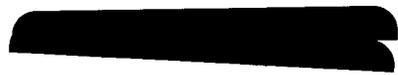


PD 7/23/13



SECURIT



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OMB APPROVAL	
OMB Number:	3235-0123
Expires:	April 30, 2013
Estimated average burden hours per response.....	12.00

SECURITIES AND EXCHANGE COMMISSION
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**ANNUAL AUDITED REPORT
 FORM X-17A-5
 PART III**

SEC FILE NUMBER
8-32026

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 1/1/13 AND ENDING 4/30/13
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Profinancial, Inc

OFFICIAL USE ONLY
FIRM I.D. NO.

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

7902 Wrenwood BLVD., Suite D
(No. and Street)

Baton Rouge LA 70809
(City) (State) (Zip Code)

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

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Edward Richardson, Jr., CPA
(Name - if individual, state last, first, middle name)

15565 Northland suite 508 west southfield MI 48075
(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)

PD 7/23/13

OATH OR AFFIRMATION

I, Gordon Ogden, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Profinancial, Inc, as of April 30, 20 13, 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:

N/A

SEC
Mail Processing
Section

JUL 01 2013

Washington DC
461

See attached

Notary Public

Gordon C. Ogden
Signature

President

Title

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 ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

State of California

County of Santa Barbara

On 6/28/12 before me, Carmen Estrada, notary public
(Here insert name and title of the officer)

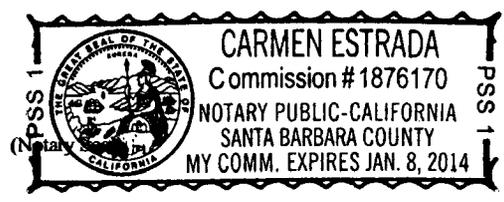
personally appeared Gordon C. Ogden

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.

C. Estrada
 Signature of Notary Public



ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages _____ Document Date _____

(Additional information)

CAPACITY CLAIMED BY THE SIGNER

Individual (s)

Corporate Officer

(Title)

Partner(s)

Attorney-in-Fact

Trustee(s)

Other: _____

- INSTRUCTIONS FOR COMPLETING THIS FORM**
- Any acknowledgment completed in California must contain verbiage exactly as appears above in the notary section or a separate acknowledgment form must be properly completed and attached to that document. The only exception is if a document is to be recorded outside of California. In such instances, any alternative acknowledgment verbiage as may be printed on such a document so long as the verbiage does not require the notary to do something that is illegal for a notary in California (i.e. certifying the authorized capacity of the signer). Please check the document carefully for proper notarial wording and attach this form if required.*
- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
 - Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
 - The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
 - Print the name(s) of document signer(s) who personally appear at the time of notarization.
 - Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. ~~he/she/they~~, is /are) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
 - The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
 - Signature of the notary public must match the signature on file with the office of the county clerk.
 - ❖ Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
 - ❖ Indicate title or type of attached document, number of pages and date.
 - ❖ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
 - Securely attach this document to the signed document

Profinancial, Inc.

**Financial Statements and Supplemental
Schedules Required by the
Securities and Exchange Commission**

**For the Year Ended April 30, 2013
(With Independent Auditor's Report Thereon)
and
Supplemental Report on Internal Control**

April 30, 2013

PROFINANCIAL, INC.
April 30, 2013

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Edward Richardson Jr., CPA
15565 Northland Dr W Ste 508
Southfield, MI 48075
248-559-4514

Independent Auditor's Report

Board of Directors
Profinancial, Inc.

Report on the Financial Statements

I have audited the accompanying statement of financial condition of Profinancial, Inc. as April 30, 2013 and the related statements of income, changes in stockholder's equity, changes in liabilities to claims of general creditors, and cash flows for the year ended that are filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the presentation and fair presentation of these financial statements with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 we plan and perform the audit to obtain assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

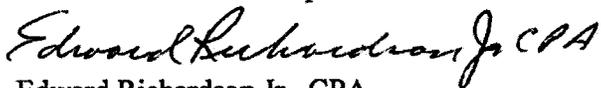
Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Profinancial, Inc. as of April 30, 2013, and results of operations and its cash flows

for the year then ended in accordance principles generally accepted in the United States of America.

Other Matters

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The information contained in the Net Capital Computation is presented for purposes of additional analysis and is not a required part of the financial statements, but is supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information in the Net Capital Computation has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information in the Net Capital Computation is fairly stated in all material respects in relation to the financial statements as a whole.



Edward Richardson Jr., CPA
Southfield, MI. 48075
June 25, 2013

Profinancial, Inc.
BALANCE SHEET
As of April 30, 2013

ASSETS

CURRENT ASSETS

Cash In Bank	\$ 36,683.59
Accounts Receivable	<u>26,193.10</u>

Total Current Assets	<u>62,876.69</u>
-----------------------------	------------------

PROPERTY AND EQUIPMENT

Equipment	3,584.51
Less: Accumulated Depreciation	<u>(2,446.17)</u>

Net Property and Equipment	<u>1,138.34</u>
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TOTAL ASSETS	<u>\$ 64,015.03</u>
---------------------	---------------------

The footnotes are an integral part of the financial statements.

Profinancial, Inc.
BALANCE SHEET
As of April 30, 2013

LIABILITIES AND STOCKHOLDER'S EQUITY

CURRENT LIABILITIES

Accrued Liabilities \$ 183.00

Total Current Liabilities 183.00

LONG-TERM LIABILITIES

Total Liabilities 183.00

STOCKHOLDERS' EQUITY

Capital Stock, par value, \$1 per share, 600.00
100,000 share authorized, 1,000 shares

issued and outstanding

Paid in Excess 16,100.00

Retained Earnings 47,132.03

Total Stockholders' Equity 63,832.03

**TOTAL LIABILITIES AND
STOCKHOLDERS' EQUITY** \$ 64,015.03

The footnotes are an integral part of the financial statements.

Profinancial, Inc.
STATEMENT OF INCOME

**12 Months Ended
April 30, 2013**

Revenues	
Commissions Earned	\$ 25,395.78
Other Income	<u>26,908.76</u>
Total Revenues	<u><u>52,304.54</u></u>
Operating Expenses	
Employee compensation and ben	11,000.57
Floor brokerage, exchange, and c	4,197.76
Communications and data proces	2,077.00
Occpancy	11,800.00
Other expenses	9,453.46
Total Operating Expenses	<u>38,528.79</u>
Operating Income (Loss)	<u>13,775.75</u>
Net Income (Loss)	<u><u>\$ 13,775.75</u></u>

The footnotes are an integral part of the financial statements.

Profinancial, Inc.
STATEMENT OF RETAINED EARNINGS

	12 Months Ended April 30, 2013	
Beginning of Period	\$	33,340.00
Plus: Net Income	\$	13,775.75
Plus: Prior Period Adjustment	\$	16.28
Less: Dividends Paid		<u>0.00</u>
RETAINED EARNINGS END OF PERIOD	\$	<u>47,132.03</u>

The footnotes are an integral part of the financial statements.

Profinancial, Inc.
STATEMENT OF CASH FLOWS
For the 12 months Ended April 30, 2013

2013

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income (Loss)	\$ 13,775.75
Adjustments to reconcile Net Income (Loss) to net Cash provided by (used in) operating activities:	
Prior Period Adjustment	16.28
Depreciation and Amortization	612.17
Losses (Gains) on sales of Fixed Assets	0.00
Decrease (Increase) in Operating Assets:	
Accounts Receivable	959.90
Increase (Decrease) in Operating Liabilities:	
Accrued Liabilities	0.00
Total Adjustments	1,588.35
Net Cash Provided By (Used In) Operating Activities	15,364.10

CASH FLOWS FROM INVESTING ACTIVITIES

Capital Expenditures	(599.51)
Proceeds From Sale of Fixed Assets	0.00
Net Cash Provided By (Used In) Investing Activities	(599.51)

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds From Sale of Stock	0.00
Treasury Stock	0.00
Net Cash Provided By (Used In) Financing Activities	0.00

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

14,764.59

CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD

21,919.00

CASH AND CASH EQUIVALENTS AT END OF PERIOD

\$ 36,683.59

The footnotes are an integral part of the financial statements.

PROFINANCIAL, INC.
STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY
FOR THE TWELVE MONTHS ENDED APRIL 30, 2013

	Common Stock		Paid-in Capital		Treasury Stock		Retained Earnings	Total Stockholder's Equity
	Shares	Amount	Shares	Amount	Shares	Amount	Amount	Amount
Balance at May 1, 2012	500	\$ 600	500	\$ 16,100	-	\$ -	\$ 33,340	\$ 50,040
Net Income	-	-	-	-	-	-	13,776	13,776
Capital Transactions	-	-	-	-	-	-	-	-
Prior Period Adjustments	-	-	-	-	-	-	16	16
Balance at April 31, 2013	<u>500</u>	<u>\$ 600</u>	<u>500</u>	<u>\$ 16,100</u>	<u>-</u>	<u>\$ -</u>	<u>\$ 47,132</u>	<u>\$ 63,832</u>

The footnotes are an integral part of the financial statements.

PROFINANCIAL, INC.
NOTES TO FINANCIAL STATEMENTS
April 31, 2013

NOTE A – SUMMARY OF ACCOUNTING POLICIES

Accounting principles followed by the Company and the methods of applying those principles which materially affect the determination of financial position, results of operation and cash flows are summarized below:

Organization

Profinancial, Inc. (the Company) was incorporated in the State of Louisiana effective December 29, 1989. The Company has adopted a fiscal year ending April 30th

Description of Business

The Company, located in Baton Rouge, LA is a broker and dealer in securities registered with the Securities and Exchange Commission (“SEC”) and is a member of FINRA. The Company operates under SEC Rule 15c3-3(k)(2)(ii), which provides that all funds and securities belonging to the Company’s customers are held by a clearing broker-dealer.

Basis of Accounting

The financial statements of the Company have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Cash and Cash Equivalents

The Company considers as cash all short-term investments with an original maturity of three months or less to be cash equivalents.

Accounts Receivable – Recognition of Bad Debt

The Corporation considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

Revenue Recognition

Commission revenues are recorded by the Company on the settlement date reported by the clearing firm through submitted commission statements.

Depreciation

Depreciation is calculated using the straight line method.

PROFINANCIAL, INC.
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

Income taxes

Effective December 29, 1989, the Company is considered to be a regular corporation status for federal income tax purposes.

Estimates

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

Fair Value of Financial Instruments

Financial instruments that are subject to fair value disclosure requirements are carried in the financial statements at amount that approximate fair value and include cash and cash equivalents. Fair values are based on quoted market prices and assumptions concerning the amount and timing of estimated future cash flows and assumed discount rates reflecting varying degrees of perceived risk.

Comprehensive Income

Statement of Financial Accounting Standards (SFAS) No. 130, Reporting Comprehensive Income, establishes requirements for disclosure of Comprehensive Income that includes certain items previously not included in the statement of income, including unrealized gains and losses on available-for-sales securities and foreign currency translation adjustment among others. During the year ended March 31, 2012, the Company did not have any components of Comprehensive Income to report.

NOTE B – NET CAPITAL REQUIREMENTS

Pursuant to the net capital provisions of Rule 15c3-3 of the Securities and Exchange Act of 1934, the Company is required to maintain a minimum net capital, as defined under such provisions. Net capital and the related net capital ratio may fluctuate on a daily basis.

The Company's ratio of aggregate indebtedness to net capital as defined in the Securities and Exchange Commission Uniform Net Capital Rule 15(c)3-1 was .50 to 1 at April 30, 2013. The company is required by regulatory authorities to maintain a ratio of less than 15 to 1. The Company had net capital, as defined, of \$36,500.59 at April 30, 2013, which exceeded the required net capital of \$5,000. There were no material inadequacies found to exist or found to have existed since the date of the previous audit.

PROFINANCIAL, INC.
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE C – NET CAPITAL REQUIREMENT

Statement of Exemption of Reserve Requirement

The Company is subject to the Uniform Net Capital Rule 15c3-1, which requires the maintenance of minimum Net Capital. The Company has elected to use the basic computation method, as is permitted by the rule, which requires that the Company maintains minimum Net Capital pursuant to a fixed dollar amount or 6-2/3% percent of total aggregate indebtedness, as defined, whichever is greater, and does not therefore calculate its net capital requirement under the alternative reserve requirement method.

NOTE D – SIPC RECONCILIATION

SEA Rule 17a-5(e)(4) requires a registered broker-dealer to file a supplemental report which includes procedures related to the broker-dealers SIPC annual general assessment reconciliation or exclusion-from-membership forms. In circumstances where the broker-dealer reports \$500,000 or less in gross revenues, they are not required to file the supplemental SIPC report. The Company is exempt from filing the supplemental report under SEA Rule 17a-5(e)(4) because it is reporting less than \$500,000 in gross revenue.

NOTE E – POSSESSION OR CONTROL REQUIREMENTS

The Company does not have any possession or control of customer's funds or securities. There were no material inadequacies in the procedures followed in adhering to the exemptive provisions of SEC Rule 15c-3-3(k)(2)(ii) by promptly transmitting all customer funds or securities to the clearing broker who carries the customer accounts.

NOTE F – OTHER COMMITMENTS AND CONTINGENCIES

Included in the Company's clearing agreement with its clearing broker-dealer is an indemnification clause. This clause relates to instances where the Company's customers fail to settle security transactions. In the event this occurs, the Company will indemnify the clearing broker-dealer to the extent of the net loss on the unsettled trade. At April 30, 2012, management of the Company had not been notified by the clearing broker-dealer, nor were they otherwise aware of any potential losses relating to this indemnification.

NOTE G – PROPERTY, EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Property, equipment and leasehold improvements are stated at cost less accumulated depreciation. Expenditures for maintenance and repairs are charged to expense as incurred. Depreciation is calculated on the double declining method. The following is a summary of property, equipment and leasehold improvements:

See accountant's audit report

PROFINANCIAL, INC.
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

	Estimated Useful Life		
Furniture and equipment	3 – 7 years	\$	3,585
Less – accumulated depreciation			<u>(2,446)</u>
Total		\$	1,139

Depreciation expense was \$477 for the year April 30, 2013 and is included in the operating expenses in the accompanying statement of income.

NOTE H - SUBSEQUENT EVENT

The Company has evaluated events subsequent to the balance sheet date for items requiring recording or disclosure in the financial statements. The evaluation was performed through June 26, 2013, which is the date the financial statement were available to be issued. Based upon this review, the Company has determined that there were no events which took place that would have a material impact on its financial statements.

NOTE I – LEASES

The Company had a lease agreement for its office space. The amount was \$11,800.00. The amount was expensed as incurred.

Supplementary
Pursuant to rule 17a-5 of the
Securities and Exchange Act of 1934
As of and for the twelve months ended April 30, 2013

Profinancial, Inc.
Supplemental Schedules Required by Rule 17a-5
As of and for the twelve months April 30, 2013

Computation of Net Capital

Total Stockholder's equity:		\$ 63,832.03
Nonallowable assets:		
Property and equipment	1,138.34	
Account Receivable	<u>26,193.10</u>	(27,331.44)
Other Charges:		
Haircuts	<u>0.00</u>	<u>(0.00)</u>
Net allowable capital		\$ 36,500.59

Computation of Basic Net Capital Requirement

Minimum net capital required as a percentage of aggregate indebtedness	\$ <u>12.21</u>
Minimum dollar net capital requirement of reporting broker or dealer	\$ <u>5,000.00</u>
Net capital requirement	\$ <u>5,000.00</u>
Excess net capital	\$ <u>31,500.59</u>

Computation of Aggregate Indebtedness

Total Aggregate Indebtedness	\$ <u>183.00</u>
Percentage of aggregate indebtedness to net capital	<u>0.50%</u>

Reconciliation of the Computation of Net Capital Under Rule 15c3-1

Computation of Net Capital reported on FOCUS IIA as of April 30, 2013	\$ 36,463.00
Adjustments:	
Change in Equity (Adjustments)	132.00
Change in Non-Allowable Assets	(94.41)
Change in Haircuts	(0.00)
Change in Undue Concentration	<u>(0.00)</u>
NCC per Audit	<u>36,500.59</u>
Reconciled Difference	\$ <u>(0.00)</u>

Profinancial, Inc.
Supplemental Schedules Required by Rule 17a-5
As of and for the twelve months ended April 30, 2013

Exemptive Provisions Rule 15c3-3

The Company is exempt from Rule 15c3-3 because all customer transactions are cleared through another broker-dealer on a fully disclosed basis. The name of the clearing firm is Southwest Securities.

Statement of Changes in Liabilities Subordinated to the Claims of General Creditors

Balance of such claims at May 1, 2012	\$ -
Additions	-
Reductions	-
Balance of such claims at April 30, 2013	<u>\$ -</u>

REPORT ON INTERNAL CONTROL
For the twelve months ended April 30, 2013

Edward Richardson, Jr., CPA
15565 Northland Suite 508 West
Southfield, MI. 48075

June 26, 2013

Board of Directors
Profinancial, Inc.
7902 Wrenwood Blvd..
Suite D
Baton Rouge, LA 70809

In planning and performing my audit of the financial statements and supplemental schedules of Profinancial, Inc. for the twelve months ended April 30, 2013, I considered its internal control, in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements, and not to provide assurance on 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 tests of such practices and procedures that I considered relevant to the objective stated in rule 17a-5(g) in making the periodic computations of aggregate indebtedness 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.
2. Recordation of differences required by rule 17a-13.
3. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

The management of the Company is responsible for establishing and maintaining internal control, and the practices and procedures referred to the preceding paragraphs. 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 paragraphs 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 of disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with accounting principles generally accepted in the United States. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraphs.

Because of inherent limitations in internal control or the practices and procedures referred to above, errors or fraud may occur and not be detected. Also, projection or any evaluation of them

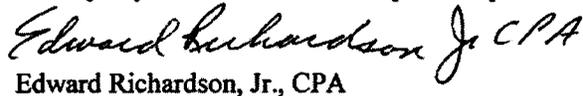
to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

My consideration of internal control would not necessarily disclose all matters in internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that errors or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, I noted the following condition that I consider to be a material weakness as defined above.

Only one person is responsible for all accounting and reporting functions. Accordingly, there is no segregation of duties. Due to the size of the Company, management does not feel it is cost-effective to change this condition.

I understand that practices and procedures that accomplish the objectives referred to in the preceding paragraphs of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities and 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 my study, I believe that the Company's practices and procedures were adequate at April 30, 2013, to meet the SEC's objectives.

This report is intended solely for the information and use of management, the SEC and the regulatory agencies that rely on rule 17a-5(g) under the Securities and 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.


Edward Richardson, Jr., CPA