

SEC Mail Processing  
Section

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

MAR 03 2011

Washington, DC  
110

FACING PAGE

Information Required of Brokers and Dealers Pa  
Securities Exchange Act of 1934 and Rule

Section 17 of the  
Thereunder



SEC FILE NUMBER  
8-49582

REPORT FOR THE PERIOD BEGINNING 1-1-2010 AND ENDING 12-31-2010  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Global-American Investments, Inc.

OFFICIAL USE ONLY

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

FIRM I.D. NO.

20277 Valley Blvd., Suite A

(No. and Street)

Walnut

CA

91789

(City)

(State)

(Zip Code)

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

Gary Wang

949-306-2100

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Joseph Yafeh, CPA

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

11300 West Olympic Blvd., Suite 875

Los Angeles

CA

90064

(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)

18  
3/18

OATH OR AFFIRMATION

Gary Wang, TSEPEI WANG, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Global-American Investments, Inc., as of December 31, 2010, 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

TSEPEI WANG Signature

president Title

Notary Public



This report \*\* contains (check all applicable boxes):

- (a) Facing Page.
(b) Statement of Financial Condition.
(c) Statement of Income (Loss).
(d) Statement of 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.
(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).

ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Los Angeles } SS.

On 22nd Feb 2011, before me, Rita Patel, Notary Public,

personally appeared Wang TSE PEI, who proved to me on the

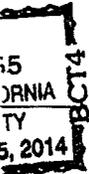
basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

*[Handwritten Signature]*  
NOTARY'S SIGNATURE



PLACE NOTARY SEAL IN ABOVE SPACE

OPTIONAL INFORMATION

The information below is optional. However, it may prove valuable and could prevent fraudulent attachment of this form to an unauthorized document.

CAPACITY CLAIMED BY SIGNER (PRINCIPAL)

- INDIVIDUAL
- CORPORATE OFFICER \_\_\_\_\_ TITLE(S)
- PARTNER(S)
- ATTORNEY-IN-FACT
- TRUSTEE(S)
- GUARDIAN/CONSERVATOR
- OTHER: \_\_\_\_\_

DESCRIPTION OF ATTACHED DOCUMENT

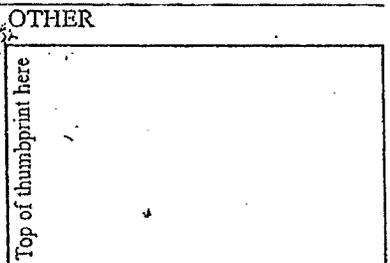
Deed of a firmation  
TITLE OR TYPE OF DOCUMENT

NUMBER OF PAGES

DATE OF DOCUMENT

SIGNER (PRINCIPAL) IS REPRESENTING:  
NAME OF PERSON(S) OR ENTITY(IES)

RIGHT THUMBPRINT OF SIGNER



SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C.

ANNUAL AUDIT REPORT

DATE - DECEMBER 31, 2010

GLOBAL-AMERICAN INVESTMENTS, INC.

## CONTENTS

### PART I

Report of Independent Auditor	1
Statement of Financial Condition	2
Statement of Income (Loss)	3
Statement of Changes in Shareholder's Equity	4
Statement of Changes in Financial Condition	5
Notes to Financial Statements	6 - 8

### SUPPLEMENTAL SCHEDULES

Schedule I - Computation of Net Capital Requirements Pursuant to Rule 15c3-1	9
Schedule II - Revenues and Operating Expenses	10-11
Schedule III – Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3	12
Schedule IV – Information Relating to Possession or Control Requirements Under Rule 15c3-3	13

### PART II

Report on Internal Control	14-15
----------------------------	-------

**Joseph Yafeh CPA, Inc.**

*A Professional Accounting Corporation*

11300 W. Olympic Blvd., Suite 875

Los Angeles CA 90064

310-477-8150 ~ Fax 310-477-8152

**REPORT OF INDEPENDENT AUDITOR**

Board of Directors  
Global-American Investments, Inc.  
Walnut, California

I have audited the accompanying statement of financial condition of Global-American Investments, Inc. as of December 31, 2010 and related statements of income (loss), changes in shareholder's equity and changes in financial condition for the year then ended. These financial statements are being filed pursuant to Rule 17a-5 of the Securities Exchange Act of 1934 and include the supplemental schedule of the net capital computation required by rule 15c3-1. These financial statements are the responsibility of Global-American Investments, Inc.'s management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my 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 my audit provides a reasonable basis for my opinion.

In my opinion, such financial statements referred to above present fairly, in all material respects, the financial condition of Global-American Investments, Inc. as of December 31, 2010 and the results of its income (loss), shareholder's equity and changes in financial condition for the year then ended in conformity with accounting principles generally accepted in the United States of America.

My 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 my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Joseph Yafeh, CPA

Los Angeles, California

February 24, 2011

GLOBAL-AMERICAN INVESTMENTS, INC.  
STATEMENT OF FINANCIAL CONDITION  
DECEMBER 31, 2010

ASSETS

Cash and cash equivalents	\$ 33,137
Clearing broker's deposits	36,980
Commissions receivable	21,295
Prepaid expense	303
Fixed assets less depreciation allowance \$25,502	<u>2,222</u>
 Total Assets	 <u>\$ 93,937</u>

LIABILITIES AND SHAREHOLDER'S EQUITY

Liabilities

Accounts payable	\$ <u>13,567</u>
 Total Liabilities	 <u>13,567</u>

Shareholder's Equity

Common stock -authorized, issued and outstanding 10,000 shares without value per share	49,359
Paid-in capital	634,386
Accumulated (deficit)	<u>(603,375)</u>
 Total Shareholder's Equity	 <u>80,370</u>
 Total Liabilities and Shareholder's Equity	 <u>\$ 93,937</u>

See Accompanying Notes to Financial Statements

GLOBAL-AMERICAN INVESTMENTS, INC.  
STATEMENT OF INCOME (LOSS)  
FOR THE YEAR ENDED DECEMBER 31, 2010

Revenues	
Commissions	\$ 392,363
Other	4,676
Interest	<u>102</u>
Total Revenues	<u>397,141</u>
Operating Expenses – Page 11	<u>417,434</u>
(Loss) Before Income Tax	( 20,293)
Franchise Tax Provision	<u>850</u>
Net (Loss)	<u><u>\$ ( 21,143)</u></u>

See Accompanying Notes to Financial Statements

GLOBAL-AMERICAN INVESTMENTS, INC.  
 STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY  
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Stock Shares</u>	<u>Common Stock</u>	<u>Paid-In Capital</u>	<u>Retained Earnings (Deficit)</u>	<u>Total Equity</u>
Balance, December 31, 2009	10,000	\$49,359	\$634,386	\$(580,232)	\$103,513
Prior period adjustment				( 2,000)	( 2,000)
Net (Loss)				( 21,143)	( 21,143)
	_____	_____	_____	_____	_____
Balance, December 31, 2010	<u>10,000</u>	<u>\$49,359</u>	<u>\$634,386</u>	<u>\$(603,375)</u>	<u>\$ 80,370</u>

See Accompanying Notes to Financial Statements

GLOBAL-AMERICAN INVESTMENTS, INC.  
STATEMENT OF CHANGES IN FINANCIAL CONDITION  
FOR THE YEAR ENDED DECEMBER 31, 2010

Operating Activities	
Net (loss)	\$( 21,143)
Depreciation and amortization	489
Prior period adjustment	( 2,000)
Commissions Receivable	3,677
Prepaid Expense	(303)
Accounts Payable	<u>( 8,771)</u>
Cash Used by Operating Activities	<u>( 28,051)</u>
Cash Flow from Investing Activities	0
Cash Flow from Financing Activities	<u>0</u>
Decrease in Cash	( 28,051)
Cash: Beginning of the Year	<u>61,188</u>
Cash: End of the Year	<u>\$ 33,137</u>
Supplemental Cash Flow Information:	
Cash paid for interest	<u>\$ 0</u>
Cash paid for income taxes	<u>\$ 800</u>

See Accompanying Notes to Financial Statements

GLOBAL-AMERICAN INVESTMENTS, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2010

NOTE 1 – ORGANIZATION AND HISTORY

Organization

Global-American Investments, Inc., the Company was incorporated on September 9, 1996 in the state of Arizona and subsequently become a member of the National Association of Securities Dealers, Inc. (“NASD”) and commenced operations in the general business of a broker dealer of securities. The NASD and NYSE Member Regulation consolidated in 2007 to form the Financial Industry Regulatory Agency (“FINRA”). In January 1999 the Company became a resident foreign corporation in the State of California.

In July, 2001 the Company was acquired by a new owner, SE Global Equities Corp. (“SEG”) and became its wholly owned subsidiary. In 2005 SEG was acquired by Sun New Media, Inc. (“SNMI”). In April 2006 the Company was acquired by a new owner, Kingston Capital Group.

Nature of Business

The Company conducts a general securities business on a fully disclosed, introductory basis. The Company does not hold customers’ funds or securities. It has two locations in California: Walnut headquarters and one branch in Walnut, California (operations principally on-line trading).

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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.

Revenues

Commission revenues are recorded on a settlement date basis.

Income Taxes

The Company applies the policies of FASB ASC 740, Accounting for Income Taxes, which requires use of the asset and liability method of accounting for income taxes. Under this method, deferred income taxes are recognized for the tax consequences of temporary differences by applying enacted statutory tax rates applicable to future years to differences between the financial statement carrying amounts and the tax basis of existing assets and liabilities. A valuation allowance for the entire net operating loss has been recorded.

GLOBAL-AMERICAN INVESTMENTS, INC.  
NOTES TO FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2010

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements

The Financial Accounting Standards Board ("FASB") implemented the FASB Accounting Standards Codification (Codification) effective July 1, 2009. The Codification has become the source of authoritative Generally Accepted Accounting Principles ("GAAP") recognized by FASB to be applied to nongovernmental entities. On the effective date of the Codification, the Codification superseded all then existing accounting and reporting standards. All other non-grandfathered accounting literature not included in the FASB Codification has become non-authoritative. References to GAAP included in the FASB Codification are noted as Accounting Standards Codification ("ASC").

Following the effective date of the Codification, FASB will not release new standards in the form of Statements, FASB Staff Positions, or Emerging Issues Task Force Contracts, but instead will issue Accounting Standards Updates. Updates will not be considered authoritative in their own right, but will serve only to update the Codification, provide background information about the guidance in the Codification, and provide the basis for the changes in the Codification.

For the year ending December 31, 2010, various accounting pronouncements or interpretations by the FASB were either newly issued or had effective implementation dates that would require their provisions to be related in the financial statement for the year then ended. The Company has reviewed the following Statements of Financial Accounting Standards ("SFAS")/ASC topics for the year to determine relevance to the Company's operations.

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 3 - NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC rule 15c 3-1), 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 and that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1. See Page 9 for the calculation of net capital.

GLOBAL-AMERICAN INVESTMENTS, INC.  
NOTES TO FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2010

NOTE 4 - INCOME TAXES

The Company files its Federal income tax return as a member of its parent's consolidated group. The Company, as a resident foreign corporation in the State of California, is required to file a California Franchise tax return. The Company has a net operating loss (NOL) carry forward which requires only a minimum \$800 payment in 2010. The federal NOL of approximately \$174,000 expires between 2024 and 2029. The state NOL of approximately \$294,000 expires between 2012 and 2019.

NOTE 5 - OFF BALANCE SHEET RISK

Pursuant to the clearance agreement, the Company introduces all of its securities transactions to its sole clearing broker on a fully disclosed basis. Therefore, all of the customers' money balances and long and short security positions are carried on the books of the clearing broker. Under certain conditions as defined in the clearance agreement, the Company has agreed to indemnify the clearing broker for losses, if any, which the clearing broker may sustain from carrying securities transactions introduced by the Company. In accordance with industry practice and regulatory requirements, the Company and the clearing broker monitor collateral on the securities transactions introduced by the Company.

NOTE 6 - SIPC SUPPLEMENTARY REPORT REQUIREMENT

The Company is not required to complete the SIPC Supplementary Report under SEC Rule 17a-5(e) (4) for fiscal year ending December 31, 2010 because the Company's SIPC Net Operating Revenues are under \$500,000.

NOTE 7 - SUBSEQUENT EVENTS

Management has reviewed the results of operations for the period of time from its year end December 31, 2010 through February 24, 2011, the date the financial statements were available to be issued, and has determined that no adjustments are necessary to the amounts reported in the accompanying combined financial statements nor have any subsequent events occurred, the nature of which would require disclosure.

GLOBAL-AMERICAN INVESTMENTS, INC.  
SCHEDULE I  
COMPUTATION OF NET CAPITAL REQUIREMENTS PURSUANT  
TO RULE 15c3-1  
DECEMBER 31, 2010

Computation of Net Capital

Total ownership equity from statement of financial condition	\$ 80,370
Less: Nonallowable assets - Fixed assets, net	( 2,222)
- Prepaid expense	<u>( 303)</u>
Net Capital	<u>\$ 77,845</u>

Computation of Net Capital Requirements

Minimum net aggregate indebtedness- 6-2/3% of net aggregate indebtedness	<u>\$ 905</u>
Minimum dollar net capital required	<u>\$ 5,000</u>
Net Capital required (greater of above amounts)	<u>\$ 5,000</u>
Excess Capital	<u>\$ 72,845</u>
Excess net capital at 1000% (net capital less 10% of aggregate indebtedness)	<u>\$ 76,488</u>

Computation of Aggregate Indebtedness

Total liabilities	<u>\$ 13,567</u>
Percentage of aggregate indebtedness to net capital	<u>17%</u>
Percentage of debt to debt-equity to total computed in accordance with Rule 15c 3-1(d)	<u>NA</u>

Reconciliation

Net capital – unaudited	<u>\$ 77,845</u>
Net capital – audited	<u>\$ 77,845</u>

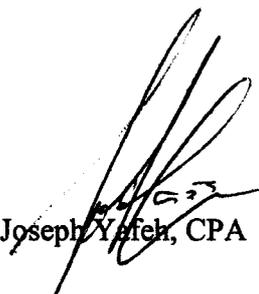
See Accompanying Notes to Financial Statements

**Joseph Yafeh CPA, Inc.**  
*A Professional Accounting Corporation*  
11300 W. Olympic Blvd., Suite 875  
Los Angeles CA 90064  
310-477-8150 ~ Fax 310-477-8152

**INDEPENDENT AUDITOR'S REPORT  
ON THE SCHEDULE OF OPERATING EXPENSES**

Board of Directors  
Global-American Investments, Inc.  
Walnut, California

My audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The attached schedule of operating expenses for the year ended December 31, 2010 is presented for purposes of additional information and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements as a whole.



Joseph Yafeh, CPA

Los Angeles, California  
February 24, 2011

GLOBAL-AMERICAN INVESTMENTS, INC.  
SCHEDULE OF OPERATING EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2010

Operating Expenses

Advertising	\$ 882
Bank service charges	966
Clearing firm charges	57,720
Commission expense	140,602
Depreciation	489
Equipment rental	125
Insurance	12,308
License & permits	45
Office supplies & expenses	9,516
Payroll expense	71,000
Payroll processing fee	1,311
Payroll tax expense	6,902
Postage & delivery	584
Professional fees	45,287
Quotation costs	17,518
Regulatory fees	13,057
Rent	12,936
Repair & maintenance	3,942
Telephone	11,821
Travel & entertainment	9,156
Utilities	<u>1,267</u>
Total Operating Expenses	<u>\$ 417,434</u>

See Accompanying Notes to Financial Statements

**GLOBAL-AMERICAN INVESTMENTS, INC.**  
**SCHEDULE III – COMPUTATION FOR DETERMINATION OF RESERVE**  
**REQUIREMENTS PURSUANT TO RULE 15c3-3**  
**AS OF DECEMBER 31, 2010**

A computation of reserve requirement is not applicable to Global-American Investments, Inc. as the Company qualifies for exemption under Rule 15c3-3 (k) (2) (ii).

**GLOBAL-AMERICAN INVESTMENTS, INC.**  
**SCHEDULE IV – INFORMATION RELATING TO POSSESSION OR CONTROL**  
**REQUIREMENTS UNDER RULE 15c3-3**  
**AS OF DECEMBER 31, 2010**

Information relating to possession or control requirements is not applicable to Global-American Investments, Inc. as the Company qualifies for exemption under Rule 15c3-3 (k) (2) (ii).

**Joseph Yafeh CPA, Inc.**  
*A Professional Accounting Corporation*  
11300 W. Olympic Blvd., Suite 875  
Los Angeles CA 90064  
310-477-8150 ~ Fax 310-477-8152

**PART II**

**Report on Internal Control Required by SEC Rule 17a-5(g)(1) for a  
Broker-Dealer Claiming an Exemption from SEC Rule 15c3-3**

Board of Directors  
Global-American Investments, Inc.  
Walnut, California

In planning and performing my audit of the financial statements of Global-American Investments, Inc. (the Company), as of and for the year ended December 31, 2010, in accordance with auditing standards generally accepted in the United States of America, I considered the Company's internal control over financial reporting (internal control) as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, I 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), I 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 I 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, I 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 and 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 previously 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.

Board of Directors  
Global-American Investments, Inc.  
Walnut, California

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.

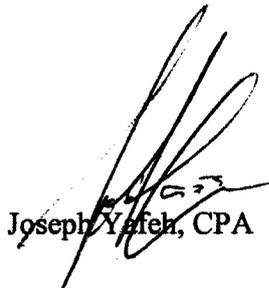
A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Company's financial statements will not be prevented or detected and corrected on a timely basis.

My 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. I did not identify any deficiencies in internal control and control activities for safeguarding securities that I consider to be material weaknesses, as defined previously.

I 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 my study, I believe that the Company's practices and procedures, as described in the second paragraph of this report, were adequate at December 31, 2010 to meet the SEC's objectives.

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



Joseph Yafeh, CPA

Los Angeles, California  
February 24, 2011