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

Washington, DC  
107

SEC FILE NUMBER  
8- 20744

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: BILL PARKER AGENCY

OFFICIAL USE ONLY  
FIRM I.D. NO.

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

4528 MILLRACE ROAD

(No. and Street)

SACRAMENTO

CA

95864-0826

(City)

(State)

(Zip Code)

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

BRENDA PARKER

(916) 486-0783

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

MISTRETTA ASSOCIATES

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

816 21ST STREET

SACRAMENTO

CA

95811

(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.

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OATH OR AFFIRMATION

I, BRENDA PARKER, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of BILL PARKER AGENCY, 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:

\_\_\_\_\_  
\_\_\_\_\_

[Signature] 2-24-10  
Signature

PROPRIETOR  
Title

See Attached CA Jurat  
Notary Public

Dated: Feb 24, 2010

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).

# CALIFORNIA JURAT WITH AFFIANT STATEMENT

- See Attached Document (Notary to cross out lines 1-6 below)  
 See Statement Below (Lines 1-5 to be completed only by document signer[s], *not* Notary)

\_\_\_\_\_  
Signature of Document Signer No. 1

\_\_\_\_\_  
Signature of Document Signer No. 2 (if any)

State of California

County of Sacramento

Subscribed and sworn to (or affirmed) before me on this

24 day of February, 2010, by  
Date Month Year

(1) Brenda L. Parker,  
Name of Signer

proved to me on the basis of satisfactory evidence to be the person who appeared before me (.) (,)

(and

(2) N/A,  
Name of Signer

proved to me on the basis of satisfactory evidence to be the person who appeared before me.)

Signature Kao Saephanh  
Signature of Notary Public



Place Notary Seal Above

## OPTIONAL

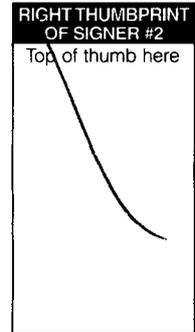
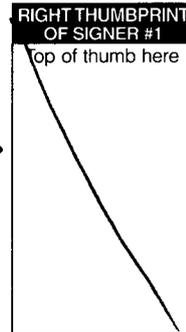
*Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.*

### Further Description of Any Attached Document

Title or Type of Document: Annual Audited Report Form K-17A-S

Document Date: Feb 24, 2010 Number of Pages: Multiple

Signer(s) Other Than Named Above: N/A



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

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	February 28, 2010
Estimated average burden hours per response.....	12.00

# Form X-17A-5

# FOCUS REPORT

(Financial and Operational Combined Uniform Single Report)

## PART IIA 12

*(Please read instructions before preparing Form.)*

This report is being filed pursuant to (Check Applicable Block(s)):

1) Rule 17a-5(a)  16

2) Rule 17a-5(b)  17

3) Rule 17a-11  18

4) Special request by designated examining authority  19

5) Other  26

NAME OF BROKER-DEALER

SEC FILE NO.

8-20744 14

BILL PARKER AGENCY 13

FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS (Do Not Use P.O. Box No.)

2N06783 15

4528 MILLRACE ROAD 20

FOR PERIOD BEGINNING (MM/DD/YY)

(No. and Street)

JANUARY 1, 2009 24

AND ENDING (MM/DD/YY)

SACRAMENTO 21 CA 22 95864 23

DECEMBER 31, 2009 25

(City)

(State)

(Zip Code)

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

(Area Code) — Telephone No.

BRENDA PARKER 30

(916) 486-0783 31

NAME(S) OF SUBSIDIARIES OR AFFILIATES CONSOLIDATED IN THIS REPORT:

OFFICIAL USE

32 33

34 35

36 37

38 39

DOES RESPONDENT CARRY ITS OWN CUSTOMER ACCOUNTS? YES  40 NO  41

CHECK HERE IF RESPONDENT IS FILING AN AUDITED REPORT  42

**EXECUTION:**

The registrant/broker or dealer submitting this Form and its attachments and the person(s) by whom it is executed represent hereby that all information contained therein is true, correct and complete. It is understood that all required items, statements, and schedules are considered integral parts of this Form and that the submission of any amendment represents that all unamended items, statements and schedules remain true, correct and complete as previously submitted.

Dated the 22ND day of FEBRUARY, 2010

Manual signatures of:

1) [Signature]  
Principal Executive Officer or Managing Partner

2) [Signature]  
Principal Financial Officer or Partner

3) [Signature]  
Principal Operations Officer or Partner

**ATTENTION** — Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C. 78:f(a))

Persons who 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.

**TO BE COMPLETED WITH THE ANNUAL AUDIT REPORT ONLY:**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report

NAME (If individual, state last, first, middle name)

MISTRETTA ASSOCIATES

70

ADDRESS

816 21ST STREET  
Number and Street

71 SACRAMENTO  
City

72 CA  
State

73 95811  
Zip Code

74

CHECK ONE

Certified Public Accountant

75

Public Accountant

76

Accountant not resident in United States  
or any of its possessions

77

FOR SEC USE

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DO NOT WRITE UNDER THIS LINE . . . FOR SEC USE ONLY

WORK LOCATION	REPORT DATE MM/DD/YY	DOC. SEQ. NO.	CARD				
50	51	52	53				

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER

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BILL PARKER AGENCY

### STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING AND CERTAIN OTHER BROKERS OR DEALERS

as of (MM/DD/YY) **DECEMBER 31, 2009**

SEC FILE NO. \_\_\_\_\_

Consolidated

Unconsolidated

99
98
198
199

	<u>Allowable</u>	<u>Non-Allowable</u>	<u>Total</u>
1. Cash .....	\$ 18,313 <span style="border: 1px solid black; padding: 2px;">200</span>		\$ 18,313 <span style="border: 1px solid black; padding: 2px;">750</span>
2. Receivables from brokers or dealers:			
A. Clearance account .....	<sup>3</sup> <span style="border: 1px solid black; padding: 2px;">295</span>		
B. Other .....	7,100 <span style="border: 1px solid black; padding: 2px;">300</span>	\$ <span style="border: 1px solid black; padding: 2px;">550</span>	7,100 <span style="border: 1px solid black; padding: 2px;">810</span>
3. Receivable from non-customers .....	<span style="border: 1px solid black; padding: 2px;">355</span>	<span style="border: 1px solid black; padding: 2px;">600</span>	<span style="border: 1px solid black; padding: 2px;">955</span>
4. Securities and spot commodities owned at market value:			
A. Exempted securities .....	<span style="border: 1px solid black; padding: 2px;">418</span>		
B. Debt securities .....	<span style="border: 1px solid black; padding: 2px;">419</span>		
C. Options .....	<span style="border: 1px solid black; padding: 2px;">420</span>		
D. Other securities .....	<span style="border: 1px solid black; padding: 2px;">424</span>		
E. Spot commodities .....	<sup>4</sup> <span style="border: 1px solid black; padding: 2px;">430</span>		<span style="border: 1px solid black; padding: 2px;">850</span>
5. Securities and/or other investments not readily marketable:			
A. At cost $\frac{1}{2}$ \$ <span style="border: 1px solid black; padding: 2px;">130</span>			
B. At estimated fair value .....	<span style="border: 1px solid black; padding: 2px;">440</span>	<span style="border: 1px solid black; padding: 2px;">610</span>	<span style="border: 1px solid black; padding: 2px;">860</span>
6. Securities borrowed under subordination agreements and partners' individual and capital securities accounts, at market value:			
A. Exempted securities \$ <span style="border: 1px solid black; padding: 2px;">150</span>			
B. Other securities \$ <span style="border: 1px solid black; padding: 2px;">160</span>	<span style="border: 1px solid black; padding: 2px;">470</span>	<span style="border: 1px solid black; padding: 2px;">640</span>	<span style="border: 1px solid black; padding: 2px;">890</span>
7. Secured demand notes: .....			
Market value of collateral:			
A. Exempted securities \$ <span style="border: 1px solid black; padding: 2px;">170</span>			
B. Other securities \$ <span style="border: 1px solid black; padding: 2px;">180</span>			
8. Memberships in exchanges:			
A. Owned, at market \$ <span style="border: 1px solid black; padding: 2px;">190</span>			
B. Owned, at cost .....		<span style="border: 1px solid black; padding: 2px;">650</span>	
C. Contributed for use of the company, at market value .....		<span style="border: 1px solid black; padding: 2px;">660</span>	<span style="border: 1px solid black; padding: 2px;">900</span>
9. Investment in and receivables from affiliates, subsidiaries and associated partnerships .....	<span style="border: 1px solid black; padding: 2px;">480</span>	<span style="border: 1px solid black; padding: 2px;">670</span>	<span style="border: 1px solid black; padding: 2px;">910</span>
10. Property, furniture, equipment, leasehold improvements and rights under lease agreements, at cost-net of accumulated depreciation and amortization .....	<span style="border: 1px solid black; padding: 2px;">490</span>	<span style="border: 1px solid black; padding: 2px;">680</span>	<span style="border: 1px solid black; padding: 2px;">920</span>
11. Other assets .....	<span style="border: 1px solid black; padding: 2px;">535</span>	<span style="border: 1px solid black; padding: 2px;">735</span>	<span style="border: 1px solid black; padding: 2px;">930</span>
12. TOTAL ASSETS .....	<sup>5</sup> \$ <span style="border: 1px solid black; padding: 2px;">25,413</span> <span style="border: 1px solid black; padding: 2px;">540</span>	\$ <span style="border: 1px solid black; padding: 2px;">75</span> <span style="border: 1px solid black; padding: 2px;">740</span>	\$ <span style="border: 1px solid black; padding: 2px;">75</span> <span style="border: 1px solid black; padding: 2px;">940</span>

OMIT PENNIES

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER

as of DECEMBER 31, 2009

**BILL PARKER AGENCY**

### STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING AND CERTAIN OTHER BROKERS OR DEALERS

#### LIABILITIES AND OWNERSHIP EQUITY

<b>Liabilities</b>	<b>A.I. Liabilities</b>	<b>Non-A.I. Liabilities</b>	<b>Total</b>
13. Bank loans payable .....	\$ <u>1045</u>	\$ <u>1255</u> <sup>13</sup>	\$ <u>1470</u>
14. Payable to brokers or dealers:			
A. Clearance account .....	<u>1114</u>	<u>1315</u>	<u>1560</u>
B. Other .....	<u>1115</u>	<u>1305</u>	<u>1540</u>
15. Payable to non-customers .....	<u>1155</u>	<u>1355</u>	<u>1610</u>
16. Securities sold not yet purchased, at market value .....		<u>1360</u>	<u>1620</u>
17. Accounts payable, accrued liabilities, expenses and other <b>commissions payable</b> .....	<u>7,362</u> <u>1205</u>	<u>1385</u>	<u>7,362</u> <u>1685</u>
18. Notes and mortgages payable:			
A. Unsecured .....	<u>1210</u>		<u>1690</u>
B. Secured .....	<u>1211</u> <sup>12</sup>	<u>1390</u> <sup>14</sup>	<u>1700</u>
19. E. Liabilities subordinated to claims of general creditors:			
A. Cash borrowings: .....		<u>1400</u>	<u>1710</u>
1. from outsiders <sup>9</sup> \$ <u>970</u>			
2. includes equity subordination (15c3-1(d)) of ... \$ <u>980</u>			
B. Securities borrowings, at market value from outsiders \$ <u>990</u>		<u>1410</u>	<u>1720</u>
C. Pursuant to secured demand note collateral agreements .....		<u>1420</u>	<u>1730</u>
1. from outsiders \$ <u>1000</u>			
2. includes equity subordination (15c3-1(d)) of ... \$ <u>1010</u>			
D. Exchange memberships contributed for use of company, at market value .....		<u>1430</u>	<u>1740</u>
E. Accounts and other borrowings not qualified for net capital purposes .....	<u>1220</u>	<u>1440</u>	<u>1750</u>
20. TOTAL LIABILITIES .....	\$ <u>7,362</u> <u>1230</u>	\$ <u>NONE</u> <u>1450</u>	\$ <u>7,362</u> <u>1760</u>
<b>Ownership Equity</b>			
21. Sole Proprietorship .....			<sup>15</sup> \$ <u>18,126</u> <u>1770</u>
22. Partnership (limited partners) .....	<sup>11</sup> (\$ <u>1020</u> )		<u>1780</u>
23. Corporation:			
A. Preferred stock .....			<u>1791</u>
B. Common stock .....			<u>1792</u>
C. Additional paid-in capital .....			<u>1793</u>
D. Retained earnings .....			<u>1794</u>
E. Total .....			<u>1795</u>
F. Less capital stock in treasury .....			<sup>16</sup> ( <u>1796</u> )
24. TOTAL OWNERSHIP EQUITY .....			\$ <u>18,126</u> <u>1800</u>
25. TOTAL LIABILITIES AND OWNERSHIP EQUITY .....			\$ <u>25,488</u> <u>1810</u>

OMIT PENNIES

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER

as of DECEMBER 31, 2009

**BILL PARKER AGENCY**

### COMPUTATION OF NET CAPITAL

1. Total ownership equity from Statement of Financial Condition .....	\$ <u>18,126</u>	3480
2. Deduct ownership equity not allowable for Net Capital .....	<sup>19</sup> ( )	3490
3. Total ownership equity qualified for Net Capital .....	<u>18,126</u>	3500
4. Add:		
A. Liabilities subordinated to claims of general creditors allowable in computation of net capital .....		3520
B. Other (deductions) or allowable credits (List) .....		3525
5. Total capital and allowable subordinated liabilities .....	\$ <u>18,126</u>	3530
6. Deductions and/or charges:		
A. Total non-allowable assets from		
Statement of Financial Condition (Notes B and C) .....	<sup>17</sup> \$ <u>75</u>	3540
B. Secured demand note delinquency .....		3590
C. Commodity futures contracts and spot commodities –		
proprietary capital charges .....		3600
D. Other deductions and/or charges .....		3610
7. Other additions and/or allowable credits (List) .....	( <u>75</u> )	3620
8. Net capital before haircuts on securities positions .....	<sup>20</sup> \$ <u>18,051</u>	3630
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. Exempted securities .....	<sup>18</sup>	3735
2. Debt securities .....		3733
3. Options .....		3730
4. Other securities .....		3734
D. Undue Concentration .....		3650
E. Other (List) .....		3736
10. Net Capital .....	\$ <u>18,051</u>	3740
		3750

OMIT PENNIES

NET CAPITAL PER FOCUS REPORT FILED  
FOR THE QUARTER ENDING DECEMBER 31, 2009 \$ 16,588

NET CORRECTION (DECREASE) TO ACCRUED  
EXPENSES AT DECEMBER 31, 2009 ( 1,463 )

NET CAPITAL PER DECEMBER 31, 2009  
AUDITED FINANCIAL STATEMENTS \$ 18,051

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER

BILL PARKER AGENCY

as of DECEMBER 31, 2009

### COMPUTATION OF NET CAPITAL REQUIREMENT

**Part A**

11. Minimum net capital required (6 $\frac{2}{3}$ % of line 19) .....	\$ 493	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) .....	\$ 5,000	3758
13. Net capital requirement (greater of line 11 or 12) .....	\$ 5,000	3760
14. Excess net capital (line 10 less 13) .....	\$ 13,051	3770
15. Excess net capital at 1000% (line 10 less 10% of line 19) .....	\$ 17,315	3780

### COMPUTATION OF AGGREGATE INDEBTEDNESS

16. Total A.I. liabilities from Statement of Financial Condition .....		3790
17. Add:		
A. Drafts for immediate credit .....	21 \$ 3800	
B. Market value of securities borrowed for which no equivalent value is paid or credited .....	\$ 3810	
C. Other unrecorded amounts (List) .....	\$ 3820	
18. Total aggregate indebtedness .....	\$ 7,362	3830
19. Percentage of aggregate indebtedness to net capital (line 18 ÷ by line 10) .....	% 41	3850
20. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1(d) .....	% N/A	3860

### COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT

**Part B**

21. 2% of combined aggregate debit items as shown in Formula for Reserve Requirements pursuant to Rule 15c3-3 prepared as of the date of the net capital computation including both brokers or dealers and consolidated subsidiaries' debits .....		3970
22. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A) .....	23 \$ 3880	3880
23. Net capital requirement (greater of line 21 or 22) .....	\$ 3760	3760
24. Excess capital (line 10 less 23) .....	\$ 3910	3910
25. Net capital in excess of the greater of:		
A. 5% of combined aggregate debit items or \$120,000 .....	\$ 3920	3920

**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 $\frac{2}{3}$ % of aggregate indebtedness or 4% of aggregate debits if alternative method is used.
- (B) Do not deduct the value of securities borrowed under subordination agreements or secured demand note covered by subordination agreements not in satisfactory form and the market values of memberships 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.



# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER

BILL PARKER AGENCY

For the period (MMDDYY) from 1/1/09 to 12/31/09

### STATEMENT OF CHANGES IN OWNERSHIP EQUITY (SOLE PROPRIETORSHIP, PARTNERSHIP OR CORPORATION)

1. Balance, beginning of period .....	\$ 17,312	4240
A. Net income (loss) .....	58,962	4250
B. Additions (Includes non-conforming capital of <u>proprietor cont.</u> .....) \$ 5,388	76,274	4260
.....) \$ 5,388	4262	
C. Deductions (Includes non-conforming capital of <u>proprietor w/drawals</u> .....) (63,536)	(58,148)	4270
.....) (63,536)	4272	
2. Balance, end of period (From item 1800) .....	\$ 18,126	4290

### STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED TO CLAIMS OF GENERAL CREDITORS

3. Balance, beginning of period .....	\$ NONE	4300
A. Increases .....	NONE	4310
B. Decreases .....	NONE	4320
4. Balance, end of period (From item 3520) .....	\$ NONE	4330

OMIT PENNIES

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER

BILL PARKER AGENCY

as of DECEMBER 31, 2009

### EXEMPTIVE PROVISION UNDER RULE 15c3-3

24. If an exemption from Rule 15c3-1 is claimed, identify below the section upon which such exemption is based (check one only)

- |  |       |                                     |      |
|--|-------|-------------------------------------|------|
| A. (k)(1) — \$2,500 capital category as per Rule 15c3-1 .....  | 5,000 | <input checked="" type="checkbox"/> | 4550 |
| B. (k)(2)(A) — "Special Account for the Exclusive Benefit of customers" maintained .....                   |       |                                     | 4560 |
| C. (k)(2)(B) — All customer transactions cleared through another broker-dealer on a fully disclosed basis. |       |                                     |      |
| Name of clearing firm <sup>30</sup> .....  | 4335  |                                     | 4570 |
| D. (k)(3) — Exempted by order of the Commission (include copy of letter) .....                             |       |                                     | 4580 |

### Ownership Equity and Subordinated Liabilities maturing or proposed to be withdrawn within the next six months and accruals, (as defined below), which have not been deducted in the computation of Net Capital.

Type of Proposed Withdrawal or Accrual (See below for code)	Name of Lender or Contributor	Insider or Outsider? (In or Out)	Amount to be Withdrawn (cash amount and/or Net Capital Value of Securities)	(MMDDYY) Withdrawal or Maturity Date	Expect to Renew (Yes or No)	
31	4600	4601	4602	4603	4604	4605
32	4610	4611	4612	4613	4614	4615
33	4620	4621	4622	4623	4624	4625
34	4630	4631	4632	4633	4634	4635
35	4640	4641	4642	4643	4644	4645
			Total \$ <sup>36</sup> .....		4699	

OMIT PENNIES

Instructions: Detail Listing must include the total of items maturing during the six month period following the report date, regardless of whether or not the capital contribution is expected to be renewed. The schedule must also include proposed capital withdrawals scheduled within the six month period following the report date including the proposed redemption of stock and anticipated accruals which would cause a reduction of Net Capital. These anticipated accruals would include amounts of bonuses, partners' drawing accounts, taxes, and interest on capital, voluntary contributions to pension or profit sharing plans, etc., which have not been deducted in the computation of Net Capital, but which you anticipate will be paid within the next six months.

WITHDRAWAL CODE:	DESCRIPTIONS
1.	Equity Capital
2.	Subordinated Liabilities
3.	Accruals

**BILL PARKER AGENCY**  
**(A SOLE PROPRIETORSHIP)**

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FINANCIAL STATEMENTS  
AND SUPPLEMENTARY SCHEDULES  
Year ended December 31, 2009

MISTRETTA ASSOCIATES  
**M** Certified Public Accountants  
Financial Management Consultants

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## INDEPENDENT AUDITOR'S REPORT

To The Proprietor  
Bill Parker Agency  
Sacramento, California

I have audited the accompanying balance sheet of Bill Parker Agency (a sole proprietorship), as of December 31, 2009 and the related statements of income and proprietor's equity and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted the audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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. I believe that the audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bill Parker Agency, as of December 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.

Also, I have prepared and examined the supplementary schedules (pages 1 through 7 of Form X-17a-5(a)), which precede the aforementioned financial statements, and, in my opinion, they present fairly the information included therein in conformity with the rules of the Securities and Exchange Commission.

*Mistretta Associates*

February 17, 2010

BILL PARKER AGENCY  
(A SOLE PROPRIETORSHIP)  
BALANCE SHEET  
December 31, 2009

ASSETS

Current Assets	
Cash	\$ 18,313
Commissions receivable	7,100
Deposit	<u>75</u>
Total Current Assets	25,488
Furniture and Equipment, at cost, less accumulated depreciation of \$11,633	<u>-</u>
Total Assets	<u>\$ 25,488</u>

LIABILITIES AND PROPRIETOR'S EQUITY

Current Liabilities	
Commissions payable	\$ 3,937
Accrued expenses	<u>3,425</u>
Total Current Liabilities	7,362
Proprietor's Equity	<u>18,126</u>
Total Liabilities and Proprietor's Equity	<u>\$ 25,488</u>

See accompanying notes and auditor's report.

BILL PARKER AGENCY  
(A SOLE PROPRIETORSHIP)  
STATEMENT OF INCOME AND PROPRIETOR'S EQUITY  
Year ended December 31, 2009

Commission Income	<u>\$ 138,463</u>
Expenses	
Commissions	69,330
Insurance	1,311
Office expense	2,782
Advertising	560
Regulating fees and expenses	770
Accounting and auditing	3,589
Travel, lodging and meals	999
Depreciation	<u>169</u>
Total Expenses	<u>79,510</u>
Net Income (Loss) From Operations	<u>58,953</u>
Other Income	
Interest	<u>9</u>
Total Other Income	<u>9</u>
Net Income (Loss)	<u>58,962</u>
Proprietor's Equity, December 31, 2008	17,312
Proprietor's contributions	5,388
Proprietor's withdrawals	<u>(63,536)</u>
Proprietor's Equity, December 31, 2009	<u>\$ 18,126</u>

See accompanying notes and auditor's report.

BILL PARKER AGENCY  
(A SOLE PROPRIETORSHIP)  
STATEMENT OF CASH FLOWS  
Year ended December 31, 2009

Increase (Decrease) in Cash and Cash Equivalents

Cash Flows From Operating Activities	
Net income (loss)	\$ 58,962
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	169
Changes in assets and liabilities:	
Increase in commissions receivable	(1,132)
Decrease in deposit	75
Increase in commissions payable/accrued expenses	<u>620</u>
Total Adjustments	<u>(268)</u>
Net Cash Provided By Operating Activities	<u>58,694</u>
 Cash Flows From Financing Activities	
Proprietor's contributions	5,388
Proprietor's withdrawals	<u>(63,536)</u>
Net Cash Used By Financing Activities	<u>(58,148)</u>
 Net Increase (Decrease) in Cash	546
 Cash and cash equivalents, December 31, 2008	<u>17,767</u>
 Cash and cash equivalents, December 31, 2009	<u>\$ 18,313</u>

Supplementary Disclosure of Cash Flow Information

There was no interest paid during the period.

Disclosure of Accounting Policy

For purposes of the Statement of Cash Flows, the Company considers all highly-liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

See accompanying notes and auditor's report.

BILL PARKER AGENCY  
(A SOLE PROPRIETORSHIP)  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2009

Note 1: Summary of Significant Accounting Policies

The following items comprise the significant accounting policies of the Company. The policies reflect industry practices and conform to generally accepted accounting principles.

Company's Activities

The Company is engaged in the sale of variable annuities, mutual funds and life insurance to individuals, organizations and businesses in Northern California and Nevada. Commissions are paid by the issuing companies to Bill Parker Agency, which in turn pays commissions to the father of the proprietor as a security representative/life agent.

Furniture and Equipment

The Company depreciates furniture and equipment using the straight-line method over the estimated useful lives of the assets, which are five to seven years.

Proprietors' Salaries

No provision has been made for salaries for the proprietor.

Income Taxes

No provision has been made for income taxes as the liability, if any, is that of the sole proprietor.

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 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

BILL PARKER AGENCY  
(A SOLE PROPRIETORSHIP)  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2009

Note 2: Furniture and Equipment

Furniture and equipment consists of the following at December 31, 2009:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Office furniture and equipment	\$ 1,530	\$ 1,530	\$ -
Computer equipment	10,103	10,103	-
	<u>\$ 11,633</u>	<u>\$ 11,633</u>	<u>\$ -</u>

Note 3: Net Capital Requirement

Pursuant to the net capital provisions of Rule 15c3-1 of the Securities Exchange Act of 1934, the Company is required to maintain net capital of not less than \$5,000. At December 31, 2009, the Company had net capital of \$18,051.

Note 4: Related Party Transactions

Commissions payable at December 31, 2009 and commissions expense for the year ended December 31, 2009 included in the balance sheet and statement of income, respectively, are due to or were earned by the father of the sole proprietor.

BILL PARKER AGENCY  
(A SOLE PROPRIETORSHIP)  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2009

Bill Parker Agency does not retain customer funds or customer securities. The following schedules are inapplicable and thus have not been prepared:

- Computation for Determination of Reserve Requirements pursuant to Rule 15c3-3
- Information Relating to the Possession or Control Requirements pursuant to Rule 15c3-3
- A Reconciliation pursuant to Rule 17a-5(c)(4)

## SUPPLEMENTARY REPORT ON INTERNAL ACCOUNTING CONTROL

To The Proprietor  
Bill Parker Agency  
Sacramento, California

I have examined the financial statements of Bill Parker Agency for the year ended December 31, 2009 and have issued my report thereon dated February 17, 2010. As part of my examination, I made a study and evaluation of the system of internal accounting control to the extent I considered necessary to evaluate the system as required by generally accepted auditing standards and Rule 17a-5 of the Securities and Exchange Commission. This study and evaluation included the accounting system. The Company is exempt from compliance with Rule 15c3-3. No facts came to my attention indicating that the conditions of the exemption had not been complied with during the period. Rule 17a-5 states that the scope of the study and evaluation should be sufficient to provide reasonable assurance that any material weakness existing at the date of my examination would be disclosed. Under generally accepted auditing standards and rule 17a-5, the purposes of such study and evaluation are to establish a basis for reliance thereon in determining the nature, timing, and extent of other auditing procedures necessary for expressing an opinion on the financial statements and to provide a basis for reporting material weaknesses in internal accounting control.

The objective of internal accounting control is to provide reasonable, but not absolute, assurance concerning the safeguarding of assets against loss from unauthorized use or disposition and concerning the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a system of internal accounting control should not exceed the benefits derived and also recognizes that the evaluation of these factors necessarily requires estimates and judgment by Management. However, for the purposes of this report under Rule 17a-5, the determination of weaknesses to be reported was made without considering the practicability of corrective action by Management within the framework of a cost/benefit relationship.

There are inherent limitations that should be recognized in considering the potential effectiveness of any system of internal accounting control. In the performance of most control procedures, errors can result from misunderstanding instructions, mistakes of judgment, carelessness, or other personnel factors. Control procedures whose effectiveness depends on segregation of duties can be circumvented by collusion. Similarly, control procedures can be circumvented intentionally by Management either with respect to the execution and recording of transactions or with respect to the estimates and judgments required in the preparation of financial statements. Further, projection of any evaluation of internal accounting control to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

My study and evaluation of the system of internal accounting control for the year ended December 31, 2009, which was made for the purposes set forth in the first paragraph above, and would not necessarily disclose all weaknesses in the system that may have existed during the period, disclosed no weakness that I believe to be material except that substantially all accounting functions are performed or directed by one individual (sole proprietor with assistance from a prior partner, father of the sole proprietor). This lack of segregation of duties allows opportunity for accounting improprieties to occur without collusion. Although, not a formal control, the proprietor has full access to all accounting records and is extremely familiar with the transactions and business activities of the Proprietorship.

*Mistata Associates*

February 17, 2010