Net capital per audited FOCUS report	<u>\$ 995,305</u>

BARRINGTON RESEARCH ASSOCIATES, INC.

**COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS
PURSUANT TO RULE 15c3-3
as of May 31, 2009**

The Company did not handle any customer cash or securities during the year ended May 31, 2009 and does not have any customer accounts.

BARRINGTON RESEARCH ASSOCIATES, INC.

**COMPUTATION FOR DETERMINATION OF PAIB RESERVE REQUIREMENTS
PURSUANT TO RULE 15c3-3
as of May 31, 2009**

The Company did not handle any proprietary accounts of introducing brokers during the year ended May 31, 2009 and does not have any PAIB accounts.

BARRINGTON RESEARCH ASSOCIATES, INC.

**INFORMATION RELATING TO THE POSSESSION OR CONTROL
REQUIREMENTS UNDER RULE 15c3-3
as of May 31, 2009**

The Company did not handle any customer cash or securities during the year ended May 31, 2009 and does not have any customer accounts.



RYAN & JURASKA

Certified Public Accountants

141 West Jackson Boulevard
Chicago, Illinois 60604

Tel: 312.922.0062

Fax: 312.922.0672

**INDEPENDENT AUDITORS' REPORT
ON INTERNAL CONTROL**

To the Board of Directors and Shareholder of
Barrington Research Associates, Inc.

In planning and performing our audit of the financial statements of Barrington Research Associates, Inc. (the "Company") as of and for the year ended May 31, 2009, we considered its internal control structure, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission (the "SEC"), we have made a study of the practices and procedures followed by the Company, including tests of such practices and procedures that we 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-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
- (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 of Governors of the Federal Reserve System

The management of the Company is responsible for establishing and maintaining an internal control structure 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 internal control structure policies and procedures, 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 an internal control structure 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 accordance 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.



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 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 May 31, 2009 to meet the SEC's objectives.

This report is intended solely for the information and use of management, the SEC, the Financial Industry Regulatory Authority 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.

Ryan & Juraska

Chicago, Illinois
July 17, 2009