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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

SEC FILE NUMBER
8- 139611

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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 January 1, 2009 AND ENDING December 31, 2009
MM/DD/YY MM/DD/YY

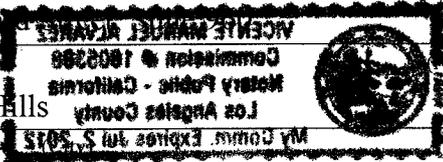
A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER CenterPoint M&A Advisors

OFFICIAL USE ONLY
FIRM I.D. NO.

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

21550 Oxna



Woodland Hills

o and Street)

CA

91367

(State)

(Zip Code)

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

(818) 593-7907

SEC MAIL ROOM
(Area Code, Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Breard & Associates, Inc. Certified Public Accountants

Washington, DC
110

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

9221 Corbin Avenue, Suite 170

Northridge

CA

91324

(Address)

(City)

(State)

(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)

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.

OATH OR AFFIRMATION

I, Harold Chris Bandouveris, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of CenterPoint M&A Advisors, as of December 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

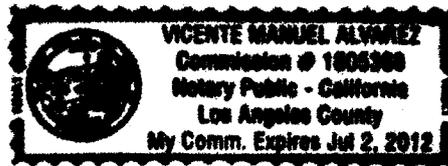
State of California
County of Los Angeles

Harold C. Bandouveris
Signature

Subscribed and sworn to (or affirmed) to before me this 21st day of January, 21 by Harold C Bandouveris proved to me on the basis of satisfactory evidence to be the person(s)

CEO
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 Cash Flows
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors
- (g) Computation of Net Capital
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3
- (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3
- (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation
- (l) An Oath or Affirmation
- (m) A copy of the SIPC Supplemental Report
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit

**For conditions of confidential treatment of certain portions of this filing, see section 240 17a-5(e)(3)



Independent Auditor's Report

Board of Directors
CenterPoint M&A Advisors, Inc.:

We have audited the accompanying statement of financial condition of CenterPoint M&A Advisors, Inc. (the Company) as of December 31, 2009, and the related statements of income, changes in stockholders' equity, and cash flows for the year then ended that you are filing pursuant to rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CenterPoint M&A Advisors, Inc. as of December 31, 2009, and the results of its income 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 Schedules I, II, and III 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.

Breard & Associates, Inc.

Breard & Associates, Inc.
Certified Public Accountants

Northridge, California
February 10, 2010

9221 Corbin Avenue, Suite 170, Northridge, California 91324
phone 818.886.0940 fax 818.886.1924 web www.baicpa.com

LOS ANGELES NEW YORK OAKLAND

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CenterPoint M&A Advisors, Inc.
Statement of Financial Condition
December 31, 2009

Assets

Cash	\$ 235,163
Furniture & equipment, net	18,949
Prepaid expense	367
Prepaid asset	80
Investment	125,000
Deposits	<u>1,303</u>
Total assets	<u>\$ 380,862</u>

Liabilities and Stockholders' Equity

Liabilities

Accounts payable and accrued expenses	\$ 139
Payroll taxes payable	<u>714</u>
Total liabilities	853

Commitments and contingencies

Stockholders' equity

Common stock, \$1 par value, 2,000 shares authorized, 2,000 shares issued and outstanding	2,000
Additional paid-in capital	48,000
Retained earnings	<u>330,009</u>
Total stockholders' equity	<u>380,009</u>
Total liabilities and stockholders' equity	<u>\$ 380,862</u>

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

CenterPoint M&A Advisors, Inc.
Statement of Income
For the Year Ended December 31, 2009

Revenues

Advisory fees	\$ 408,702
Interest income	<u>18,838</u>
Total revenues	427,540

Expenses

Employee compensation and benefits	85,780
Communications	10,737
Occupancy and equipment rental	42,567
Professional fees	17,405
Other operating expenses	<u>151,094</u>
Total expenses	<u>307,583</u>
Net income (loss) before income tax provision	119,957

Income tax provision	<u>1,520</u>
Net income (loss)	<u>\$ 118,437</u>

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

CenterPoint M&A Advisors, Inc.
Statement of Changes in Stockholders' Equity
For the Year Ended December 31, 2009

	<u>Common Stock</u>	<u>Additional Paid-in Capital</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance at December 31, 2008	\$ 2,000	\$ 48,000	\$ 211,572	\$ 261,572
Net income (loss)	-	-	118,437	118,437
Balance at December 31, 2009	<u>\$ 2,000</u>	<u>\$ 48,000</u>	<u>\$ 330,009</u>	<u>\$ 380,009</u>

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

CenterPoint M&A Advisors, Inc.
Statement of Cash Flows
For the Year Ended December 31, 2009

Cash flow from operating activities:		
Net income (loss)		\$ 118,437
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation expense	\$ 12,177	
Amortization expense	24	
(Increase) decrease in assets:		
Prepaid asset	(80)	
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(1,227)	
Payroll taxes payable	714	
Income taxes payable	(310)	
Total adjustments		<u>11,298</u>
Net cash provided by (used in) operating activities		129,735
Cash flow from investing activities:		
Purchase of investment	<u>(125,000)</u>	
Net cash provided by (used in) in investing activities		(125,000)
Net cash provided by (used in) financing activities		<u>-</u>
Net increase (decrease) in cash		4,735
Cash at beginning of year		<u>230,428</u>
Cash at end of year		<u>\$ 235,163</u>

Supplemental disclosure of cash flow information:

Cash paid during the year for:	
Interest	\$ -
Income taxes	\$ 2,170

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

CenterPoint M&A Advisors, Inc.
Notes to Financial Statements
December 31, 2009

Note 1: GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

CenterPoint M&A Advisors, Inc. (the "Company") was incorporated in the State of California on January 20, 2004. The Company is a registered broker-dealer in securities under the Securities and Exchange Act of 1934, a member of the Financial Industry Regulatory Authority ("FINRA"), and the Securities Investor Protection Corporation ("SIPC").

The Company is engaged in business as a securities broker-dealer, which provides several classes of services, including a) Private placements of securities on a best efforts basis only, b) merger and acquisition, and c) other corporate finance advisory services.

The Company does not carry security accounts for customers and does not perform custodial functions relating to customer securities. A few clients make up a large percentage of the Company's revenue.

Under its membership agreement with FINRA and pursuant to Rule 15c3-3(k)(2)(i), the Company conducts business on a fully disclosed basis and does not execute or clear securities transactions for customers. Accordingly, the Company is exempt from the requirement of Rule 15c3-3 under the Securities Exchange Act of 1934 pertaining to the possession or control of customer assets and reserve requirements.

Summary of Significant Accounting Policies

The presentation 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 contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Advertising costs are expensed as incurred. For the year ended December 31, 2009, the Company charged \$5,576, to other operating expenses for advertising costs.

The Company receives advisory fees in accordance with terms stipulated in its engagement contracts. Advisory fees are recognized as earned according to the fee schedule stipulated in the client's engagement contracts.

Furniture & equipment are stated at cost. Repairs and maintenance to these assets are charged to expense as incurred; major improvements enhancing the function and/or useful life are capitalized. When items are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gains or losses arising from such transactions are recognized.

CenterPoint M&A Advisors, Inc.
Notes to Financial Statements
December 31, 2009

Note 1: GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Organizational costs, net are being amortized on a straight-line basis over 60 months.

The Company has elected to be an S Corporation and accordingly has its income taxed under Section 1361-1379 of the Internal Revenue Code. Subchapter S of the Code provides that in lieu of corporate income taxes, the stockholders are taxed on the Company's taxable income. Therefore, no provision or liability for Federal Income Taxes is included in these financial statements. The State of California has similar regulations, although there exists a provision for a minimum franchise tax and a tax rate of 1.5% over the minimum franchise fee of \$800.

The Company has elected to report the statement of changes in stockholders' equity without disclosing the accumulated adjustment account and other equity accounts pertinent to an S Corporation. There is no financial impact to these financial statements.

Note 2: FURNITURE & EQUIPMENT, NET

Furniture & equipment are recorded net of accumulated depreciation and summarized by major classifications as follows:

		<u>Useful Life</u>
Furniture and fixtures	\$ 21,321	5-7
Equipment	<u>52,934</u>	5
	74,255	
Less: accumulated depreciation	<u>(55,306)</u>	
Furniture & equipment, net	<u>\$ 18,949</u>	

Depreciation expense for the year ended December 31, 2009, was \$12,177.

Note 3: INCOME TAXES

As discussed in the Summary of Significant Accounting Policies (Note 1), the Company has elected the S Corporate tax status, therefore no federal income tax provision is provided. The tax provision of \$1,520 is the California franchise tax.

CenterPoint M&A Advisors, Inc.
Notes to Financial Statements
December 31, 2009

Note 4: ORGANIZATION COSTS, NET

Organization costs are reported net of accumulated amortization and summarized by major classifications as follows:

		Useful Life
Organization costs	\$ 503	5
	503	
Less: accumulated amortization	(503)	
Organization costs, net	\$ -	

Amortization expense for the year ended December 31, 2009 was \$24.

Note 5: RELATED PARTY TRANSACTIONS

The Company's lease agreement for office space is in the name of its two shareholders and the Company and is guaranteed by both Shareholders. The Company absorbs the entire expense of this lease.

Note 6: FAIR VALUE MEASUREMENT - ACCOUNTING PRONOUNCEMENT

In September 2006, FASB issued Statement No. 157, Fair Value Measurements ("SFAS No. 157") which the Company subsequently adopted on January 1, 2008. SFAS No. 157 defines fair value and establishes a hierarchal framework which prioritizes and ranks the market price observability used in fair value measurements. Market price observability is affected by a number of factors, including the type of asset or liability and the characteristics specific to the asset or liability being measured. Assets and liabilities with readily available, active, quoted market prices or for which fair value can be measured from actively quoted prices generally are deemed to have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. Under SFAS No. 157, the inputs used to measure fair value must be classified into one of three levels as follows:

Level 1 - Quoted prices in an active market for identical assets or liabilities;

Level 2 - Observable inputs other than Level 1, quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, and model derived prices whose inputs are observable or whose significant value drivers are observable;

CenterPoint M&A Advisors, Inc.
Notes to Financial Statements
December 31, 2009

Note 6: FAIR VALUE MEASUREMENT - ACCOUNTING PRONOUNCEMENT
(Continued)

Level 3 - Assets and liabilities whose significant value drivers are unobservable.

Observable inputs are based on market data obtained from independent sources, while unobservable inputs are based on the Company's market assumptions. Unobservable inputs require significant management judgment or estimation. In some cases, the inputs used to measure an asset or liability may fall into different levels of the fair value hierarchy. In those instances, the fair value measurement is required to be classified using the lowest level of input that is significant to the fair value measurement. Such determination requires significant management judgment. In accordance with SFAS No. 157, the Company is not permitted to adjust quoted market prices in an active market, even if the Company owns a large investment, the sale of which could reasonably impact the quoted price.

<u>Assets</u>	<u>Fair Value</u>	<u>Level I Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>
Investments	\$ 125,000	-	-	\$ 125,000
Total	<u>\$ 125,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 125,000</u>

<u>Liabilities</u>	<u>Fair Value</u>	<u>Level I Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>
Liabilities	\$ -	\$ -	\$ -	\$ -
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Effect of Level 3 inputs on net assets or liabilities

	<u>Investments</u>
Balance as of December 31, 2008	\$ -
Purchase of investments	125,000
Net investment gain (loss)	<u>-</u>
Balance as of December 31, 2009	<u>\$ 125,000</u>

CenterPoint M&A Advisors, Inc.
Notes to Financial Statements
December 31, 2009

Note 7: 401(K) PROFIT SHARING AND DEFINED BENEFIT PENSION PLAN

The Company maintains two different retirement plans. Effective January 1, 2008, the Company adopted a qualified 401(k) Profit Sharing Plan (the "Plan"). All employees, 21 years of age or older, are eligible to participate in the Plan, provided they have completed one (1) year of service. The Company profit sharing contributions are discretionary and are determined each year by the Company. The participants must be employed on the last day of the plan year and have worked at least 1,000 hours during the year to receive a pre-tax contribution. The Company may make a pre-tax matching contribution each year. The Company did not make profit sharing contributions for the year ended December 31, 2009.

In January of 2005, the Company initiated a defined benefit pension plan which allows the company to make contributions for its employees. All employees, 21 years of age or older, are eligible to participate in this plan, provided they have been employed for more than one (1) year of service. The Company's profit sharing contributions are discretionary and are determined each year by the Company. The Company did not make contributions for the year ended December 31, 2009.

Note 8: COMMITMENTS AND CONTINGENCIES

Commitments

The Company entered into a lease agreement for office space under a non-cancellable lease on December 31, 2003. A third amendment commenced on February 1, 2010, and expires July 31, 2013.

At December 31, 2009, the minimum annual payments are as follows:

<u>Year Ending December 31,</u>		
2010	\$	32,901
2011		40,277
2012		41,485
2013		24,882
2014 & thereafter		<u>-</u>
	\$	<u>139,545</u>

Total rent expense for the year ended December 31, 2009, was \$42,567.

CenterPoint M&A Advisors, Inc.
Notes to Financial Statements
December 31, 2009

Note 8: COMMITMENTS AND CONTINGENCIES

(Continued)

Contingencies

The Company maintains several bank accounts at financial institutions. These accounts are insured either by the Federal Deposit Insurance Commission ("FDIC"), up to \$250,000, or the Securities Investor Protection Corporation ("SIPC"), up to \$500,000. At times during the year ended December 31, 2009, cash balances held in financial institutions were in excess of the FDIC and SIPC's insured limits. The Company has not experienced any losses in such accounts and management believes that it has placed its cash on deposit with financial institutions which are financially stable.

Note 9: RECENTLY ISSUED ACCOUNTING STANDARDS

The Financial Accounting Standards Board (the "FASB") issued a new professional standard in June of 2009 which resulted in a major restructuring of U.S. accounting and reporting standards. The new professional standard, issued as ASC 105 ("ASC 105"), establishes the Accounting Standards Codification ("Codification or ASC") as the source of authoritative accounting principles ("GAAP") recognized by the FASB. The principles embodied in the Codification are to be applied by nongovernmental entities in the preparation of financial statements in accordance with generally accepted accounting principles in the United States. Rules and interpretive releases of the Securities and Exchange Commission ("SEC") issued under authority of federal securities laws are also sources of GAAP for SEC registrants. Existing GAAP was not intended to be changed as a result of the Codification, and accordingly the change did not impact the financial statements of the Company.

For the year ending December 31, 2009, various accounting pronouncements or interpretations by the Financial Accounting Standards Board were either newly issued or had effective implementation dates that would require their provisions to be reflected in the financial statements for the year then ended. The Company has reviewed the following Statements of Financial Accounting Standards ("SFAS") /Accounting Standards Codification ("ASC") topics for the year to determine relevance to the Company's operations:

<u>SFAS/ASC No.</u>	<u>Title</u>	<u>Effective Date</u>
SFAS 141(R)/ ASC 805	Business Combinations	After December 15, 2008
SFAS 157/ ASC 820	Fair Value Measurements	After November 15, 2008

CenterPoint M&A Advisors, Inc.
Notes to Financial Statements
December 31, 2009

Note 9: RECENTLY ISSUED ACCOUNTING STANDARDS
(Continued)

SFAS 161/ ASC 815	Disclosures about Derivative Instruments and Hedging Activities – an Amendment of FASB Statement No. 133	After December 15, 2008
SFAS 165/ ASC 855	Subsequent Events	After June 15, 2009
SFAS 166*/ ASC 860	Accounting for Transfers of Financial Assets – an Interpretation of FASB Statement No. 140	After November 15, 2009
SFAS 167*/ ASC 810	Amendments to FASB Interpretation No. 46(R)	After November 15, 2009
SFAS 168/ ASC 105	The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles – a replacement of FASB Statement 162	After September 15, 2009

*Currently being processed for inclusion in the Codification

The Company has either evaluated or is currently evaluating the implications, if any, of each of these pronouncements and the possible impact they may have on the Company's financial statements. In most cases, management has determined that the pronouncement has either limited or no application to the Company and, in all cases, implementation would not have a material impact on the financial statements taken as a whole.

Note 10: NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC 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. Rule 15c3-1 also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1. Net capital and aggregate indebtedness change day to day, but on December 31, 2009, the Company had net capital of \$234,310 which was \$229,310 in excess of its required net capital of \$5,000; and the Company's ratio of aggregate indebtedness (\$853) to net capital was 0 to 1, which is less than the 15 to 1 maximum allowed.

CenterPoint M&A Advisors, Inc.
Notes to Financial Statements
December 31, 2009

Note 11: RECONCILIATION OF AUDITED NET CAPITAL TO UNAUDITED FOCUS

There is a difference of \$404 between the computation of net capital under net capital SEC. Rule 15c3-1 and the corresponding unaudited FOCUS part IIA.

Net capital per unaudited schedule	\$	234,714
Adjustments:		
Retained earnings	\$	(12,525)
Non-allowable assets		<u>12,121</u>
Total adjustments		<u>(404)</u>
Net capital per audited statements	\$	<u>234,310</u>

CenterPoint M&A Advisors, Inc.
Schedule I - Computation of Net Capital Requirements
Pursuant to Rule 15c3-1
As of December 31, 2009

Computation of net capital

Common stock	\$ 2,000	
Additional paid-in capital	48,000	
Retained earnings	<u>330,009</u>	
Total stockholders' equity		\$ 380,009
Less: Non-allowable assets		
Furniture & equipment, net	(18,949)	
Prepaid expense	(367)	
Prepaid asset	(80)	
Investment	(125,000)	
Deposits	<u>(1,303)</u>	
Total non-allowable assets		<u>(145,699)</u>
Net capital		234,310

Computation of net capital requirements

Minimum net capital requirements		
6 2/3 of net aggregate indebtedness	\$ 57	
Minimum dollar net capital required	\$ 5,000	
 Net capital required (greater of above)		 <u>(5,000)</u>
Excess net capital		<u>\$ 229,310</u>
 Ratio of aggregate indebtedness to net capital		 0 : 1

There was a difference of \$404 between net capital computation shown here and the net capital computation shown on the Company's unaudited Form X-17A-5 report dated December 31, 2009. See Note 11.

See independent auditor's report

CenterPoint M&A Advisors, Inc.
Schedule II - Computation for Determining of Reserve
Requirements Pursuant to Rule 15c3-3
As of December 31, 2009

A computation of reserve requirements is not applicable to CenterPoint M&A Advisors, Inc. as the Company qualifies for exemption under Rule 15c3-3(k)(2)(i).

See independent auditor's report

CenterPoint M&A Advisors, Inc.
Schedule III - Information Relating to Possession or Control
Requirements Pursuant to Rule 15c3-3
As of December 31, 2009

Information relating to possession or control requirements is not applicable to CenterPoint M&A Advisors, Inc. as the Company qualifies for exemption under Rule 15c3-3(k)(2)(i).

See independent auditor's report

CenterPoint M&A Advisors, Inc.
Supplementary Accountant's Report
on Internal Accounting Control
Report Pursuant to 17a-5
For the Year Ended December 31, 2009

Board of Directors
CenterPoint M&A Advisors, Inc.:

In planning and performing our audit of the financial statements of CenterPoint M&A Advisors, Inc. (the Company), as of and for the year ended December 31, 2009, in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company including consideration of control activities for safeguarding securities. This study included tests of such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g) in making the periodic 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 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

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control and the practices and procedures referred to above, 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, as described in the second paragraph of this report, were adequate at December 31, 2009, to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, 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.



Breard & Associates, Inc.

Certified Public Accountants

Northridge, California

February 10, 2010