

**GENERAL MEETING OF THE BOARD OF DIRECTORS
OF THE
CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY**

RESOLUTION NO. 08-22

WHEREAS, the Central Texas Regional Mobility Authority ("CTRMA") was created pursuant to the request of Travis and Williamson Counties and in accordance with provisions of the Transportation Code and the petition and approval process established in 43 Tex. Admin. Code § 26.01, *et. seq.* (the "RMA Rules"); and

WHEREAS, the Board of Directors of the CTRMA has been constituted in accordance with the Transportation Code and the RMA Rules; and

WHEREAS, the CTRMA is charged with funding and developing transportation improvements throughout the region to help solve the current mobility crisis and to improve the quality of life for residents of Central Texas; and

WHEREAS, the CTRMA, working in partnership with the Austin District of the Texas Department of Transportation ("TxDOT"), developed a proposed "CTRMA/TxDOT Regional Implementation Program" (the "Regional Program") which provides for the funding and development of various transportation system improvements through tolling of new roadway capacity, such Regional Program having been amended and revised from time to time by the actions of TxDOT, the Capital Area Metropolitan Planning Organization ("CAMPO") and/or the CTRMA; and

WHEREAS, various regional transportation projects included in the CAMPO 2030 Plan, the CAMPO Transportation Improvement Program ("TIP") and/or the Regional Program have been assigned or are anticipated to be assigned to the CTRMA for design, development, construction and/or operation (collectively or individually, such regional transportation projects being referred to as the "Transportation Projects"); and

WHEREAS, in August 2007 the CTRMA issued a Request for Statements of Interest ("RFI") seeking firms interested in entering into a strategic financial investment arrangement with the CTRMA to potentially address the financing challenges associated with completion of some or all of the Transportation Projects, and the CTRMA received responsive statements of interest from eleven firms pursuant to the RFI; and

WHEREAS, on November 27, 2007, the CTRMA issued a Request for Proposals ("RFP") to the eleven responsive firms under the RFI process and requested detailed proposals for providing cost-effective financing for the CTRMA to finance the design, development and operation of the various Transportation Projects, consistent with all applicable statutory and policy considerations; and

WHEREAS, the RFP was developed and implemented in accordance with state law and the CTMRA's Policies for Procurement of Goods and Services (the "Procurement Policies") and specific criteria were established to evaluate the detailed proposals received in response to the RFP; and

WHEREAS, an evaluation committee was established comprised of the CTRMA Chief Financial Officer, CTRMA bond counsel, CTRMA financial advisors, as well as the CTRMA Executive Director who served as an ex officio member (collectively, the "Evaluation Committee").

WHEREAS the Evaluation Committee scored each of the detailed proposals received in response to the RFP in accordance with the evaluation criteria; and

WHEREAS, during the period the RFI and RFP were each outstanding, the CTRMA undertook continuing efforts to ensure that the CAMPO Finance Subcommittee was kept informed of the process due to Subcommittee's ongoing oversight role in helping to address the financing of the region's Transportation Projects; and

WHEREAS, on March 7, 2008, the CTRMA received seven responsive detailed proposals, and the Evaluation Committee scored the proposals and identified a recommended shortlist of five proposers to the CTRMA Board of Directors; and

WHEREAS, the CTRMA Board, on March 26, 2008, in Resolution 08-18, included as short listed proposers to be included in interviews and further evaluation the following proposing entities: Balfour Beatty Capital, Inc., Citigroup Global Markets, Inc., Goldman Sachs, JP Morgan, and Morgan Stanley; and

WHEREAS, the Evaluation Committee has completed an extensive evaluation of the detailed proposals received from the short listed proposers and conducted follow-up interviews with each proposers, and

WHEREAS, the Evaluation Committee has prepared for consideration by the CTRMA Board of Directors a recommendation as to which of the short listed proposing entities should be designated as the CTRMA's strategic financial investor in relation to the financing of some or all of the Transportation Projects, with J.P. Morgan Securities Inc. being the recommended proposing entity.


NOW THEREFORE, BE IT RESOLVED, that the CTRMA Board of Directors, after due consideration of the Evaluation Committee's recommendation, designates J.P. Morgan Securities Inc. as the CTRMA's strategic financial investor pursuant to the RFP and the Procurement Policies and instructs the Executive Director and CTRMA staff to negotiate and finalize an agreement with J.P. Morgan Securities Inc. setting forth the terms and conditions related to engaging J.P. Morgan Securities Inc. as the CTRMA's strategic financial investor, consistent with the RFP, J.P. Morgan Securities Inc.'s detailed proposal, the Procurement Policies and this Resolution; and

BE IT FURTHER RESOLVED, upon finalization of the agreement described above, the Executive Director is hereby authorized to execute such agreement on behalf of the CTRMA.

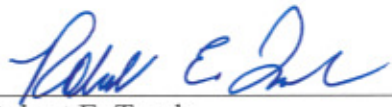
Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 30th day of April 2008.

Submitted and reviewed by:

Approved:



Tom Nielson
General Counsel for the Central
Texas Regional Mobility Authority



Robert E. Tesch
Chairman, Board of Directors
Resolution Number 08-22
Date Passed 4/30/08

**GENERAL MEETING OF THE BOARD OF DIRECTORS
OF THE
CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY**

RESOLUTION NO. 08-23

WHEREAS, the Central Texas Regional Mobility Authority ("CTRMA") was created pursuant to the request of Travis and Williamson Counties and in accordance with provisions of the Transportation Code and the petition and approval process established in 43 Tex. Admin. Code § 26.01, *et. seq.* (the "RMA Rules"); and

WHEREAS, Chapter 370 of the Texas Transportation Code authorizes regional mobility authorities to develop projects through the use of comprehensive development agreements ("CDAs"); and

WHEREAS, the CTRMA undertook the development of the 183-A Turnpike Project (the "Project") pursuant to a CDA effective November 29, 2004 for the design and construction of the Project; and

WHEREAS, the construction of the Project has been completed and it is being fully operated and maintained by the CTRMA; and

WHEREAS, the CTRMA has adopted and amended from time to time toll policies applicable to the Project that currently include and provide for the collection of tolls in the form of cash payments at designated payment booths, as well as collection through the use of other methods such as electronic toll collection; and

WHEREAS, on March 26, 2008, in Resolution No. 14B, the CTRMA Board of Directors authorized CTRMA staff and the CTRMA's General Engineering Consultant to undertake certain planning and design efforts to address the implementation of a cashless toll system for the Project in the future; and

WHEREAS, it will be necessary for certain construction efforts to be undertaken on and along the Project to provide for the actual implementation of a cashless toll system, including the erection of necessary and appropriate signage for the safe and efficient use of the Project by the traveling public (the "Construction Services"); and

WHEREAS, the Board of Directors has determined that Construction Services should be procured for the Project and desires that staff initiate the process for procuring such services by drafting and issuing a solicitation of bids to solicit bids from entities qualified and interested in providing such Construction Services to the CTRMA in a manner consistent with the CTRMA's adopted Procurement Policies.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors of the CTRMA hereby authorizes the Executive Director and staff to develop and issue a solicitation of bids to solicit bids from entities qualified and interested in providing the Construction Services; and

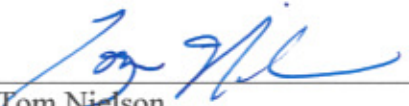
BE IT FURTHER RESOLVED, that the Executive Director shall implement a process to review the responses to the solicitation of bids and develop recommendations for the Board of Directors as to the best qualified entity to provide the Construction Services in accordance with the Procurement Policies; and

BE IT FURTHER RESOLVED, the authorization granted herein by the Board of Directors shall only extend to the solicitation of such bids, and recommendations based on the review of the responses to the solicitation of bids shall be presented by staff to the Board of Directors for final approval.


Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 30th day of April 2008.

Submitted and reviewed by:

Approved:



Tom Nielson
General Counsel for the Central
Texas Regional Mobility Authority



Robert E. Tesch
Chairman, Board of Directors
Resolution Number 08-23
Date Passed 4-30-08



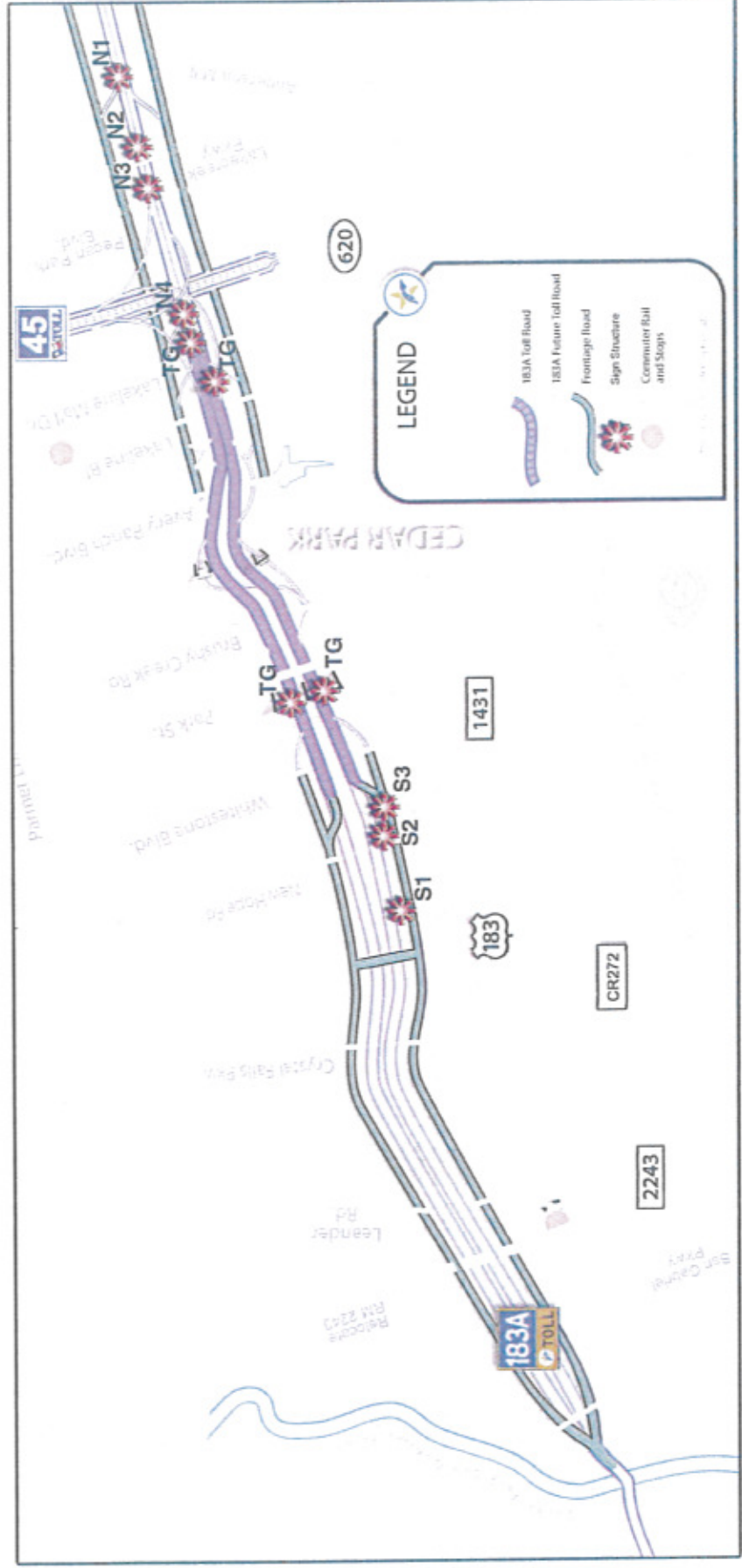
CENTRAL TEXAS
Regional Mobility Authority

Proposed 183A Signing Modifications

April 30, 2008
Wes Burford, Director of Engineering



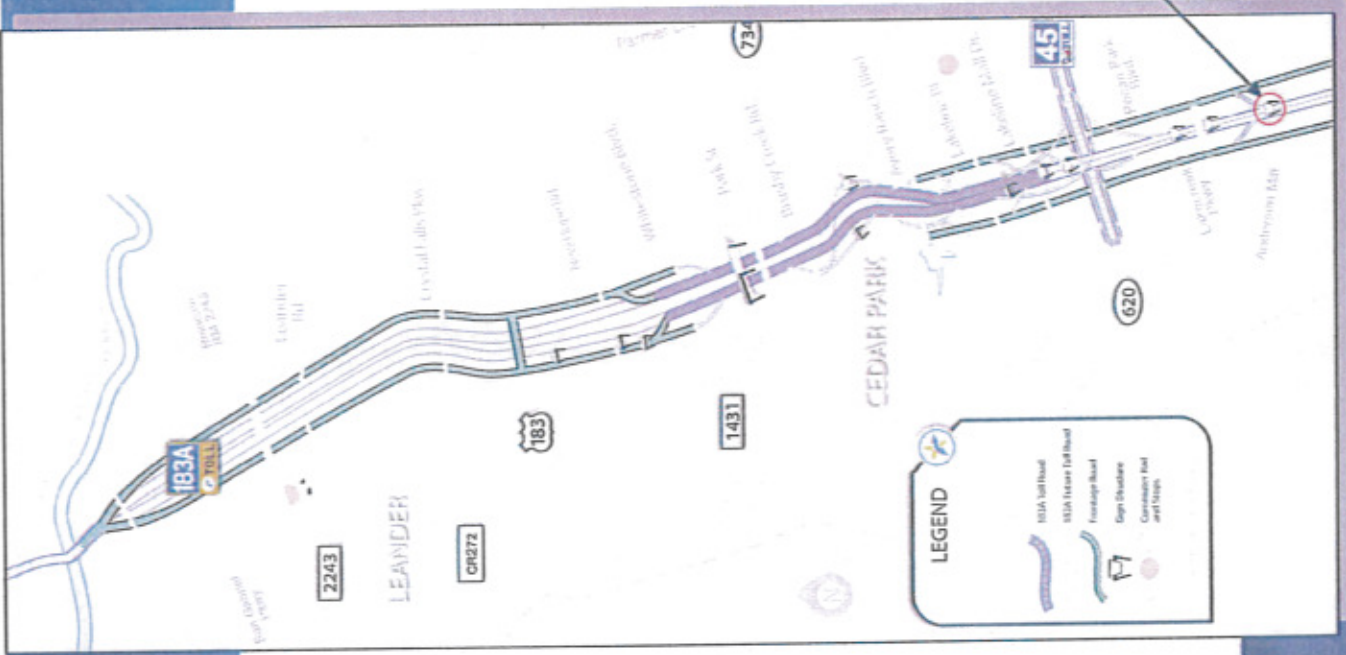
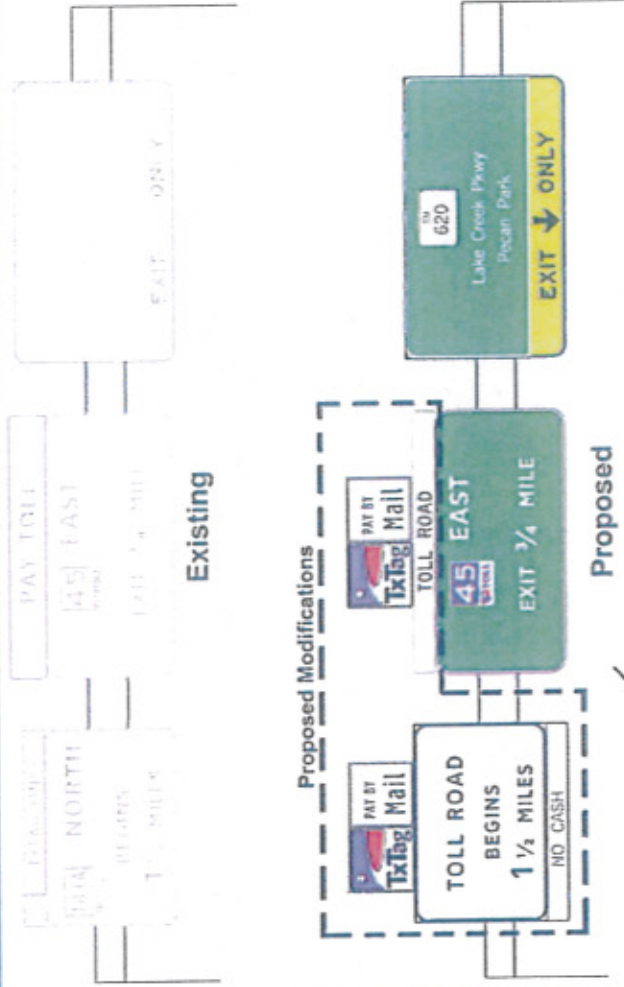
Proposed Sign Modification Layout



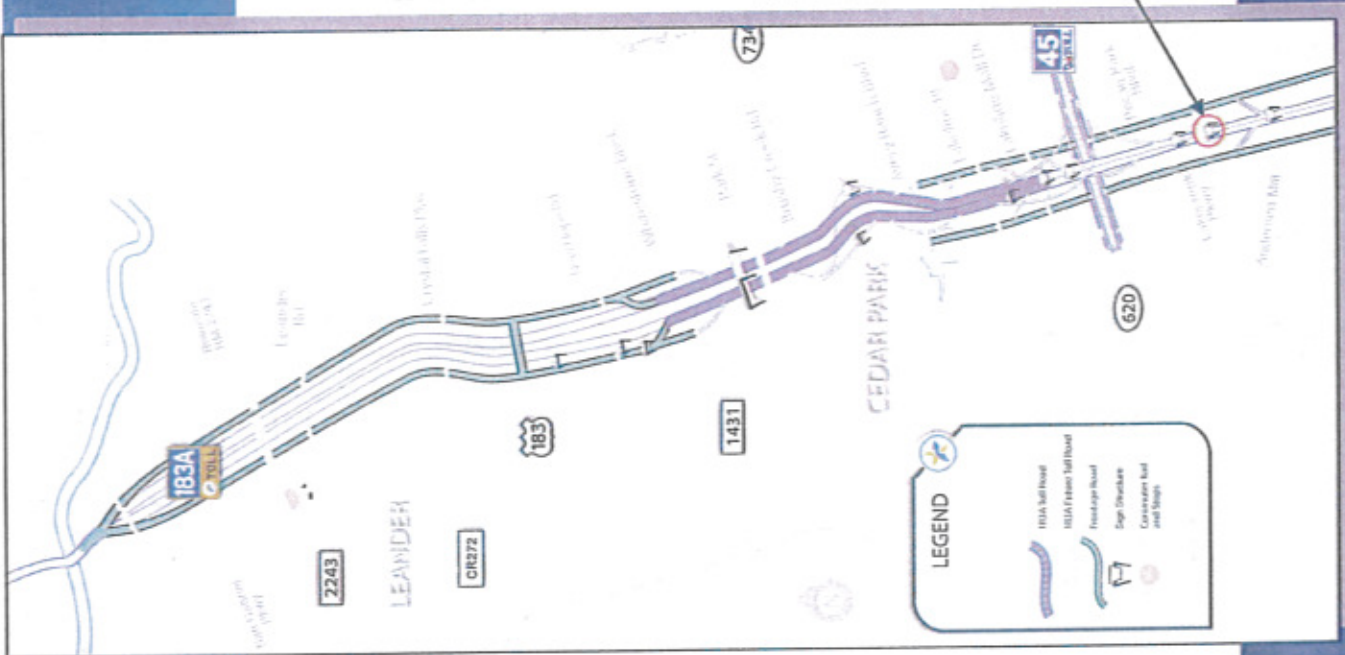
Northbound Approach to 183A Turnpike Signing



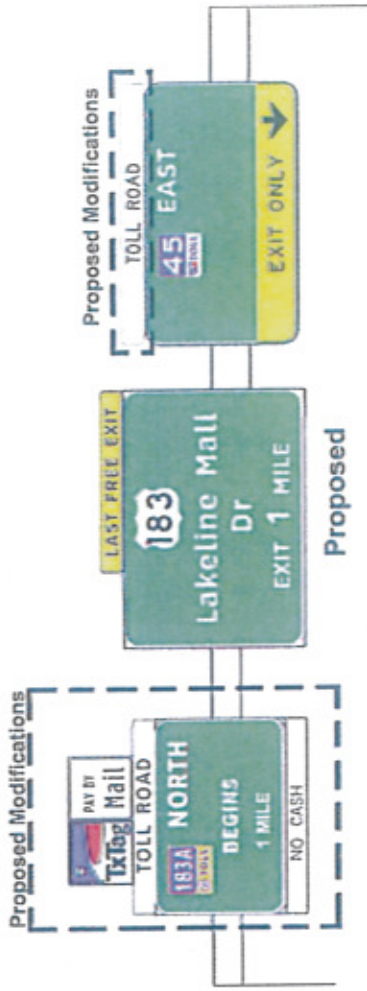
Northbound Approach to 183A Turnpike Approach Sign Location 1



Northbound Approach to 183A Turnpike Approach Sign Location 2



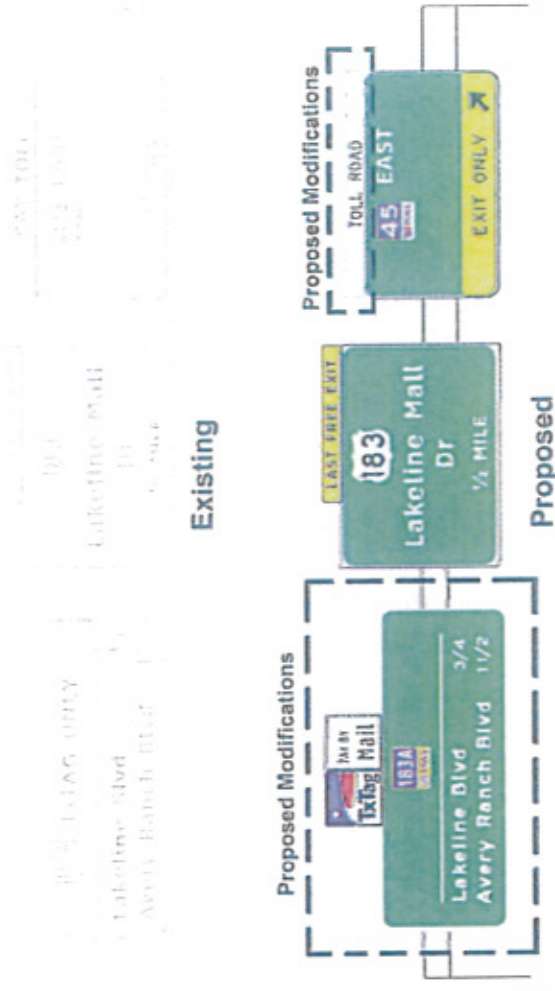
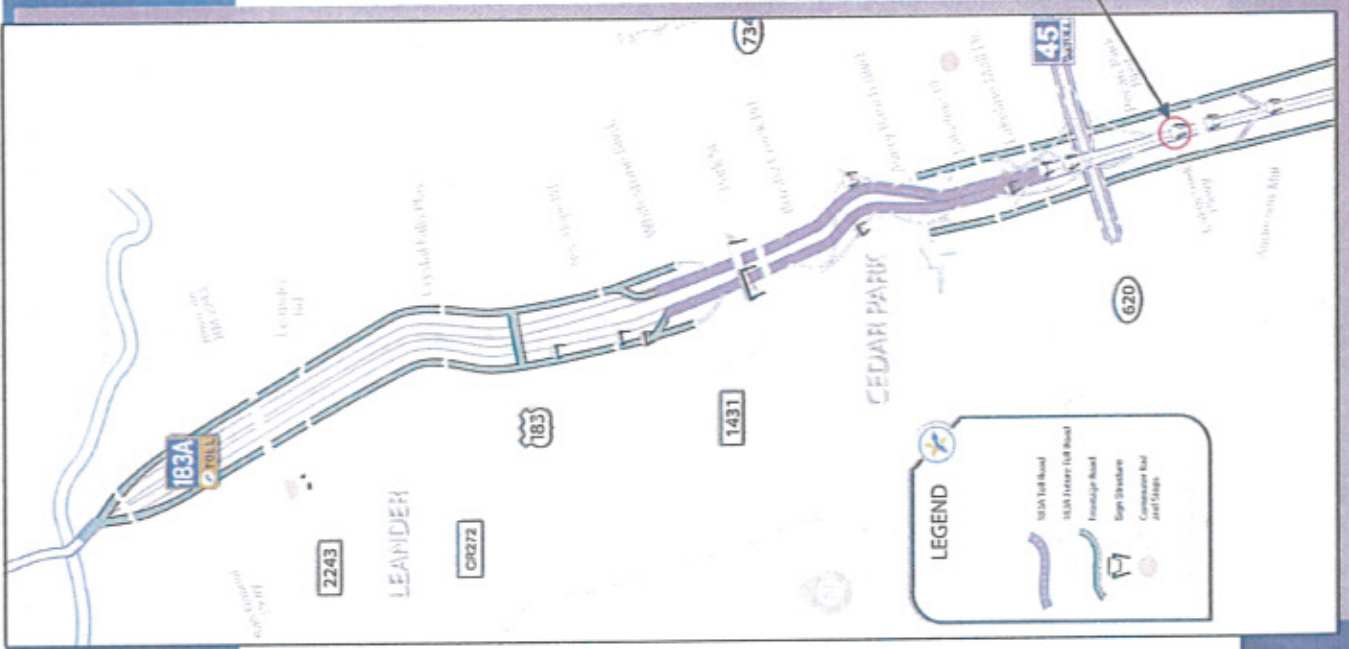
Existing



Proposed

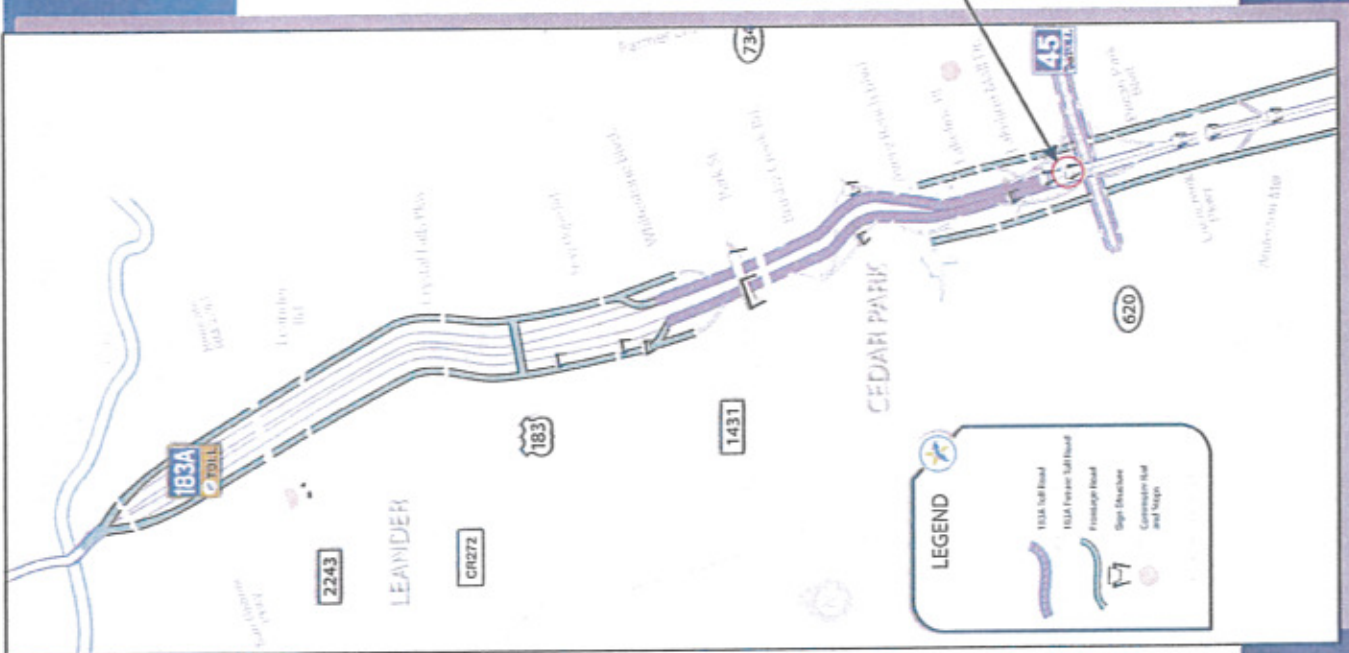


Northbound Approach to 183A Turnpike Approach Sign Location 3



Northbound Approach to 183A Turnpike Approach Sign Location 4

(New Sign Location)



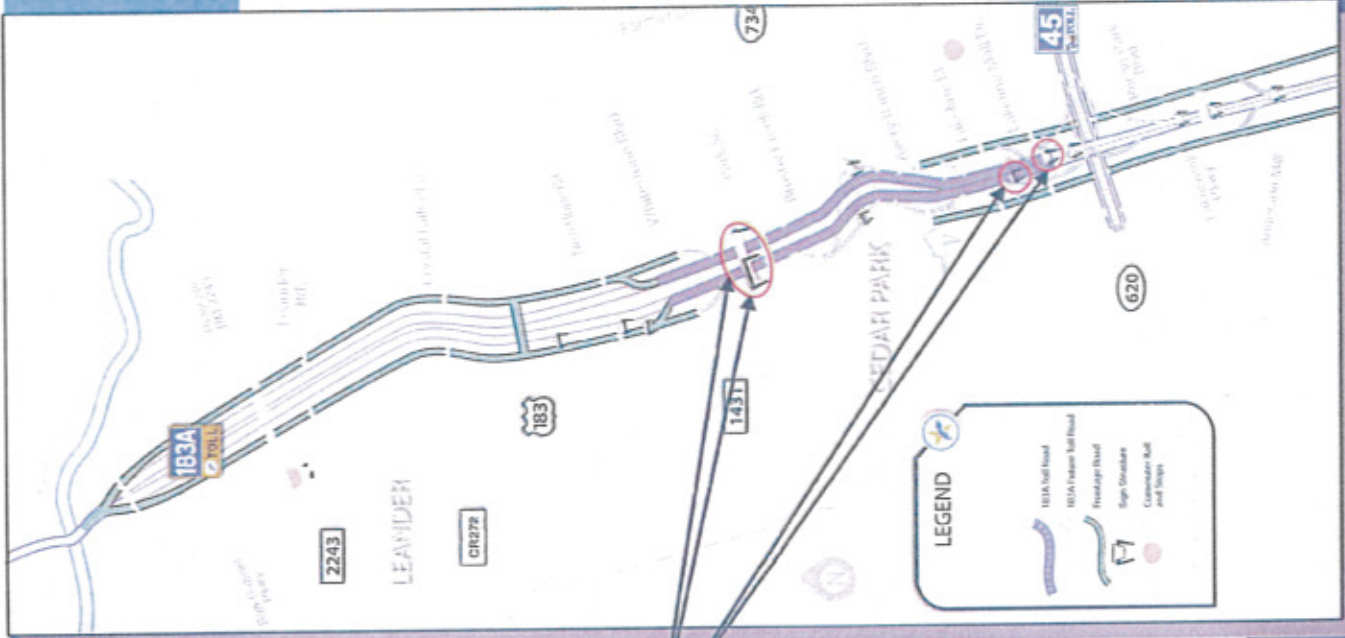
Toll Pricing Sign Located at Toll Gantries



Existing



Proposed



Southbound Approach to 183A Turnpike Signing



Southbound Approach to 183A Turnpike Approach Sign Location 1

(New Sign Location)

TxTag PAY BY Mail

TOLL ROAD BEGINS
1/2 MILE

NO CASH

Proposed



Southbound Approach to 183A Turnpike Approach Sign Location 2

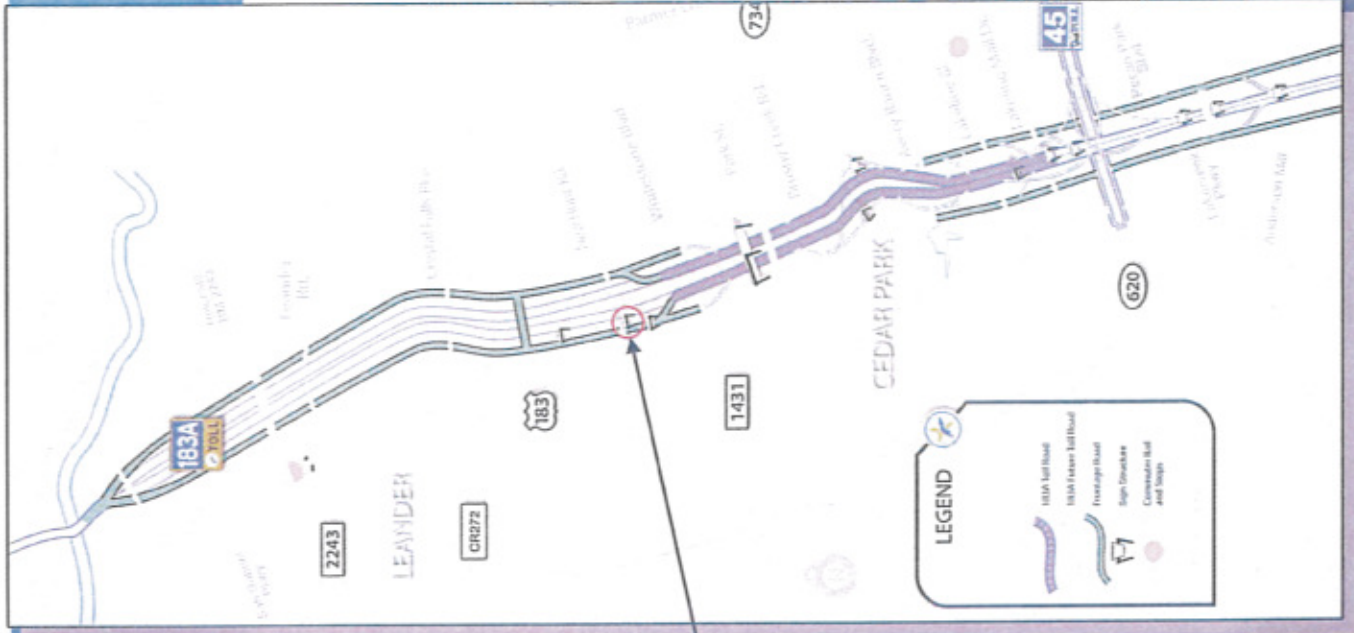
TXTAG OF CASH

EXPRESS
LANES BEGIN

KEEP LEFT

Existing

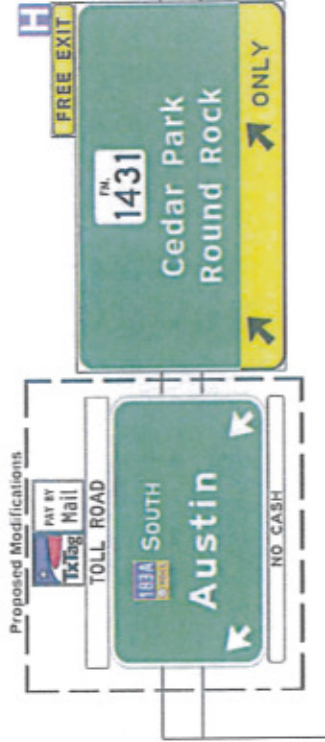
	PAY BY Mail
	TOLL ROAD BEGINS 1/4 MILE KEEP LEFT
NO CASH	
Proposed	



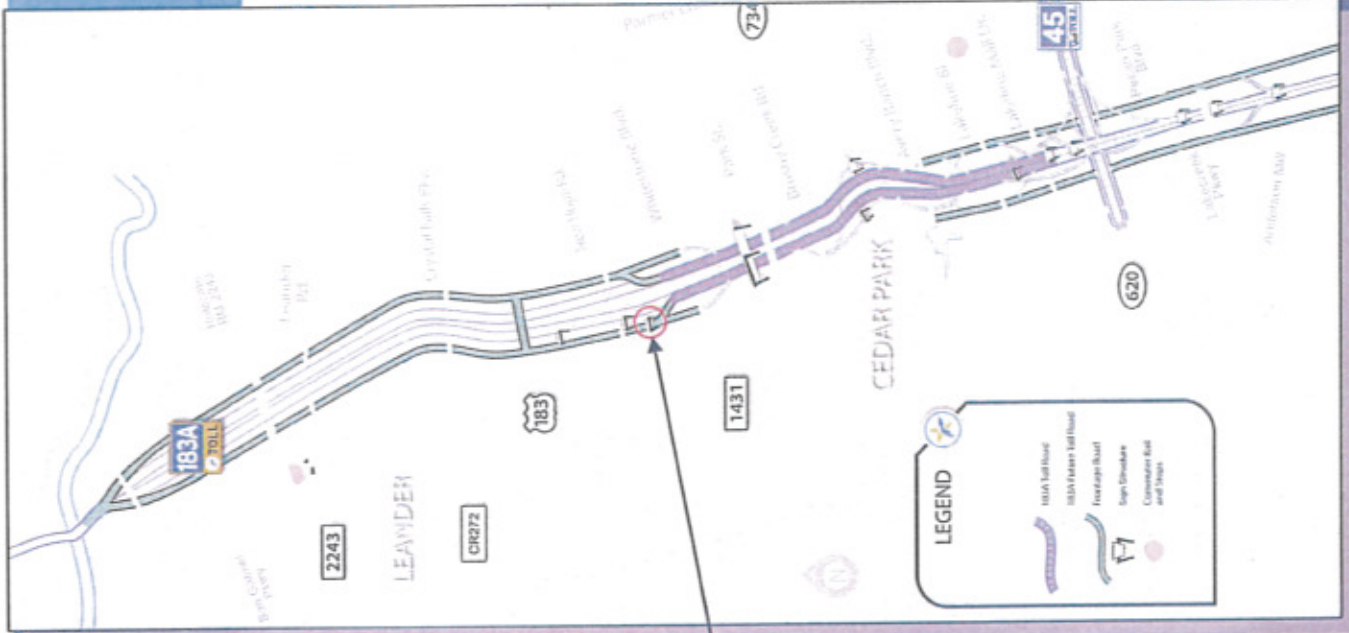
Southbound Approach to 183A Turnpike Approach Sign Location 3



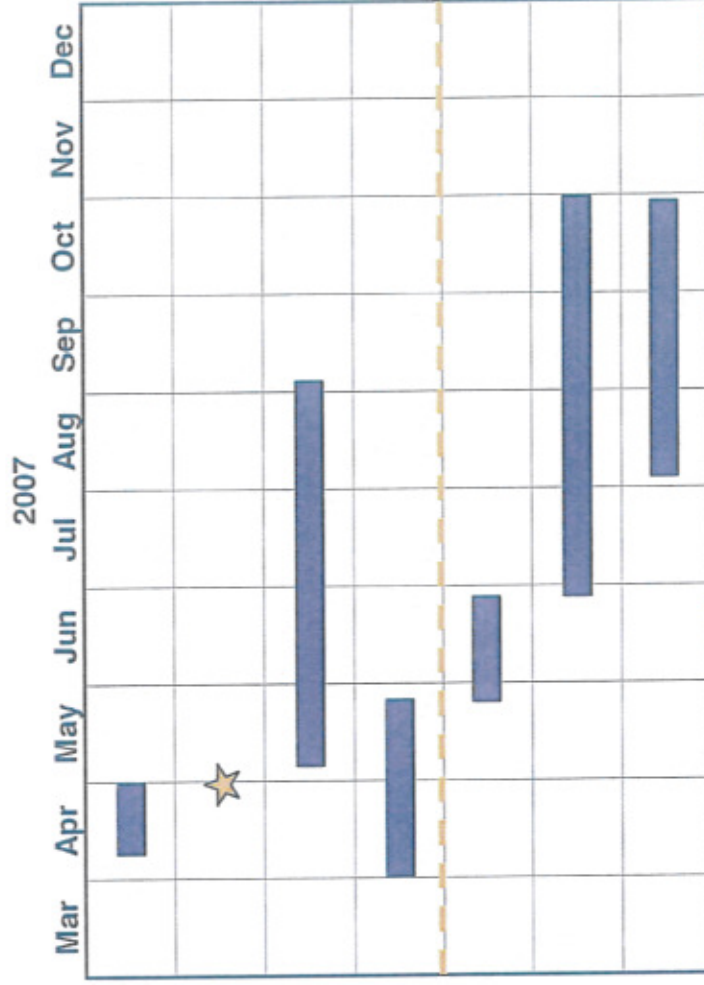
Existing



Proposed



Proposed Implementation Schedule



Development of an Operations Transition Plan

Board Presentation & Approval

Marketing/Communication Plan

Contract Documents for Sign Changes
(previously authorized)

Advertising & Bid Opening

Construction

Toll System Development & Testing



**GENERAL MEETING OF THE BOARD OF DIRECTORS
OF THE
CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY**

RESOLUTION NO. 08-24

WHEREAS, the Central Texas Regional Mobility Authority ("CTRMA") was created pursuant to the request of Travis and Williamson Counties and in accordance with provisions of the Transportation Code and the petition and approval process established in 43 Tex. Admin. Code § 26.01, *et seq.* (the "RMA Rules"); and

WHEREAS, the Board of Directors of the CTRMA has been constituted in accordance with the Transportation Code and the RMA Rules; and

WHEREAS, in Resolution No. 05-04, dated January 5, 2005, the Board of Directors approved an Investment Policy to ensure that CTRMA funds are invested effectively and wisely; and

WHEREAS, the Investment Policy specifies that the Chief Financial Officer of the CTRMA shall maintain a list of approved brokers/dealers authorized to provide investment services to the CTRMA; and

WHEREAS, in Resolution No. 05-16, dated January 26, 2005, the Board of Directors approved a list of authorized brokers/dealers and provided that such list may be amended from time to time in accordance with the CTRMA Investment Policy; and

WHEREAS, the CTRMA Chief Financial Officer has recommended that the CTRMA list of approved brokers/dealers be amended to include First Allied Securities, Inc. and the Board of Directors desires to approve such recommendation.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors of the CTRMA hereby amends the CTRMA brokers/dealers list to include First Allied Securities, Inc. in accordance with the Investment Policy.


Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 30th day of April, 2008.

Submitted and reviewed by:



Tom Nielson
General Counsel for the Central
Texas Regional Mobility Authority

Approved:



Robert E. Tesch
Chairman, Board of Directors
Resolution Number 08-24
Date Passed 04/30/08

**CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY SECURITY
BROKER/DEALER QUESTIONNAIRE**

1. Name of Firm: First Allied Securities, Inc.
2. Primary Representative: Keith Miller
Acct Executive: Keith Miller Title: Financial Consultant
Phone Number: 704-470-4167 _____
3. Is your firm registered with the Texas Securities Commission?
() No (✓) Yes [Include copy of registration] Copy of FINRA Texas Registration enclosed.

Is your firm NASD/FINRA certified/registered? () No (✓) Yes [Include copy of certificates.] Enclosed.
4. Does your firm come under SEC regulation and their Uniform Net Capital Rule (Rule 152c3-1)? () No (✓) Yes
5. What was your firm's total volume in US Treasuries/Agencies during your last fiscal year?
Firmwide * \$ 3 Billion # of Transactions 3000
Local Office \$ 21.7 MM # of Transactions: 111
* We believe this to be a conservative good faith estimate.
6. Which instruments are traded regularly by the local desk?
(✓) Treasuries (✓) Agencies (✓) Other
7. Please provide comparable public sector references.

Name of Entity	Contact Name	Phone Number
City of Dinuba, CA	Elizabeth Nunes	559-591-5900
Semitropic Water Storage District	John Wooner	661-758-5113
Kaukauna WI Electric Utility	Mike Kawula	920-462-0239
8. Please submit a copy of your annual financial report. Enclosed.
9. Please submit your trading authorization form. Enclosed
10. Please submit a copy of all necessary paperwork to establish an account with your firm. Enclosed
11. Please describe a typical transaction between the Authority and your firm. Note deadlines or cut off times involved. CTRMA CFO will discuss possible investment purchases for various funds and verbally authorize purchase. We will purchase investment from market securing at least 3 bids and deliver to CTRMA's bank at agreed upon mark-up, typically 10 basis points. We will send written instructions of trade information to CTRMA by email or facsimile. CTRMA will sign and send to bank to authorize settlement. We will make recommendations based upon the arbitrage rules and position for bond proceeds, anticipated cash flow needs, market conditions and the investment policy.
12. Do you clear through another firm? If so, what firm? Yes, Pershing, Wells Fargo and Bear Stearns.
13. Has your firm ever been subject to a regulatory or state or federal agency investigation for alleged improper, fraudulent, disreputable or unfair activities related to the sale of government securities or money market instruments? Have any of your employees ever been so investigated? Explain. No.

First Allied Securities, Inc.

Consolidated Statement of Financial Condition
December 31, 2007

First Allied Securities, Inc.

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BDO Seidman, LLP
Accountants and Consultants

300 Arboretum Place
Suite 520
Richmond, VA 23236
Telephone (804) 330-3092
Fax (804) 330-7753

Independent Auditors' Report

The Board of Directors
First Allied Securities, Inc.

We have audited the accompanying consolidated statement of financial condition of First Allied Securities, Inc. as of December 31, 2007, that you are filing pursuant to rule 17a-5 of the Securities Exchange Act of 1934. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated statement of financial condition is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement of condition, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement of financial condition presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated statement of financial condition referred to above presents fairly, in all material respects, the consolidated financial position of First Allied Securities, Inc. as of December 31, 2007, in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the consolidated statement of financial condition. The information contained in Schedule I is presented for purposes of additional analysis and is not a required part of the consolidated statement of financial condition, but is supplementary information required by rule 17a-5 under the Securities Exchange Commission Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the consolidated statement of financial condition and, in our opinion, is fairly stated in all material respects in relation to the consolidated statement of financial condition.

BDO Seidman, LLP

February 27, 2008

First Allied Securities, Inc.

Consolidated Statement of Financial Condition Year Ended December 31, 2007

Assets	
Cash and cash equivalents	\$ 8,656,558
Receivable from clearing brokers	11,114,691
Due from affiliate	742,555
Securities owned, at market value	364,259
Notes receivable, net	6,943,509
Goodwill	34,979,064
Contracts acquired, net of accumulated amortization of \$1,047,180	1,466,053
Furniture, equipment, and leasehold improvements, at cost, less accumulated depreciation and amortization of \$357,095	939,475
Prepays and other assets	2,429,584
Total assets	\$67,665,748

Liabilities and Stockholder's Equity	
Liabilities	
Commissions payable	\$ 5,322,963
Accounts payable and other liabilities	4,581,234
Securities sold, not yet purchased, at market value	463,319
Income taxes payable	2,944,948
Deferred income tax liabilities, net	498,380
Total liabilities	13,810,844
Commitments and contingencies	
Stockholder's equity	53,854,904
Total liabilities and stockholder's equity	\$67,665,748

See accompanying summary of accounting policies and notes to financial statements.

First Allied Securities, Inc.

Summary of Significant Accounting Policies

Organization	<p>First Allied Securities, Inc. (FAS or the Company) is a wholly owned subsidiary of FAS Holdings, Inc. (the Parent) whose ultimate parent is Advanced Equities Financial Corp (AEFC). FAS' primary activities include the brokerage of equity and fixed-income securities as well as the sale of investment company shares, asset management services, and insurance products. FAS is a registered broker/dealer and member of the Financial Industry Regulatory Authority (FINRA), and is also a registered investment advisor pursuant to the Investment Advisors Act of 1940.</p> <p>FAS has agreements with non-affiliated clearing brokers to clear securities transactions, carry customers' accounts on a fully disclosed basis, and perform certain recordkeeping functions. Accordingly, FAS operates under the exemptive provisions of the Securities and Exchange Commission (SEC) Rules 15c3-3(k)(2)(ii).</p>
Consolidation	<p>The consolidated financial statements include the accounts of First Allied Securities, Inc. and its wholly owned subsidiaries, First Allied Insurance Agency, Inc. and First Allied Insurance Agency Inc. of Hawaii. All intercompany transactions were eliminated upon consolidation.</p>
Securities Transactions	<p>Principal transactions and commission revenue and expense are recorded on a trade-date basis. Interest is recorded on an accrual basis.</p>
Fair Value of Financial Instruments	<p>Substantially all of FAS' financial assets and liabilities are carried at market value or at amounts, which, because of their short-term nature, approximate current fair value.</p>
Cash and Cash Equivalents	<p>Cash and cash equivalents include cash in banks and highly liquid investments with an original maturity of three months or less and money market funds.</p>
Goodwill and Intangible Assets	<p>Goodwill represents the excess of the purchase price over the fair value of net assets acquired in business combinations under the purchase method of accounting. Pursuant to Statement of Financial Accounting Standards (SFAS) No. 142, <i>Goodwill and Other Intangible Assets</i>, effective January 1, 2002, all goodwill amortization was discontinued and goodwill is evaluated at least annually by management for impairment, and more frequently in certain circumstances. The evaluation includes assessing the estimated fair value of the goodwill based on market prices for similar assets. Impairment exists when the carrying amount of the goodwill exceeds its implied fair value. Because goodwill is treated as a non-allowable asset for regulatory purposes, the impact of any impairment on goodwill would not affect FAS' regulatory net capital.</p>

First Allied Securities, Inc.

Summary of Significant Accounting Policies (continued)

Goodwill and Intangible Assets (continued)

The costs assigned to contracts acquired, is an identified intangible asset that is amortized using the straight-line method over a period of seven years, the estimated life of the contracts. Contracts acquired consist primarily of accounting advisory managed contracts with customers. On an ongoing basis, FAS reviews the valuation and amortization of the intangible asset, taking into consideration any events or circumstances that might have diminished its value. In management's opinion, no impairment exists as of December 31, 2007.

Furniture, Equipment, and Leasehold Improvements

Furniture, equipment, and leasehold improvements are stated at cost less accumulated depreciation. Furniture and equipment are depreciated using the straight-line method over the estimated useful life of the asset, generally three to five years. Leasehold improvements are amortized over the shorter of the estimated useful life or the term of the lease.

Notes Receivable

Included in other assets are forgivable loans made to investment executives, typically in connection with their recruitment. These loans are forgivable based on continued affiliation and are amortized over the life of the loan, which is generally three to eight years, using the straight-line method.

Receivable from Clearing Brokers

The receivable from clearing brokers represents cash on deposit and amounts due for commissions earned. Cash deposits held at the clearing brokers and commissions earned collateralize amounts due to the clearing brokers, if any.

Investment Advisory Income

Investment advisory fees are received quarterly but are recognized as earned on a pro rata basis over the term of the contract.

Income Taxes

FAS is included in the consolidated federal income tax return of AEFC. Federal income taxes are generally allocated to FAS as if it had filed a separate return. AEFC also files combined state tax returns in certain states. State taxes are also allocated to FAS. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in rates is recognized in income in the period that includes the enactment date.

First Allied Securities, Inc.

Summary of Significant Accounting Policies (continued)

Use of 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 year. Actual results could differ from those estimates.

First Allied Securities, Inc.

Notes to Consolidated Statement of Financial Condition

- 1. Income Taxes** The significant components of the Company's deferred tax assets and liabilities at December 31, 2007 are as follows:
- | | |
|----------------------------------|-----------|
| Deferred tax assets | |
| Accrued liabilities and reserves | \$ 61,630 |
| Stock options | 70,000 |
| Depreciation | 12,118 |
| <hr/> | |
| Gross deferred tax assets | 143,748 |
| <hr/> | |
| Deferred tax liabilities | |
| Contracts acquired | (603,654) |
| Tax deductible intangibles | (38,569) |
| <hr/> | |
| Gross deferred tax liabilities | (642,128) |
| <hr/> | |
| Net deferred tax liability | \$498,380 |
- 2. Employee Benefits** FAS' employees are eligible for benefits under AEFC's 401(k) Plan. Under the 401(k) Plan, each eligible employee may contribute up to 80% of their pretax compensation, excluding commissions, subject to Internal Revenue Code limitations. Eligible employees are eligible for matching company contributions, which are generally a dollar for dollar match up to 6% of an employee's compensation. The matching contributions are generally subject to a five-year vesting schedule.
- 3. Related Party Transactions** The Company received commissions in connection with raising monies in securities offerings in which an affiliate acts as an underwriter.
- Pursuant to an expense sharing agreement with AEFC, certain compensation expenses of the Company are paid by AEFC and allocated to the Company
- Due from affiliate represents payments made by the Company to fund certain activities of the Parent. At December 31, 2007, this balance does not bear any interest.
- The Company leases space from AEFC on a month to month basis on the same terms as AEFC's underlying lease.
- AEFC issues nonqualified stock options to employees of the Company in connection with recruitment and future performance.

First Allied Securities, Inc.

Notes to Consolidated Statement of Financial Condition (continued)

4. Financial Instruments with Off-Balance-Sheet Risk

FAS clears all transactions on a fully disclosed basis with clearing firms that maintain all related records. In the normal course of business, FAS engages in activities involving the execution, settlement and financing of various securities transactions. These activities may expose FAS to off-balance-sheet risk in the event that the other party to the transaction is unable to fulfill its contractual obligations. FAS maintains all of its trading securities at the clearing firms, and these trading securities collateralize amounts due to the clearing firms.

Customers are required to complete their transactions on the settlement date, generally three business days after the trade date. FAS is, therefore, exposed to risk of loss on these transactions in the event of the customer's or broker's inability to meet the terms of their contracts, in which case FAS may have to purchase or sell financial instruments at prevailing market prices. The impact of unsettled transactions is not expected to have a material effect upon FAS' financial statements.

The Company has agreed to indemnify its clearing brokers for losses that it may sustain from the customer accounts introduced by the Company. As of December 31, 2007, there were no amounts to be indemnified to the clearing brokers for these accounts.

5. Net Capital Requirements

FAS is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c3-1), which requires FAS to maintain minimum net capital. FAS has elected to use the alternative method permitted by Rule 15c3-3, which requires that FAS maintain minimum net capital, as defined, of \$250,000. At December 31, 2007, FAS' net capital was \$6,602,639 which was \$6,352,639 in excess of its required net capital of \$250,000. The net capital rule may effectively restrict the payment of cash dividends.

First Allied Securities, Inc.

Notes to Consolidated Statement of Financial Condition (continued)

6. **Leases, Commitments and Contingent Liabilities** FAS leases certain office space under several noncancelable operating leases. Certain leases have renewal options and clauses for escalation and operating cost adjustments based upon increased costs incurred by the lessor. Future minimum rental commitments under the terms of the lease agreements as of December 31, 2007 are as follows:

2008	\$179,355
2009	184,700
2010	77,890
	<hr/>
	\$441,945

In the normal course of business, there are various lawsuits, claims, and contingencies pending against FAS. FAS is also involved in governmental and self-regulatory agency inquiries, investigations and proceedings. In accordance with SFAS No. 5, *Accounting for Contingencies*, we have established provisions for estimated losses from pending lawsuits, claims, investigations and proceedings. Although the ultimate outcome of the various matters cannot be ascertained at this point, it is the opinion of management, after consultation with counsel, that the resolution of the foregoing matters will not have a material adverse effect on the financial condition of FAS, taken as a whole, such resolution may, however, have a material effect on the results of operations or cash flows in any future period, depending on the level of income for such period.

7. **SEC Rule 15c3-3** **Determination of Reserve Requirements Under Rule 15c3-3 of the Securities and Exchange Commission**

The Company is exempt from the computation of the Reserve Requirement pursuant to the exemptive provision of Rule 15c3-3(k)(2)(ii).

Information Relating to Possession or Control Requirements Under Rule 15c3-3

The Company is exempt from the Information Relating to Possession or Control Requirements Under Rule 15c3-3 pursuant to the exemptive provision of Rule 15c3-3(k)(2)(ii).

First Allied Securities, Inc.

Schedule I – Computation of Net Capital for Brokers and Dealers Pursuant to Rule 15c3-1 Year Ended December 31, 2007

Net Capital	
Stockholder's equity	\$53,854,904
Nonallowable assets	
Goodwill	34,979,064
Notes receivable, net	6,943,509
Contracts acquired, net of deferred tax of \$498,380	967,673
Furniture, equipment and leasehold improvements, net	939,475
Due from affiliates	742,555
Receivables from clearing brokers, non-allowable	648,387
Prepays and other assets	1,972,433
Total nonallowable assets	47,193,096
Other deductions – unsecured debits/short positions	184,941
Net capital before haircuts on securities positions	6,476,867
Haircuts on cash equivalents and securities	54,556
Net capital	6,422,311
Computation of alternative net capital requirement	
Minimum net capital requirement	250,000
Excess net capital	\$ 6,172,311
Reconciliation with Company's computation (included in Part II of Form X-17A-5 as of December 31, 2007)	
Net capital, as reported in Company's Part II (unaudited)	
FOCUS Report	\$ 6,602,639
Unrecorded invoice	(25,410)
Accrual for compensated absences	(350,000)
Reduction in bonus accrual	75,082
Decrease in income tax payable	120,000
Net capital per above	\$ 6,422,311

See accompanying independent auditors' report.

Independent Auditors' Report on Internal Control Required by Securities and Exchange Commission Rule 17a-5

The Board of Directors
First Allied Securities, Inc.

In planning and performing our audit of the consolidated financial statements and supplemental schedule of First Allied Securities, Inc. (FAS) for the year ended December 31, 2007 in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting (internal control) as a basis for designing our audit procedures for the purpose of expressing our opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission ("SEC"), we have made a study of the practices and procedures followed by the Company, including consideration of control activities for safeguarding securities. This study included tests of such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g) in making the periodic computations of aggregate debits and net capital under rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons, and the recordation of differences required by rule 17a-13
2. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System

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

continued...

Because of inherent limitations in internal control or the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities for safeguarding securities that we consider to be material weaknesses, as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures, as described in the second paragraph of this report, were adequate at December 31, 2007, to meet the SEC's objectives.

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

BDO Seidman, LLP

Certified Public Accountants

February 27, 2008
Richmond, Virginia



STATEMENT OF FINANCIAL CONDITION

Pershing LLC

(An indirect wholly-owned subsidiary of The Bank of New York Mellon Corporation)

Year ended December 31, 2007

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

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

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

SEC FILE NUMBER
8-17574

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 01/01/07 AND ENDING 12/31/07
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION.

NAME OF BROKER-DEALER: PERSHING LLC

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

ONE PERSHING PLAZA

(No. and Street)

JERSEY CITY

(City)

NJ

(State)

07399

(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*

KPMG LLP

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

345 PARK AVE.

(Address)

NEW YORK

(City)

NY

(State)

10154

(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)


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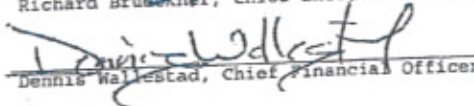
OATH OR AFFIRMATION

We, Richard Brueckner and Dennis Wallestad, swear (or affirm) that, to the best of our knowledge and belief the accompanying statement of financial condition pertaining to the firm of Pershing LLC, as of December 31, 2007, is true and correct. We 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 and that the financial statements and supplemental information of the Company are made available to all of the Company's members and allied members of the New York Stock Exchange, Inc.

SAL RAIMI
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Feb. 25, 2011


Notary Public


Richard Brueckner, Chief Executive Officer


Dennis Wallestad, Chief Financial Officer

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).

Pershing LLC

(An indirect wholly-owned subsidiary of The Bank of New York Mellon Corporation)

Statements of Financial Condition

Year ended December 31, 2007

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Facing Page and Oath or Affirmation

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Supplementary Report

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KPMG LLP
345 Park Avenue
New York, NY 10154

Independent Auditor's Report

To the Board of Managers and Member of Pershing LLC

We have audited the accompanying statement of financial condition of Pershing LLC (the "Company") as of December 31, 2007. This statement of financial condition is the responsibility of the Company's management. Our responsibility is to express an opinion on this statement of financial condition based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of financial condition is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial condition, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement of financial condition presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the statement of financial condition referred to above presents fairly, in all material respects, the financial position of Pershing LLC as of December 31, 2007, in conformity with U.S. generally accepted accounting principles.

KPMG LLP

February 28, 2008

Pershing LLC

(An indirect wholly owned subsidiary of The Bank of New York Mellon Corporation)

Statement of Financial Condition

December 31, 2007

(Dollars in millions)

Assets	
Cash and cash equivalents	\$ 505
Cash and securities segregated for regulatory purposes	2,229
Collateralized financing agreements:	
Securities purchased under agreements to resell	296
Securities borrowed	1,185
Receivables:	
Customers	5,681
Brokers, dealers and clearing organizations	1,348
Loans to affiliates	361
Intangible assets	34
Financial instruments owned, at fair value	114
Other assets	433
Total assets	<u>\$ 12,186</u>
Liabilities and member's equity	
Liabilities:	
Drafts payable	\$ 428
Collateralized financing agreements:	
Securities sold under agreements to repurchase	135
Securities loaned	731
Payables:	
Customers	6,296
Brokers, dealers and clearing organizations	1,634
Payables to affiliates	568
Financial instruments sold, but not yet purchased, at fair value	41
Accounts payable, accrued expenses and other	417
	<u>10,250</u>
Subordinated indebtedness	730
Total liabilities	<u>10,980</u>
Member's equity:	
Member's contributions	569
Accumulated earnings	637
Total member's equity	<u>1,206</u>
Total liabilities and member's equity	<u>\$ 12,186</u>

The accompanying notes are an integral part of this statement of financial condition

Pershing LLC

(An indirect wholly-owned subsidiary of The Bank of New York Mellon Corporation)

Notes to Statement of Financial Condition

1. Organization and Description of Business

Pershing LLC (the "Company") is a single member Delaware Limited Liability Company and a wholly-owned subsidiary of Pershing Group LLC (the "Parent") which is a wholly-owned subsidiary of The Bank of New York Mellon Corporation ("BNY Mellon").

The Company is registered as a securities broker-dealer with the Securities and Exchange Commission ("SEC") authorized to engage in fully-disclosed and omnibus clearing, sales and trading and brokerage services. The Company is a member of the New York Stock Exchange, Inc. ("NYSE"), American Stock Exchange, Inc., Financial Industry Regulatory Authority ("FINRA"), Chicago Board of Options Exchange, Inc. and other regional exchanges.

2. Summary of Significant Accounting Policies

The Company's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America which require the use of management's best judgment and estimates. Estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes may vary from actual results.

Certain prior year amounts have been reclassified to conform to current year presentation.

Cash and Cash Equivalents

The Company defines cash and cash equivalents as highly liquid investments with original maturities of three months or less at the time of purchase, other than those held for sale in the ordinary course of business.

Collateralized Financing Agreements

Securities sold under agreements to repurchase (repurchase agreements) and securities purchased under agreements to resell (resale agreements) are treated as financing arrangements and are carried at their contract amount, the amount at which they will subsequently be resold or repurchased, plus related accrued interest. Repurchase and resale agreements are typically collateralized by cash or government and government agency securities and generally have terms from overnight up to three months.

Securities borrowed and securities loaned are financing arrangements that are recorded at the amount of cash collateral advanced or received. For securities borrowed, the Company deposits cash, letters of credit or other collateral with the lender. For securities loaned, the Company receives cash collateral that typically exceeds the market value of securities loaned.

It is the Company's policy to take possession of the underlying collateral, monitor its market value relative to the amounts due under the agreements and, when necessary, require prompt transfer of additional collateral or reduction in the loan balance in order to maintain contractual margin protection. In the event of counterparty default, the financing agreement provides the Company with the right to liquidate the collateral held.

Pershing LLC

(An indirect wholly-owned subsidiary of The Bank of New York Mellon Corporation)

Notes to Statement of Financial Condition (continued)

Interest and rebate revenues and expense are earned from collateralized financing transactions and are accounted for on an accrual basis.

Receivables and Payables – Brokers, Dealers and Clearing Organizations

Receivables from brokers, dealers and clearing organizations include amounts receivable for securities not delivered by the Company to a purchaser by the settlement date (“fails to deliver”), net receivables arising from unsettled trades and the Company’s introducing brokers’ margin loans. Payables to brokers, dealers and clearing organizations include amounts payable for securities not received by the Company from a seller by the settlement date (“fails to receive”), clearing deposits from introducing brokers, commissions, net payables arising from unsettled trades and amounts payable to the Company’s introducing brokers.

Financial Instruments Owned

Financial instruments owned and related revenues and expenses are recorded in the financial statement of financial condition on a trade date basis and include related accrued interest or dividends. Fair value generally is based on published market prices or other relevant factors including dealer price quotations.

Fixed Assets and Intangibles

Fixed assets are recorded at cost, net of accumulated depreciation and amortization. Depreciation is recorded on a straight-line basis over the useful lives of the related assets, generally four to 15 years. Leasehold improvements are amortized on a straight-line basis over the lesser of the term of the lease or 10 years. For internal-use computer software, the Company capitalizes qualifying costs incurred during the application development stage. The resulting asset is amortized using the straight-line method over the expected life, which is generally five years. All other costs incurred in connection with an internal-use software project are expensed as incurred.

Identifiable intangible assets are amortized on a straight line basis over their estimated useful life, which is 15 years from the date of acquisition and are assessed annually for impairment pursuant to the provision of SFAS No. 142, “*Goodwill and other Intangible Assets*” and SFAS No. 144, “*Accounting for Long Lived Assets and for Long Lived Assets to be Disposed Of.*”

Exchange Memberships

The Company maintains memberships on various domestic exchanges. Exchange memberships owned by the Company are carried at cost and included in other assets. Assessments of the potential other than temporary impairment of carrying values are made periodically. There were no exchange membership impairments in 2007. The Company’s carrying value of exchange seats is \$1.3 million with a related market value of approximately \$9.6 million at December 31, 2007.

Pershing LLC

(An indirect wholly-owned subsidiary of The Bank of New York Mellon Corporation)

Notes to Statement of Financial Condition (continued)

Customer Transactions

Receivables from and payables to customers include amounts due on cash and margin transactions. Securities owned by customers are held as collateral for receivables. Customer securities transactions are recorded on a settlement date basis, which is generally three business days after trade date. Securities owned by customers, including those that collateralize margin or other similar transactions, are not reflected in the statement of financial condition.

Restricted Stock Units

During the year, BNY Mellon issued restricted stock to employees, including certain Company employees. BNY Mellon accounts for its plan in accordance with Statement of Financial Accounting Standards ("SFAS") No. 123(R) "Share Based Payment", compensation cost is measured at the grant date based on the value of the award and is recognized over the vesting period. The total liability associated with Restricted Stock Units is \$13.8 million at December 31, 2007 and is included in payables to affiliates on the statement of financial condition.

Income Taxes

For U.S. federal, state and local income tax purposes, the Company has elected to be treated as a separate taxable entity and as such will provide for income taxes in accordance with SFAS No. 109 "Accounting for Income Taxes". Deferred tax assets and liabilities are recognized for temporary differences between the financial reporting and tax bases of the Company's assets and liabilities using the tax rates expected to be enacted when the asset or liability is realized. Valuation allowances are established to reduce deferred tax assets to the amount that more likely than not will be realized. Deferred tax assets and liabilities are included on the statement of financial condition as a component of "other assets" and "payables to affiliates," respectively.

The Company reflects the pro-rata share of tax benefits of its ultimate Parent's tax goodwill amortization as member's contribution on the statement of financial condition.

Recent Accounting Pronouncements

Effective January 1, 2007, the Company adopted Financial Accounting Standards Board ("FASB") Interpretation No. 48, *Accounting for Uncertainty in Income Taxes—an interpretation of FASB Statement No. 109* ("FIN No. 48"). FIN No. 48 clarifies the accounting for uncertainty in income taxes recognized in a company's financial statements in accordance with Statement of Financial Accounting Standards ("SFAS") No. 109, *Accounting for Income Taxes*. FIN No. 48 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The adoption of FIN No. 48 did not have an impact on the Company's financial statements.

Pershing LLC

(An indirect wholly-owned subsidiary of The Bank of New York Mellon Corporation)

Notes to Statement of Financial Condition (continued)

3. Subordinated Indebtedness

At December 31, 2007, the Company had a subordinated debt agreement with the Parent and another with BNY Mellon which bear interest at a rate of LIBOR plus 120 basis points (6.45% at December 31, 2007) and which qualify as regulatory net capital in accordance with SEC Rule 15c3-1. Indebtedness of \$480 million with the Parent qualifies as equity in the debt to debt plus equity ratio and matures on March 31, 2013. Indebtedness of \$250 million with BNY Mellon matures on December 22, 2008. In accordance with SEC regulations, subordinated indebtedness may not be repaid if net capital is less than 5% of aggregate debit items, as defined, or if other net capital rule requirements are not met.

4. Receivables from and Payables to Brokers, Dealers and Clearing Organizations

At December 31, 2007, amounts receivable from and payable to brokers, dealers and clearing organizations include (\$ in millions):

Receivables:	
Securities failed to deliver	\$ 335
Clearing organizations	91
Broker and dealers	922
Total receivables	<u>\$ 1,348</u>
Payables:	
Securities failed to receive	\$ 532
Broker and dealers	1,102
Total payables	<u>\$ 1,634</u>

5. Related Party Transactions

Included in loans to affiliates on the statement of financial condition at December 31, 2007, is approximately \$8.1 million of receivables from affiliates related to operating expenses. Included in payables to affiliates on the statement of financial condition at December 31, 2007, is approximately \$140.3 million of payables to affiliates related primarily to the payable to BNY Mellon for taxes, technology charges allocated by an affiliate and lease payments due to an affiliate for fixed assets.

On June 9, 2006, the Company entered into a lending agreement with an affiliate of the Bank. The Company agreed to lend the affiliate \$50 million which is included in loans to affiliates on the statement of financial condition and bears an interest rate of 6.43% at December 31, 2007 and matures on June 9, 2011.

On December 28, 2007, the Company entered into a lending agreement with the Parent. The Company agreed to lend the Parent \$300 million which is included in loans to affiliates on

Pershing LLC

(An indirect wholly-owned subsidiary of The Bank of New York Mellon Corporation)

Notes to Statement of Financial Condition (continued)

the statement of financial condition and bears an interest rate of 5.00% at December 31, 2007 and matured on January 3, 2008.

The Company has a \$1 billion unsecured line of credit agreement with the Parent, principally to finance purchases of securities by customers on margin. At December 31, 2007, there were borrowings of \$25.6 million against the line of credit included in payables to affiliates on the statement of financial condition and interest on such borrowings is at a rate of 3.31%.

The Company provides clearing services to various wholly-owned broker-dealers of the Parent and indirect wholly-owned subsidiaries of BNY Mellon. Cash balances due to these affiliates were approximately \$117.3 million at December 31, 2007, which are included in payables to affiliates on the statement of financial condition.

6. Fixed Assets

Fixed assets are included in other assets on the statement of financial condition and consisted of the following:

	December 31, 2007
Capitalized software	\$ 61
Leasehold improvements	10
Computer equipment	8
Computer software	7
Other	7
Total	\$ 93
Less accumulated depreciation and amortization	(50)
Total	\$ 43

7. Intangibles

Intangibles amounted to approximately \$34 million, net of accumulated amortization of \$2.1 million, at December 31, 2007. The original purchase agreement to acquire the assets of certain introducing broker dealer contractual arrangements from Neuberger Berman, LLC was dated September 7, 2006.

8. Regulatory Requirements

As a registered broker-dealer the Company is subject to the Uniform Net Capital Rule under Rule 15c3-1 of the Securities Exchange Act of 1934. The Company has elected to use the alternative method of computing regulatory net capital requirements provided for in Rule

Pershing LLC

(An indirect wholly-owned subsidiary of The Bank of New York Mellon Corporation)

Notes to Statement of Financial Condition (continued)

15c3-1. Under the alternative method permitted by this Rule, the required net capital may not be less than two percent of aggregate debit items arising from customer transactions or \$1.5 million, whichever is greater. At December 31, 2007, the Company's regulatory net capital of \$1.2 billion was 17.97% of aggregate debit items and in excess of the minimum requirement by \$1.1 billion. The Company's debt to debt plus equity ratio was 12.90%.

Advances to affiliates, repayment of borrowings, dividend payments and other equity withdrawals are subject to certain notification and other provisions of the Rule 15c3-1 and other regulatory bodies.

Pursuant to Rule 15c3-3 of the SEC, the Company may be required to deposit in a Special Reserve Bank Account, cash or acceptable equivalents for the exclusive benefit of customers. At December 31, 2007, the Company had \$1.93 billion of cash and securities on deposit in such accounts.

As a clearing broker, the Company has agreed to compute a reserve requirement for the proprietary accounts of introducing broker dealers (the "PAIB Reserve Formula"). The PAIB calculation is completed in order for each correspondent firm that uses the Company as its clearing broker-dealer to classify its assets on deposit at the Company as allowable assets in the correspondents' net capital calculation. The Company had \$299 million of cash and securities on deposit in such accounts.

9. Lease Commitments

The Company has non-cancelable leases for office space and equipment that expire on various dates through 2021. At December 31, 2007, minimum future rentals on non-cancelable operating leases are as follows (\$ in millions): 2008, \$18; 2009, \$18; 2010, \$19; 2011, \$17; 2012 \$18 and \$145 for the years thereafter. At December 31, 2007, aggregate sublease income for future periods ending in 2009 totaled \$354 thousand.

10. Income Taxes

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. For financial reporting purposes, net deferred tax assets at December 31, 2007, of approximately \$3.9 million are included in other assets on the statement of financial condition. Deferred tax assets relate principally to depreciation, amortization, state taxes, and reserves.

11. Pledged Assets and Guarantees

At December 31, 2007, the market value of securities that the Company has pledged to counterparties and clearing organizations was \$1.7 billion, which is related to collateralized financing and custody agreements. At December 31, 2007, the market value of securities received as collateral from counterparties was \$1.5 billion. The Company routinely re-pledges, lends or resells these securities to third parties. At December 31, 2007, the market value of collateral re-pledged or lent was \$311 million.

Pershing LLC

(An indirect wholly-owned subsidiary of The Bank of New York Mellon Corporation)

Notes to Statement of Financial Condition (continued)

Obligations Under Guarantees

The Company has adopted the disclosure and recognition requirements for guarantees in accordance with FASB Interpretation Number 45, *Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others*, whereby the Company will recognize a liability at the inception of a guarantee for obligations it has undertaken in issuing the guarantee, including its ongoing obligation to stand ready to perform over the term of the guarantee in the event that certain events or conditions occur. These recognition requirements pertain to any new guarantees issued subsequent to December 31, 2002 or existing guarantees that were modified after December 31, 2002.

The Company provides guarantees to securities clearinghouses and exchanges. Under the standard membership agreement, members are required to guarantee the performance of other members. Under the agreements, if another member becomes unable to satisfy its obligations to the clearinghouse, other members would be required to meet shortfalls. The Company's liability under these arrangements is not quantifiable or limited and could exceed the cash and securities it has posted as collateral. However, management believes the potential for the Company to be required to make payments under these arrangements is remote. Accordingly, no contingent liability is carried on the statement of financial condition for these arrangements.

In connection with its securities clearing business, the Company performs securities execution, clearance and settlement services on behalf of other broker-dealer clients. Management believes the potential for the Company to be required to make unreimbursed payments relating to such services is remote due to the contractual capital requirements associated with clients' activity and the regular review of clients' capital. Accordingly, no contingent liability is carried on the statement of financial condition for these transactions.

12. Financial Instruments and Related Risks

Customer Activities

Certain market and credit risks are inherent in the Company's business, primarily in facilitating customers' trading and financing transactions in financial instruments. In the normal course of business, the Company's customer activities include execution, settlement, and financing of various customer securities, which may expose the Company to off-balance sheet risk in the event the customer is unable to fulfill its contractual obligations.

The Company's customer securities activities are transacted on either a cash or margin basis. In margin transactions, the Company extends credit to customers, which is collateralized by cash and/or securities in the customer's account. In connection with these activities, the Company executes and clears customer transactions involving securities sold but not yet purchased and option contracts. The Company seeks to control risks associated with its customer activities by requiring customers to maintain margin collateral in compliance with various regulatory, exchange and internal guidelines. The Company monitors required margin levels daily; pursuant to such guidelines, requires the customer to deposit additional

Pershing LLC

(An indirect wholly-owned subsidiary of The Bank of New York Mellon Corporation)

Notes to Statement of Financial Condition (continued)

collateral or to reduce positions, when necessary. Such transactions may expose the Company to significant off-balance sheet risk in the event the margin is not sufficient to fully cover losses which customers may incur. In the event the customer fails to satisfy its obligations, the Company may be required to purchase or sell the collateral at prevailing market prices in order to fulfill the customer's obligations.

The Company's customer financing and securities settlement activities may require the Company to pledge customer securities as collateral in support of various secured financing sources, such as securities loaned. Additionally, the Company pledges customer securities as collateral to satisfy margin deposits of the Options Clearing Corporation. In the event the counterparty is unable to meet its contractual obligation to return customer securities pledged as collateral, the Company may be exposed to the risk of acquiring the securities at prevailing market prices in order to satisfy its obligation. The Company controls this risk by monitoring the market value of securities pledged on a daily basis and by requiring adjustments of collateral levels in the event of excess market exposures.

Credit Risk

As a securities broker and dealer, the Company is engaged in various securities trading and brokerage activities servicing a diverse group of domestic and foreign corporations, governments, and institutional and individual investors. A substantial portion of the Company's transactions is executed with and on behalf of institutional investors including other broker-dealers, banks, U.S. government agencies, mutual funds, hedge funds and other financial institutions. The majority of the stock borrow/stock loan business is conducted with a single counterparty on a collateralized basis.

Credit risk is the potential for loss resulting from the default by a counterparty of its obligations. Exposure to credit risk is generated by securities and currency settlements, contracting derivative and forward transactions with customers and dealers, and the holding in inventory of bonds and/or loans. The Company uses various means to manage its credit risk. The creditworthiness of all counterparties is analyzed at the outset of a credit relationship with the Company. These counterparties are subsequently reviewed on a periodic basis. The Company sets a maximum exposure limit for each counterparty, as well as for groups or classes of counterparties. Furthermore, the Company enters into master netting agreements when feasible and demands collateral from certain counterparties or for certain types of credit transactions.

Financial Instruments With Off-Balance-Sheet Risk

The Company enters into various transactions involving derivatives and other off-balance sheet financial instruments. These financial instruments include forward foreign exchange contracts that are used to meet the needs of customers. Generally, forward foreign exchange contracts represent future commitments to purchase or sell foreign currency at specific terms at specified future dates. The Company mitigates the risk of these transactions by entering into offsetting transactions with an affiliate.

Pershing LLC

(An indirect wholly-owned subsidiary of The Bank of New York Mellon Corporation)

Notes to Statement of Financial Condition (continued)

13. Financial Instruments Owned and Sold, But Not Yet Purchased

The Company had financial instruments owned and sold recorded on the statement of financial condition in financial instruments owned, at fair value and financial instruments sold, but not yet purchased, at fair value as follows (\$ in millions):

	Financial Instruments Owned	Financial Instruments Sold, But Not Yet Purchased
Equities	\$ 47	\$ 7
Corporate debt	41	30
U.S. Government debt	8	3
Municipal debt	17	-
Other	1	1
	<u>\$ 114</u>	<u>\$ 41</u>

Certain trading activities expose the Company to various risks. These risks are managed in accordance with established management policies and procedures.

Market Risk

Market risk is the potential loss the Company may incur as a result of changes in the market or fair value of a particular financial instrument. All financial instruments are subject to market risk. The Company's exposure to market risk is determined by a number of factors, including size, duration, composition and diversification of positions held, the absolute and relative level of interest rates and foreign currency exchange rates, as well as market volatility and liquidity. The Company manages market risk by setting and monitoring adherence to risk limits.

Financial instruments sold, represent obligations of the Company to deliver the specified security at the contracted price and thereby, create a liability to purchase the security in the market at prevailing prices. Accordingly, these transactions result in off-balance sheet risk, as the Company's ultimate obligation to satisfy the sale of financial instruments sold, may exceed the amount reflected in the statement of financial condition.

14. Legal Proceedings

The Company is involved in legal proceedings concerning matters arising in connection with the conduct of the Company's businesses. The Company believes, based on currently available information and advice of counsel, that the results of such proceedings, in the aggregate, will not have a material adverse effect on the Company's financial statements. The

Pershing LLC

(An indirect wholly-owned subsidiary of The Bank of New York Mellon Corporation)

Notes to Statement of Financial Condition (continued)

Company intends to defend itself vigorously against all of the claims asserted in these matters.

15. Fair Value Information

At December 31, 2007, substantially all of the Company's assets and liabilities were carried at either market or fair value, or at amounts that approximate such values. Assets and liabilities carried at contractual amounts that approximate fair value include collateralized short-term financing agreements, receivables, payables and accrued liabilities, and subordinated indebtedness. The market values of such items are not materially sensitive to shifts in market interest rates because of the limited term to maturity of these instruments and/or their variable interest rates.

16. Employee Benefit Plans

BNY Mellon sponsors a 401(k) plan (the "Plan") for its active employees. The Plan offers the Company's employees the opportunity to plan, save and invest for their future financial needs. All employees are eligible to participate and make before and after tax contributions of up to 20% of their eligible compensation. The Company makes periodic contributions to the Plan based on the discretion of Management.

Supplementary Report



KPMG LLP
345 Park Avenue
New York, NY 10154

Report on Internal Control Required by SEC Rule 17a-5(g)(1)

To the Board of Managers and Member of Pershing LLC

In planning and performing our audit of the financial statements of Pershing LLC (the "Company"), as of and for the year ended December 31, 2007, in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting ("internal control") as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

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

1. Making the periodic computations of aggregate debits and net capital under rule 17a-3(a)(11) and the reserve required by rule 15c3-3(e).
2. Making the quarterly securities examinations, counts, verifications, and comparisons, and the 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.
4. Obtaining and maintaining physical possession or control of all fully paid and excess margin securities of customers as required by rule 15c3-3.

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



Because of inherent limitations in internal control and the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities for safeguarding securities that we consider to be material weaknesses, as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures, as described in the second paragraph of this report, were adequate at December 31, 2007, to meet the SEC's objectives.

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

KPMG LLP

February 28, 2008

**GENERAL MEETING OF THE BOARD OF DIRECTORS
OF THE
CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY**

RESOLUTION NO. 08-25

WHEREAS, the Central Texas Regional Mobility Authority ("CTRMA") is empowered to procure such goods and services as it deems necessary to assist with its operations and to study and develop potential transportation projects, and is responsible to insure accurate financial records are maintained using sound and acceptable financial practices; and

WHEREAS, close scrutiny of CTRMA expenditures for goods and services, including those related to project development, as well as close scrutiny of CTRMA's financial condition and records is the responsibility of the Board of Directors and its designees through procedures the Board may implement from time to time; and


WHEREAS, the Board of Directors has adopted policies and procedures intended to provide strong fiscal oversight and which authorize the Executive Director, working with the CTRMA's Chief Financial Officer, to review invoices, approve disbursements, and prepare and maintain accurate financial records and reports; and

WHEREAS, the Executive Director, working with the Chief Financial Officer, has reviewed and authorized the disbursements necessary for the month of March 2008 and has caused a Financial Report to be prepared which is attached hereto as Attachment "A."

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors accepts the Financial Report for March 2008, attached hereto as Attachment "A."


Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 30th day of April 2008.

Submitted and reviewed by:



Tom Nielson
General Counsel for the Central
Texas Regional Mobility Authority

Approved:



Robert E. Tesch
Chairman, Board of Directors
Resolution Number 08-25
Date Passed 4/30/08

Central Texas Regional Mobility Authority
Income Statement
All Operating Departments

Revenue	Budget	Actual Year	Percent	Actual Year
	FY 2008	To Date 3/31/2008	Of Budget	To Date 3/31/2007
Toll Revenue-Cash-183A	1,800,000.00	1,305,942.61	72.55%	0.00
Toll Revenue-TxTag-183A	6,500,000.00	10,098,902.08	155.37%	0.00
Interest Income	1,369,790.00	3,333,502.32	243.36%	360,170.01
Reimbursed Expenditures	20,060.00	43,006.34	214.39%	40,392.15
Gain/Loss on Sale of Asset	0.00	4,182.44		0.00
Total Revenue	9,689,850.00	14,785,535.79	152.59%	400,562.16

Expenditures	Budget	Actual Year	Percent	Actual Year
	FY 2008	To Date 3/31/2008	Of Budget	To Date 3/31/2007
Regular	1,431,950.00	941,580.78	65.76%	778,824.75
Part Time	20,000.00	2,524.51	12.62%	6,382.48
Overtime	7,000.00	157.41	2.25%	859.26
Contractual Employees	105,000.00	85,511.56	81.44%	105,641.40
TCDRS	181,533.00	119,050.12	65.58%	102,242.27
FICA	74,339.00	42,814.62	57.59%	36,595.29
FICA MED	21,591.00	13,527.47	62.65%	11,054.80
Health Insurance	134,542.00	91,906.21	68.31%	65,849.26
Life Insurance	1,697.00	2,540.61	149.71%	906.25
Auto Allowance	16,000.00	6,050.00	37.81%	5,650.00
Other Benefits	117,697.00	67,271.57	57.16%	23,804.13
Unemployment Taxes	855.00	1,569.75	183.60%	3,319.36
Total Salaries & Wages	2,112,204.00	1,374,504.61	65.07%	1,141,129.25

Contractual Services	Budget	Actual Year	Percent	Actual Year
	FY 2008	To Date 3/31/2008	Of Budget	To Date 3/31/2007
Professional Services				
Accounting	9,000.00	6,750.04	75.00%	4,443.79
Auditing	50,000.00	23,385.00	46.77%	11,747.50
General Engineering Consultant	445,000.00	0.00		0.00
General System Consultant	425,000.00	0.00		0.00
Toll Collection contract	1,879,111.00	882,734.55	46.98%	45,997.64
Toll collection mgt admi	131,460.00	0.00		0.00
CSC mgt admin	84,074.00	0.00		0.00
Facility management	176,017.00	38,195.90	21.70%	0.00
Facility management	63,017.00	36,185.56	57.42%	0.00
Toll perform plan	35,106.00	0.00		0.00
Human Resources	30,000.00	15,785.50	52.62%	13,634.68
Legal	150,000.00	25,158.80	16.77%	49,817.04
Photography	15,000.00	16,985.00	113.23%	15,325.43
Traffic & Revenue Consultants	50,000.00	45,000.00	90.00%	0.00
Communications and Marketing	150,000.00	63,669.78	42.45%	90,289.53
Transcripts	1,000.00	0.00		0.00
Total Professional Services	3,693,785.00	1,153,850.13	31.24%	231,255.61

	Budget FY 2008	Actual Year To Date 3/31/2008	Percent Of Budget	Actual Year To Date 3/31/2007
Other Contractual Services				
IT Services	683,240.00	25,932.83	3.80%	2,607.50
Graphic Design Services	20,000.00	625.00	3.13%	750.00
Website Maintenance	20,000.00	5,343.50	26.72%	14,654.38
Research Services	45,000.00	27,565.00	61.26%	0.00
Copy Machine	13,000.00	6,571.81	50.55%	6,461.22
Software licenses	24,000.00	21,654.80	90.23%	20,705.80
ETC system Maintenance	1,177,800.00	0.00		0.00
Advertising	56,000.00	15,336.96	27.39%	22,273.20
Direct Mail	20,000.00	0.00		4,326.70
Video Production	10,000.00	0.00		94,844.48
Television	20,000.00	0.00		170,484.68
Radio	50,000.00	9,985.00	19.97%	16,998.00
Other Public Relations	0.00	1,032.73		21,031.31
Security Contracts	350,000.00	140,237.33	40.07%	134.40
Cell Phones	6,800.00	5,948.23	87.47%	3,536.87
Local	55,252.00	11,156.15	20.19%	4,462.08
Long Distance	2,000.00	458.20	22.91%	584.44
Internet	8,472.00	3,470.37	40.96%	2,448.00
Other Communication Expense	1,000.00	1,139.62	113.96%	415.51
Dues & Subscriptions	1,850.00	538.00	29.08%	1,876.90
Memberships	14,295.00	13,582.50	95.02%	4,414.85
Continuing Education	6,000.00	789.85	13.16%	2,374.95
Professional Development	22,000.00	238.00	1.08%	950.00
Seminars and Conferences	26,450.00	15,837.00	59.88%	15,990.00
Total Travel	70,500.00	35,094.30	49.78%	13,337.88
Other Contractual Svcs	0.00	1,277.90		3,240.50
Roadway maintenance contract	1,157,000.00	204,210.92	17.65%	0.00
Contractual Contingencies	66,000.00	22,398.43	33.94%	282.91

Total Other Contractual Services 3,926,659.00 570,424.43 14.53% 429,186.56

Total Contractual Expenses 7,620,444.00 1,724,274.56 22.63% 660,442.17

	Budget FY 2008	Actual Year To Date 3/31/2008	Percent Of Budget	Actual Year To Date 3/31/2007
Materials and Supplies				
Books & Publications	10,400.00	5,638.11	54.21%	1,953.24
Office Supplies	15,500.00	4,929.58	31.80%	7,512.77
Computer Supplies	15,500.00	2,624.71	16.93%	4,417.05
Copy Supplies	3,000.00	231.12	7.70%	0.00
Annual Report	20,000.00	7,991.60	39.96%	14,564.62
Other Reports	50,500.00	25,528.63	50.55%	9,689.93
Direct Mail	0.00	431.02		0.00
Office Supplies	3,500.00	1,718.96	49.11%	3,574.77
Maintenance Supplies	100.00	0.00		0.00
Promotional Items	10,000.00	199.34	1.99%	10,929.57
Displays	5,000.00	468.93	9.38%	12,703.42
Tools & Equipment	2,700.00	864.95	32.04%	1,188.67
Misc Materials & Supplies	3,500.00	6,340.99	181.17%	938.98

Total Materials & Supplies Exp 139,700.00 56,967.94 40.78% 67,473.02

	Budget FY 2008	Actual Year To Date 3/31/2008	Percent Of Budget	Actual Year To Date 3/31/2007
Operating Expenses				
Gasoline	10,000.00	2,656.96	26.57%	0.00
Mileage Reimbursement	7,850.00	4,746.85	60.47%	4,702.48
Parking	26,950.00	19,664.28	72.97%	14,535.42
Meeting Facilities	2,600.00	50.00	1.92%	5,000.00
Community Events	20,000.00	0.00		250.00
Meeting Expense	6,325.00	3,627.96	57.36%	2,236.06
Public Notices	2,300.00	3,261.14	141.79%	222.75
Postage	8,900.00	1,118.99	12.57%	1,250.09
Overnight Services	1,250.00	1,285.09	102.81%	142.90
Delivery Services	2,400.00	999.53	41.65%	1,311.29
Insurance	175,000.00	81,408.17	46.52%	24,995.75
Repair and Maintenance	0.00	368.50		0.00
Repair & Maintenance-Vehicles	2,000.00	142.33	7.12%	0.00
Rent	181,973.00	122,994.39	67.59%	127,772.07
Water	7,400.00	382.58	5.17%	0.00
Electricity	56,000.00	56,293.87	100.52%	6,843.24
Amortization Expense	34,808.00	746,031.11	2143.27%	26,106.76
Dep Exp- Furniture & Fixtures	4,000.00	12,973.00	324.33%	7,766.22
Dep Expense - Equipment	1,200.00	14,148.54	1179.05%	7,038.54
Dep Expense - Autos & Trucks	8,000.00	3,055.32	38.19%	0.00
Dep Expense-Buildng & Toll Fac	147,898.00	130,016.66	87.91%	0.00
Dep Expense-Highways & Bridges	5,429,806.00	3,630,884.86	66.87%	0.00
Dep Expense-Communic Equip	5,995.00	147,583.67	2461.78%	4,496.02
Dep Expense-Toll Equipment	918,771.00	341,492.66	37.17%	0.00
Dep Expense - Signs	120,436.00	98,616.51	81.88%	0.00
Dep Expense-Land Improvemt	733,880.00	31,262.13	4.26%	0.00
Depreciation Expense-Computers	33,000.00	268,733.98	814.35%	24,480.10
Recruitment	1,000.00	0.00		0.00
Community Initiative Grants	102,500.00	15,000.00	14.63%	109,492.00
Total Operating Expense	8,052,242.00	5,738,799.08	71.27%	368,641.69
Financing Expenses				
Arbitrage Rebate	3,500.00	0.00		3,500.00
Bond Issuance Expense	0.00	791,924.91		0.00
Loan Fees	12,000.00	11,000.00	91.67%	11,000.00
Bond Issuance Cost	25,000.00	0.00		0.00
Trustee Fees	2,000.00	2,000.00	100.00%	2,850.03
Bank Fees	2,500.00	18,070.88	722.84%	390.82
Interest Expense	11,443,524.00	8,606,011.26	75.20%	0.00
Contingency	20,000.00	3,500.00	17.50%	0.00
Total Financing Expense	11,508,524.00	9,432,507.05	81.96%	17,740.85
Total Expenses	29,433,114.00	18,327,053.24	62.27%	2,255,426.98
Net Income	-19,743,264.00	-3,541,517.45		-1,854,864.82

Central Texas Regional Mobility Authority
Balance Sheet
As of March 31, 2008

March 31, 2007

Assets

Current Assets

Cash in Operating Fund	71,120.38		(1,061.90)
Chase-Regions Trustee Account	14,410.05		0.00
Regions Trustee cash account	3,601.01		0.00
Cash In TexSTAR	5,503,636.36		8,194,234.10
Money Market Payroll Account	1,902.27		843.68
Fidelity Government MMA	12,249,211.49		10,889,906.44
Restricted Cash-TexStar	47,752,570.62		27,400,472.18
Total Cash Equivalents	65,507,320.74		46,485,456.40
Due From TTA	486,056.75		0.00
Due From NTTA	36,195.75		0.00
Due From HCTRA	63,071.55		0.00
Interest Receivable	0.00		99,819.61
Total Receivables	585,324.05		99,819.61
Agencies			6,992,713.94
Prepaid Insurance	81,101.38		26,691.91
Prepaid Expenses	0.00		(0.04)
Total Prepaid Expenses	81,101.38		26,691.87
Total Current Assets	66,262,877.61		53,603,619.92
Construction Work In Process			
Utility Relocation Expense	7,296.44		61,460.46
Consulting-Admin Services	28,559.43		687,052.37
Consulting-Reimbursed Expenses	5,137.68		5,766.34
Environmental Fees	0.00		398,750.00
Funding Costs	39,204.26		30,000.00
Legal Fees-Construction	685,327.13		2,215,612.07
Traffic & Revenue Analysis	1,657,685.87		2,461,353.50
Unsuccessful Proposers	0.00		356,625.82
Engineering	2,434,062.16		3,881,198.17
Right of Way	157,412.84		18,607,295.25
Total Preliminary Costs	5,014,685.81		28,705,113.98
Public Involvement	145,914.59		340,658.06
CDA Oversight	0.00		7,306,365.45
Engineering	0.00		14,082,913.49
Total Construction Engineering	145,914.59		21,729,937.00
Design	0.00		30,573,792.03
Construction-CDA	0.00		133,200,758.64
Other Construction Costs	0.00		333,853.81
Total Construction Costs	0.00		164,108,404.48
Toll Collection System	27,220.00		7,088,774.09
Accrued Interest Income	0.00		(13,410,350.80)
Accrued Interest Expense	0.00		24,644,760.31
Amortization of Bond Premium	0.00		(3,301,889.31)
Amortization Bond Disc Invest	0.00		(310,905.55)
Total Accrued Interest	0.00		7,621,614.65
Amortization Bond Issue Costs	0.00		2,998,948.85
Total Construction WIP	5,187,820.40		232,252,793.05

Fixed Assets			115,571.52	
Computers	1,202,456.72		(87,084.32)	28,487.20
Accum Deprec-Computers	<u>(395,385.45)</u>	807,071.27		
Computer Software	5,360,639.75		95,156.88	
Accumulated Amortization-Software	<u>(852,385.67)</u>	4,508,254.08	<u>(33,345.85)</u>	61,811.03
Furniture and Fixtures	93,167.66		60,057.16	
Accum Deprec-Furn & Fixtures	<u>(28,155.90)</u>	65,011.76	<u>(11,952.84)</u>	48,104.32
Equipment	76,177.93		28,777.93	
Accum Deprec-Equipment	<u>(28,452.60)</u>	47,725.33	<u>(11,200.28)</u>	17,577.65
Autos and Trucks	16,295.00		0.00	
Accum Deprec-Autos and Trucks	<u>(3,055.32)</u>	13,239.68	<u>0.00</u>	0.00
Buildings and Toll Facilities	7,062,332.11		0.00	
Accum Deprec-Buildings & Toll	<u>(144,386.70)</u>	6,917,945.41	<u>0.00</u>	0.00
Highways and Bridges	196,513,701.50		0.00	
Accum Deprec-Highways & Bridge	<u>(4,027,364.46)</u>	192,486,337.04	<u>0.00</u>	0.00
Communication Equipment	1,938,955.13		30,743.13	
Accum Deprec-Comm Equip	<u>(172,419.11)</u>	1,766,536.02	<u>(7,431.10)</u>	23,312.03
Toll Equipment	4,587,114.80		0.00	
Accum Deprec-Toll Equip	<u>(379,159.26)</u>	4,207,955.54	<u>0.00</u>	0.00
Signs	5,260,262.00		0.00	
Accum Deprec-Signs	<u>(109,572.05)</u>	5,150,689.95	<u>0.00</u>	0.00
Land Improvements	946,495.00		0.00	
Accum Deprec-Land Improv	<u>(34,676.44)</u>	911,818.56	<u>0.00</u>	0.00
Right of Way		22,795,124.38		
Leasehold Improvements		42,129.24		47,980.79
Total Fixed Assets		239,719,838.26		227,273.02
Other Assets				8,643.30
Security Deposits		9,483.30		
Long Term Investments				43,177,396.78
GIC		0.00		
Other Assets				650.00
Intangible Assets		650.00		
2005 Bond Issuance Costs		8,777,600.33		9,931,420.31
Total Assets		319,958,269.90		339,201,796.38

Liabilities

Current Liabilities

Accounts Payable		48,291.95		6,729,254.27
Interest Payable		2,063,662.32		2,844,539.86
TCDRS Payable		21,416.28		33,059.48
Due to State of Texas		1,380.61		3,046.98
Total Current Liabilities		2,134,751.16		9,609,900.59

Long Term Liabilities

Accrued Vac & Sick Leave Paybl		150,835.00		0.00
Retainage Payable		934,633.03		8,526,800.68
BANS 2005		0.00		66,000,000.00
Senior Lien Revenue Bonds 2005		170,114,368.18		169,325,456.18
Sn Lien Rev Bnd Prem/Disc 2005		5,321,159.10		6,556,317.24
TIFIA note 2008		66,773,850.00		0.00
Total Long Term Liabilities		243,294,845.31		250,408,574.10
Total Liabilities		245,429,596.47		260,018,474.69

Net Assets Section

Contributed Capital
Net Assets beginning

18,430,634.57
59,639,556.31

62,604,167.57

Current Year Operations

(3,541,517.45)

(1,851,480.45)

Total Liabilities and Net Assets

319,958,269.90

320,771,161.81

CTRMA INVESTMENT REPORT

	Month Ending 3/31/2008					Current Rate as of 3/31/2008
	Balance 2/29/2008	Additions	Discount Amortization	Accrued Interest	Withdrawals	
Amount in Trustee TexStar						
Additional Projects Fund	11,938,649.32			29,947.51	263,051.52	2.840%
Construction Fund	12,951,714.88			31,372.45	1,991,918.77	2.840%
Trustee Operating Fund	288,475.63			730.28	289,205.91	2.840%
Renewal & Replacement Fund	100,669.41			254.85	100,924.26	2.840%
TxDOT Grant Fund	11,029,414.37			27,921.17	11,057,335.54	2.840%
Revenue Fund	7,964.49			20.16	7,984.65	2.840%
Subordinate Lien DS Fund	0.00			0.00	0.00	2.840%
Debt Service Reserve Fund	13,566,063.64			34,342.75	13,600,406.39	2.840%
	49,882,951.74	0.00	0.00	124,589.17	2,254,970.29	47,752,570.62
	5,968,849.81			14,786.55	480,000.00	5,503,636.36
Amount in TexStar Operating Fund						
Fidelity Money Market Fund						
-Operating Fund	0.00	1,269,828.99		1,642.02	263,787.57	1,271,471.01
-Additional Projects Fund	0.00	263,051.52		736.05	0.00	0.00
-Construction Fund	0.00	1,991,918.77		0.02	1,991,918.79	0.00
-Debt Service Fund	1,353,541.44	619,958.33		2,761.58	1,976,261.35	2.220%
-Subordinate Lien DS Fund	7,725.87			20.48	7,746.35	2.220%
-TxDOT Grant Fund	2,085,864.15			5,041.59	2,090,905.74	2.220%
-Renewal and Replacement	531,602.21			472.54	532,074.75	2.220%
- Revenue Fund	818,854.02	1,276,255.92		1,639.18	681,159.43	2.220%
-General Fund	6,147,413.73			9,005.07	5,680,221.17	2.220%
-Debt Service Reserve Fund	9,346.91			24.78	9,371.69	2.220%
	10,954,348.33	5,421,013.53	0.00	21,343.31	4,147,493.68	12,249,211.49
	3,010.85	100,500.00		15.15	101,623.73	1,902.27
Money Market Fund-payroll						
Amount in Fed Agencies						
Amortized Principal	0.00	0.00	0.00	0.00	0.00	0.00
Accrued Interest	0.00	0.00	0.00	0.00	0.00	0.00
Total in Pools	55,851,801.55	0.00	0.00	139,375.72	2,734,970.29	53,256,206.98
Total in Money Market	10,957,359.18	5,521,513.53	0.00	21,358.46	4,249,117.41	12,251,113.76
Total in Fed Agencies	0.00	0.00	0.00	0.00	0.00	0.00
Total Invested	66,809,160.73	5,521,513.53	0.00	160,734.18	6,984,087.70	65,507,320.74

All Investments in the portfolio are in compliance with the CTRMA's Investment policy.



Monthly Newsletter - March 2008

Performance

As of March 31, 2008

Current Invested Balance	\$6,635,062,776.30
Weighted Average Maturity (1)	17 Days
Weighted Average Maturity (2)	79 Days
Net Asset Value	1.000252
Total Number of Participants	616
Management Fee on Invested Balance	0.12%*
Interest Distributed	\$16,733,880.35
Management Fee Collected	\$276,067.81
% of Portfolio Invested Beyond 1 Year	5.68%
Standard & Poor's Current Rating	AAAm

Rates reflect historical information and are not an indication of future performance.

March Averages

Average Invested Balance	\$6,518,379,116.51
Average Monthly Yield, on a simple basis	2.9807%
Average Weighted Average Maturity (1)*	17 Days
Average Weighted Average Maturity (2)*	82 Days

Definition of Weighted Average Maturity (1) & (2)

- (1) This weighted average maturity calculation uses the SEC Rule 2a-7 definition for stated maturity for any floating rate instrument held in the portfolio to determine the weighted average maturity for the pool. This Rule specifies that a variable rate instrument to be paid in 397 calendar days or less shall be deemed to have a maturity equal to the period remaining until the next readjustment of the interest rate.
- (2) This weighted average maturity calculation uses the final maturity of any floating rate instruments held in the portfolio to calculate the weighted average maturity for the pool.
- * The maximum management fee authorized for the TexSTAR Cash Reserve Fund is 12 basis points. This fee may be waived in full or in part in the discretion of the TexSTAR co-administrators at any time as provided for in the TexSTAR Information Statement.

New Participants

We would like to welcome the following entities who joined the TexSTAR program in March 2008:

- ★ London ISD
- ★ Montgomery County MUD 90
- ★ Dallas County Utility & Reclamation District
- ★ City of Bridgeport
- ★ Hardin Jefferson ISD
- ★ Gun Barrel City Economic Development Corp
- ★ City of San Benito

Economic Commentary

Toward the end of the quarter, the Fed took unprecedented action in response to the ever-evolving and deepening financial crisis. The most dramatic of its actions was the Primary Dealer Credit Facility, which was announced after the acquisition of Bear Stearns by JPMorgan. This is a facility that allows primary dealers to borrow at the discount rate against a wide range of collateral including mortgage-backed securities. The Fed cut the fed funds rate and discount rate by 75 basis points (bps) to 2.25% and 2.50%, respectively, at the March 18th FOMC, maintaining the 25 bp spread. These cuts followed 125 bps of additional easing of the fed funds rate and 150 bps of additional easing of the discount rate earlier in the quarter.

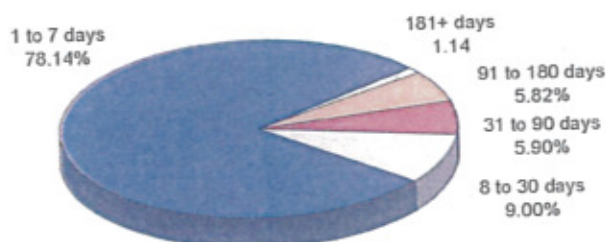
Meanwhile, economic data for the quarter weakened notably especially in the labor and housing market with consumer sentiment and some business confidence measures plummeting, Inflation which continues to be a concern for the Fed, actually moderated through the end of February. During the quarter, Treasury yields plummeted and the curve remained steep as investors continued their flight to quality in the midst of weakened economic and challenging financial conditions. Two-year yields ended the quarter down 146 bps at 1.58% and five-year yields ended down 100 bps at 2.44%.

Some members of the Federal Reserve have expressed discomfort with the current pace of easing, suggesting that the Fed will likely be less aggressive during the coming months. Depending on financial market developments, it is expected that Fed will cut rates by another 25 bps to 2.0% in April and then likely pause. The economy is expected to weaken in the second quarter as the consumer is faced with many headwinds – weaker jobs and income, tighter credit, high gas prices, declining wealth and confidence and concern of recession. The forecast for 1.0% growth in the second quarter hinges on consumers spending their May stimulus package tax rebates relatively quickly. By the start of the second half of 2008, some clarity should emerge on both the path of the economy and the extent of financial institutions' losses. However, available credit will almost certainly remain significantly tighter than it was prior to the crisis.

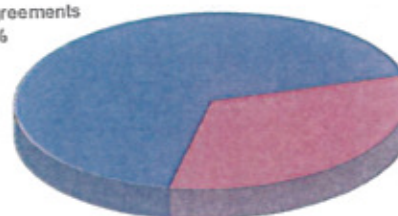
For more information about TexSTAR, please visit our web site at www.texstar.org.

Information at a Glance

Portfolio by Type of Investment As of March 31, 2008



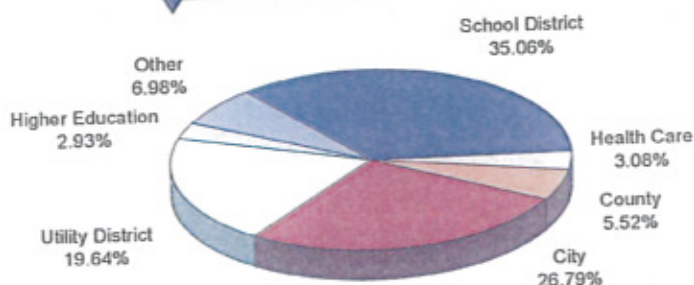
Repurchase Agreements
67.89%



Agencies
32.11%

Portfolio by Maturity As of March 31, 2008

Distribution of Participants by Type As of March 31, 2008



Performance

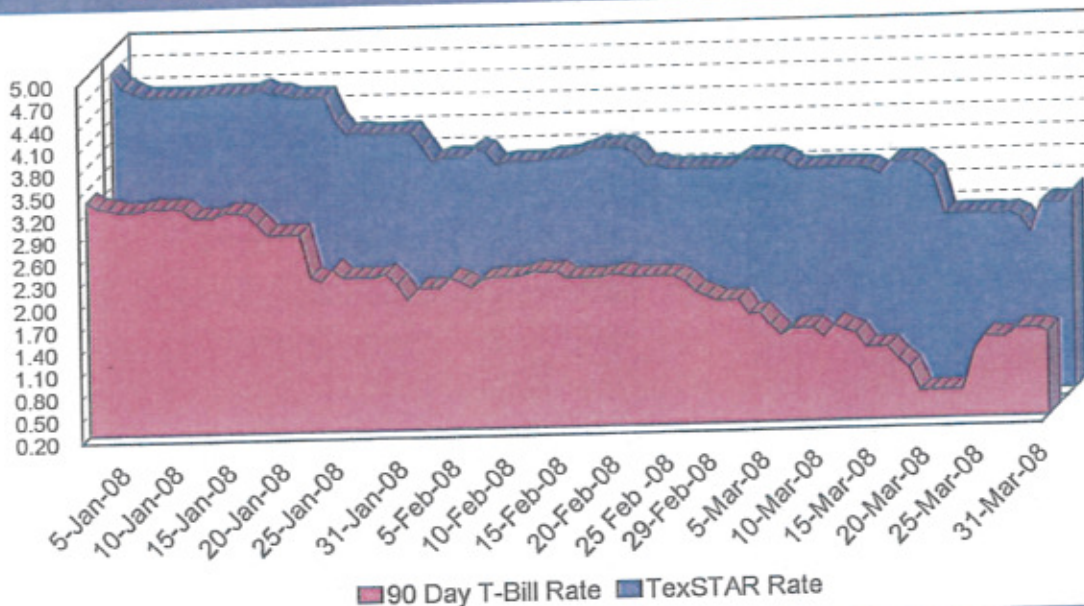
Month	Average Rate	Book Value	Market Value	Net Asset Value	WAM (1)*	WAM (2)*	Number of Participants
Mar 08	2.9807%	\$ 6,635,062,776.30	\$ 6,636,736,509.65	1.000252	17	82	616
Feb 08	3.4224%	6,294,186,095.49	6,296,863,425.91	1.000401	17	82	609
Jan 08	4.2033%	5,919,661,192.90	5,923,891,294.00	1.000714	22	80	603
Dec 07	4.5430%	5,180,414,831.71	5,181,584,153.60	1.000202	21	79	594
Nov 07	4.6975%	4,999,671,312.52	5,000,767,637.47	1.000190	18	79	591
Oct 07	4.9007%	4,793,406,663.48	4,794,712,410.18	1.000272	19	84	584
Sep 07	5.1175%	5,101,146,389.66	5,102,374,857.54	1.000240	20	78	573
Aug 07	5.2540%	5,117,776,256.51	5,118,532,127.32	1.000118	16	42	567
Jul 07	5.2829%	5,037,425,646.08	5,037,616,062.72	1.000037	18	22	554
Jun 07	5.2883%	4,850,271,396.79	4,850,377,392.01	1.000014	18	25	543
May 07	5.2613%	4,809,313,042.18	4,809,314,578.92	1.000000	11	20	531
Apr 07	5.2803%	5,032,146,136.61	5,031,747,141.26	0.999920	13	23	523
Mar 07	5.2999%	5,200,629,725.85	5,200,442,100.26	0.999957	11	26	513

Portfolio Asset Summary as of March 31, 2008

	Book Value	Market Value
Uninvested Balance	\$ 42,252,061.09	\$ 42,252,061.09
Accrual of Interest Income	7,911,576.50	7,911,576.50
Interest and Management Fees Payable	(16,796,437.94)	(16,796,437.94)
Payable for Investment Purchased	0.00	0.00
Repurchase Agreements	4,483,717,000.00	4,483,717,000.00
Government Securities	2,117,978,576.65	2,119,652,310.00
Total	\$ 6,635,062,776.30	\$ 6,636,736,509.65

Market value of collateral supporting the Repurchase Agreements is at least 102% of the Book Value. The portfolio is managed by J.P. Morgan Chase & Co. and the assets are safekept in a separate custodial account at the Federal Reserve Bank in the name of TexSTAR. The only source of payment to the Participants are the assets of TexSTAR. There is no secondary source of payment for the pool such as insurance or guarantee. Should you require a copy of the portfolio, please contact TexSTAR Participant Services.

TexSTAR versus 90-Day Treasury Bill



Daily Summary for March 2008

Date	Mny Mkt Fund Equiv. [SEC Std.]	Daily Allocation Factor	TexSTAR Invested Balance	Market Value Per Share	WAM Days (1)*	WAM Days (2)*
1-Mar-08	3.3826%	0.0000926740	6,294,186,095.49	1.000401	17	85
2-Mar-08	3.3826%	0.0000926740	6,294,186,095.49	1.000401	17	85
3-Mar-08	3.3905%	0.0000928910	6,148,786,935.10	1.000413	18	87
4-Mar-08	3.3408%	0.0000915280	6,191,409,718.53	1.000426	17	86
5-Mar-08	3.2428%	0.0000888430	6,267,529,421.29	1.000387	18	85
6-Mar-08	3.2336%	0.0000885920	6,280,154,084.23	1.000411	18	85
7-Mar-08	3.2346%	0.0000886200	6,269,291,796.89	1.000378	17	84
8-Mar-08	3.2346%	0.0000886200	6,269,291,796.89	1.000378	17	84
9-Mar-08	3.2346%	0.0000886200	6,269,291,796.89	1.000378	17	84
10-Mar-08	3.2378%	0.0000887080	6,266,322,967.52	1.000398	17	87
11-Mar-08	3.2290%	0.0000884660	6,268,165,900.82	1.000358	17	86
12-Mar-08	3.2107%	0.0000879640	6,412,340,303.08	1.000360	16	84
13-Mar-08	3.2107%	0.0000879640	6,412,340,303.08	1.000351	16	81
14-Mar-08	3.1363%	0.0000859250	6,642,031,300.79	1.000382	15	80
15-Mar-08	3.2949%	0.0000902700	6,659,562,798.42	1.000382	15	80
16-Mar-08	3.2949%	0.0000902700	6,659,562,798.42	1.000382	15	80
17-Mar-08	3.2949%	0.0000902700	6,659,562,798.42	1.000382	15	80
18-Mar-08	3.2148%	0.0000880770	6,663,988,593.31	1.000415	19	83
19-Mar-08	3.0837%	0.0000844850	6,676,527,385.88	1.000459	19	82
20-Mar-08	2.5691%	0.0000703850	6,727,258,883.59	1.000438	19	81
21-Mar-08	2.5742%	0.0000705270	6,732,100,571.75	1.000423	18	80
22-Mar-08	2.5742%	0.0000705270	6,732,100,571.75	1.000423	18	80
23-Mar-08	2.5742%	0.0000705270	6,732,100,571.75	1.000423	18	80
24-Mar-08	2.5742%	0.0000705270	6,732,100,571.75	1.000423	18	80
25-Mar-08	2.5516%	0.0000699070	6,669,293,502.75	1.000254	18	81
26-Mar-08	2.5516%	0.0000699070	6,691,050,350.13	1.000228	18	80
27-Mar-08	2.5747%	0.0000705410	6,691,050,350.13	1.000228	18	80
28-Mar-08	2.5061%	0.0000686600	6,752,077,469.80	1.000223	17	79
29-Mar-08	2.3178%	0.0000635000	6,694,649,105.13	1.000225	17	79
30-Mar-08	2.6904%	0.0000737090	6,593,255,216.59	1.000240	17	80
31-Mar-08	2.6904%	0.0000737090	6,593,255,216.59	1.000240	17	80
Average	2.9807%	0.000081662	6,518,379,116.51	1.000252	17	79

TexSTAR Participant Services
First Southwest Asset Management, Inc.
325 North St. Paul Street, Suite 800
Dallas, Texas 75201



TexSTAR Board Members

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Governing Board Secretary

Governing Board Asst. Sec./Treas.

Advisory Board

Advisory Board

Advisory Board

Advisory Board

Advisory Board

Advisory Board

Advisory Board

Advisory Board

For more information contact TexSTAR Participant Services ★ 1-800-TEX-STAR ★ www.texstar.org

 **First Southwest Asset Management**

 **JPMorganChase**