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

October 21, 1987



DIVISION OF
MARKET REGULATION

PUBLIC AVAILABILITY DATE: 11-20-87
ACT SECTION RULE
1934 17(a) 17a-5

Mr. A. Wallace Howard, Jr.
President
SFG Brokerage Company
3309 Dixie Highway
Erlanger, Kentucky 41018

RE: Request for Extension of Time to File Audited Financial Statements

Dear Mr. Howard:

This is in response to your letter of September 29, 1987, on behalf of SFG Brokerage Company ("SFG"), requesting an extension of time in which to file the firm's annual audited report of financial statements.

I understand the pertinent facts to be as follows: SFG is a registered broker-dealer which is required pursuant to paragraph (d) of Rule 17a-5 (17 CFR 240.17a-5) to file a certified annual report of financial statements on a yearly basis. The CPA firm which had agreed to do the firm's audit notified you on August 28, 1987, that there would be a delay in filing the audit and that they would obtain an extension of time for filing the audit report. On September 10 you received a letter from the CPA firm declining to do the audit stating that it would not be cost efficient for their firm to do this work. You immediately starting the search for another CPA firm and have recently engaged a new firm. You now expect that the audit will be completed by October 31.

Based on the foregoing facts and representations, and pursuant to paragraph (1)(3) of Rule 17a-5, SFG is hereby granted an extension of time until October 31, 1987, in which to file its annual audited report of financial statements.

Sincerely,

Aase Berling

Aase Berling
Staff Accountant

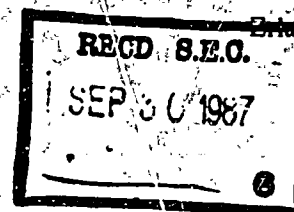
cc: Doris Richard
Chicago Regional Office

Elizabeth Wollin - Automated Reports
National Association of
Securities Dealers, Inc.

SFG BROKERAGE COMPANY

000022

Wally Howard
President
606/331-6262



3309 Dixie Highway
Briarcliff, Kentucky 41018

September 29, 1987

U.S. Securities & Exchange Commission
405 Fifth St. N.W.
Washington, D.C. 20009

Gentlemen:

Re: Annual Audit Report for Year Ended
June 30, 1987

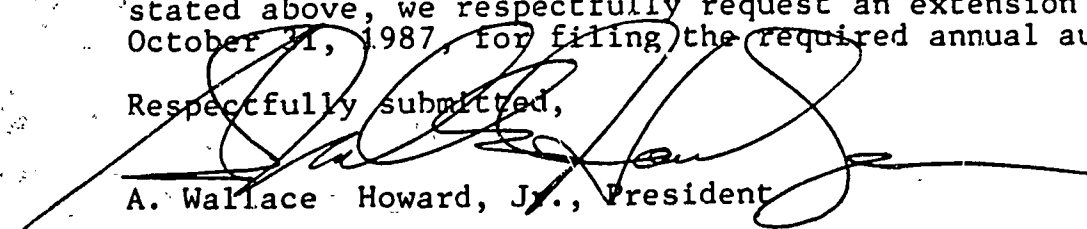
We received the enclosed letter from N.A.S.D. and were informed by telephone on September 29, 1987, to send this letter to you. We are in the progress of preparing the annual audit report for the year ended June 30, 1987. However, there has been a delay, as is explained below.

The annual audit was scheduled to be completed by August 31, 1987. We contacted the CPA firm, Jones, Nale and Mattingly, who verbally agreed in July, 1987, to perform the audit and complete the report by the August 31, 1987, due date. The auditors informed us on August 28, 1987, there was a delay on the audit and they would obtain an extension of time from N.A.S.D. for filing the audit report.

On September 10, we received the enclosed letter from the CPA firm, in which they declined to perform the audit. We immediately started searching for another CPA firm and recently engaged the CPA firm of Strotham & Company, whose representatives are in the process of preparing the audit.

We fully intend to comply with all N.A.S.D. and S.E.C. regulations and should have the audit report ready for filing by October 31, 1987. Because of the extenuating circumstances stated above, we respectfully request an extension until October 31, 1987, for filing the required annual audit report.

Respectfully submitted,


A. Wallace Howard, Jr., President

Enclosures

cc: N.A.S.D.-Cleveland & Rockville
S.E.C.-Chicago & Washington, D.C.

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NASD

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National Association of
Securities Dealers, Inc.
9513 Key West Avenue
Rockville, MD 20850
(301) 738-6500

September 15, 1987

09-018169
SFG BROKERAGE COMPANY
ALBERT W. HOWARD JR
3309 DIXIE HIGHWAY
ERLANGER KY 41018



Gentlemen:

Re: Annual Audited Report for The
Period Ending June 30, 1987.

Our letter dated September 4, 1987 requested that you submit the above referenced Annual Audited Report for the period ending June 30, 1987. To date, our records show that your report has not been received.

The Annual Audited Report is required by federal securities laws to be filed within specified time frames, and if it is not received within fifteen (15) calendar days from the date of this letter, your membership in the Association may be suspended pursuant to the provisions of Article IV, Section 5 of the Association's Rules of Fair Practice and Article VII, Section 2 of its By-Laws.

Please be advised that should your membership be suspended, SEC Rule 17a-5(b) requires that you file Part II or Part IIA of Form X-17A-5 within two business days of the date of suspension with the Commission's principal office in Washington, D.C. and with the appropriate regional office.

If your report has been mailed or should you have any questions concerning this request, please contact Ms. Elizabeth Wollin (301) 738-6580, Automated Reports Section, 9513 Key West Avenue, Rockville, MD 20850.

Very truly yours,

Thomas R. Cassella
Vice President, Financial Responsibility

CERTIFIED
RETURN RECEIPT REQUESTED



Jones, Nale and Mattingly

CERTIFIED PUBLIC ACCOUNTANTS

P.O. Box 687
Shelbyville, Kentucky 40065
(502) 633-3948

MEMBERS
American Institute of
Certified Public Accountants

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James M. Breen, Jr., CPA
Charles J. Ludwig, CPA
Robert C. McBride, Jr., CPA
R. Wayne Stratton, CPA
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Accounting Firms

OFFICES:

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Shelbyville Frankfort
Winchester Versailles

Joseph P. Jones, Jr., CPA
J. Bertrand Mattingly, CPA
Willis C. Nale, CPA

September 9, 1987

Wally Howard
3309 Dixie Highway
Erlanger, KY 41018

Dear Wally;

After reviewing the requirements of both the AICPA and NASD for auditing of Broker-Dealers I have concluded that it would not be cost efficient for our firm to perform your audit. I have enclosed the information you provided along with copies of any workpapers I have prepared. I apologize for any inconvenience this might cause.

Very truly yours

R. Wayne Stratton