UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K/A

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) February 19, 2010 (December 4, 2009)

ANCHOR FUNDING SERVICES, INC.
(Exact name of registrant as specified in its charter)

Delaware	0-52589	20-5456087
(State or other jurisdiction of incorporation	(Commission File Number)	(IRS Employer Identification No.)

10801 Johnston Road, Suite 210 Charlotte, NC	28226
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (866) 789-3863

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

£ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

£ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

£ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b)

£ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

EXPLANATORY NOTE

On December 8, 2009, Anchor Funding Services, Inc., a Delaware corporation (the “Company”), filed a Current Report on Form 8-K (the “8-K”) to report that the Company entered into an Asset Purchase Agreement (the “Asset Purchase Agreement”) on December 4, 2009 with Brookridge Funding, LLC (“Seller”) , a Delaware Limited Liability Company, providing for the acquisition of certain assets and accounts of Seller’s purchase order finance business (the “Acquired Business”). The closing of the acquisition took place on December 7, 2009. In connection with the transaction, the Company and Seller’s principals invested $1.5 million in Brookridge Funding Services, LLC, the Company’s newly formed 80% owned subsidiary which will operate the Acquired Business (“Brookridge”). The purchase price for the Acquired Business was $2.4 million (the Acquired Business’s outstanding client account balances at closing), plus an earn-out payment based on the Acquired Business’s operating income of up to $800,000.

In connection with closing, Brookridge entered into a credit agreement (the “Credit Agreement”) with MGM Funding, LLC, a limited liability owned and controlled by the Company’s Co-Chairmen, Morry F. Rubin and George Rubin, and an investor (“Lender”), pursuant to which Lender will provide a $3.7 million senior credit facility to Brookridge. Morry F. Rubin is the managing member of MGM. Loans under the Credit Agreement are secured by all of Brookridge’s assets and will bear interest at a 20% annual rate. The Credit Agreement contains standard representations, covenants and events of default for facilities of this type. Occurrence of an event of default allows the Lender to accelerate the payment of the loans and/or terminate the commitments to lend, in addition to other legal remedies, including foreclosing on collateral.

This amendment is being filed to amend and supplement Item 9.01 of the 8-K to include the financial statements and pro forma financial information required by parts (a) and (b) of Item 9.01 of Form 8-K.

Item 9.01 Financial Statements and Exhibits.

(a Financial Statements of Businesses Acquired.

The following financial statements (and accompanying notes) of Brookridge Funding, LLC are filed as Exhibits 99.1 and 99.2 to this amendment and are incorporated in their entirety herein by reference:

Exhibit 99.1

Independent auditors’ report;
Balance sheet as of December 31, 2008;
Statement of operations for the year ended December 31, 2008;
Statement of cash flows for the year ended December 31, 2008; and
Notes to the financial statements.

Exhibit 99.2

Independent auditors' report;
Balance sheet as of December 31, 2007;
Statement of operations for the year ended December 31, 2007;
Statement of cash flows for the year ended December 31, 2007; and
Notes to the financial statements.

Exhibit 99.3

Unaudited balance sheet as of September 30, 2009;
Unaudited statements of operations for the nine months ended September 30, 2009 and 2008; Unaudited statement of changes in members capital for the nine months ended September 30, 2009:Unaudited statements of cash flows for the nine months ended September 30, 2009 and 2008; and Notes to the unaudited financial statements.

The attached financial statements of Brookridge Funding, LLC have been prepared in accordance with generally accepted accounting principles in the United States.

(b Pro Forma Financial Information.

The following unaudited pro forma financial statements (and accompanying notes) are furnished as Exhibit 99.4:

Exhibit 99.4

Unaudited pro forma condensed combined balance sheet as of September 30, 2009;
Unaudited pro forma condensed combined statement of operations for the nine months ended September 30, 2009; Unaudited pro forma condensed combined statement of operations for the year ended December 31, 2008; and
Notes to unaudited pro forma condensed combined financial statements.

(d.) *Exhibits.*

Exhibit No.Description

99.1	Audited financial statements of Brookridge Funding, LLC as of and for the year ended December 31, 2008, and accompanying notes.
99.2	Audited financial statements of Brookridge Funding, LLC as of and for the year ended December 31, 2007, and accompanying notes.
99.3	Unaudited financial statements of Brookridge Funding, LLC as of and for the nine months ended September 30, 2009 and 2008.
99.4	Unaudited combined pro forma financial statements as of September 30, 2009 and for the nine months ended September 30, 2009 and the year ended December 31, 2008, for Anchor Funding Services, Inc. and Brookridge Funding, LLC combined.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ANCHOR FUNDING SERVICES, INC.

Date: February 19, 2010

By: /s/ Brad Bernstein
Brad Bernstein
President and Chief Financial Officer

Exhibit 99.1

BROOKRIDGE FUNDING LLC
FINANCIAL STATEMENTS
DECEMBER 31, 2008

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INDEPENDENT AUDITOR'S REPORT

To the Members
Brookridge Funding LLC
Danbury, Connecticut

We have audited the accompanying balance sheet of Brookridge Funding LLC (a Delaware Limited Liability Company), as of December 31, 2008 and the related statements of income, changes in members' capital and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Brookridge Funding LLC as of December 31, 2008, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

/s/ Reynolds & Rowella, LLP

Ridgefield, Connecticut
February 13, 2009

EXHIBIT A

BROOKRIDGE FUNDING LLC
BALANCE SHEET
DECEMBER 31, 2008

		2008
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$	739,303
Factored accounts receivable and purchase orders funded, less reserve for doubtful accounts of $54,604		1,627,359
Fees receivable		98,707
TOTAL CURRENT ASSETS		2,465,369
OTHER ASSETS		
Loan receivable - related party		619,205
TOTAL ASSETS	$	3,084,574
LIABILITIES AND MEMBERS' CAPITAL		
CURRENT LIABILITIES		
Loan payable	$	2,353,081
Factored reserve payable		139,017
Accounts payable		2,813
TOTAL CURRENT LIABILITIES		2,494,911
MEMBERS' CAPITAL		589,663
TOTAL LIABILITIES AND MEMBERS' CAPITAL	$	3,084,574

See notes to Financial Statements.

EXHIBIT B

BROOKRIDGE FUNDING LLC
STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2008

		2008
REVENUES		
Fee income	$	1,127,227
Brookridge Trade Finance management fee		355,168
Other		7,400
Interest income		11,902
TOTAL INCOME		1,501,697
Operating expenses		1,194,190
NET INCOME	$	307,507

See notes to Financial Statements.

BROOKRIDGE FUNDING LLC
STATEMENTS OF CHANGES IN MEMBERS' CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2008

	2008
MEMBERS' BEGINNING CAPITAL	$ 282,156
Net income	307,507
MEMBERS' ENDING CAPITAL	$ 589,663

See notes to Financial Statements.

BROOKRIDGE FUNDING LLC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2008

	2008
CASH FLOWS FROM OPERATING ACTIVITIES:	
Net income	$ 307,507
Adjustments to reconcile net income to net cash flows	
provided by operating activities:	
Changes in assets and liabilities:	
Decrease in assets -	
Other assets	2,000
Fees receivable	1,081
Decrease in liabilities -	
Accrued expenses	(963)
Factored reserve payable	(107,160)
NET CASH PROVIDED BY OPERATING ACTIVITIES	202,465
CASH FLOWS FROM INVESTING ACTIVITIES:	
Factored accounts receivable and purchase orders funded	1,756,705
Loan receivable - related party	(619,205)
NET CASH PROVIDED BY INVESTING ACTIVITIES	1,137,500
CASH FLOWS FROM FINANCING ACTIVITIES:	
Payments of long-term debt	(796,919)
NET CASH USED IN FINANCING ACTIVITIES	(796,919)
NET INCREASE IN CASH	543,046
CASH AT BEGINNING OF THE YEAR	196,257
CASH AT END OF THE YEAR	$ 739,303
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION	
Cash paid for interest	$ 482,331

See notes to Financial Statements.

BROOKRIDGE FUNDING LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

Brookridge Funding LLC (the "Company") was organized in the state of Delaware and began operations on December 22, 2004 for the purpose of investing in secured transactions. The Company provides commercial accounts receivable factoring and purchase order funding services. The Company's clients are located throughout the United States.

Use of Estimates

The preparation of the 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, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers highly liquid investments with a maturity of three months or less to be cash equivalents. In the normal course of business, the Company may maintain cash held at financial institutions in excess of the insured limit of $100,000. The Company does not believe it is exposed to any significant credit risk related to cash.

Revenue Recognition

The Company provides factoring of accounts receivable as well as purchase order funding. The Company receives a fee for providing this service. Revenue is recognized when the money is advanced to the customer.

The Company also receives a management fee which is recognized when earned.

Allowance for Doubtful Accounts

Factored accounts receivables and purchase order fundings are carried at original amount less an estimate of allowance for doubtful accounts based on a monthly review of all outstanding amounts. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Factored accounts receivables and purchase order fundings are written off when deemed uncollectible. Recoveries of receivables and purchase orders previously written off are recorded as income when received.

BROOKRIDGE FUNDING LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

The Company is not a taxpaying entity for federal income tax purposes, and thus no provision for income taxes has been recognized. Income of the Company is taxed to partners in their respective returns.

Members' Capital

The Members' Capital account consists of investments by the members.

NOTE 2 – RELATED PARTY TRANSACTIONS

Loan receivable – related party is a loan receivable from Fairfield Factors, LLC ("Fairfield"). Both the Company and Fairfield have a common owner. The loan is payable by December 31, 2010 with interest at 3% and is unsecured.

The Company has a management agreement with Brookridge Funding Corporation where the Company pays a management fee monthly for services provided by Brookridge Funding Corporation. The Corporation has the same common owners as the Company.

NOTE 3 – LOAN PAYABLE

During 2006, the Company entered into a $3,150,000 note at 16% interest. It is collateralized by substantially all of the assets of the Company as well as personal guarantees of the Partners. At December 31, 2008, the amount outstanding was $2,353,081.

NOTE 4 – FEES RECEIVABLE

The Company receives a management fee from Brookridge Trade Finance for managing the business it refers. The Company refers business to this entity and is entitled to a fee equal to 1/12th of 1% of ending total assets of the entity at the end of each calendar month. The Company is also entitled to a profit sharing fee of 50% of the net profit in excess of a 15% hurdle rate, defined by the agreement, and in excess of a high water mark, defined by the agreement, of the entity at the end of each quarter.

INDEPENDENT AUDITOR’S REPORT ON SUPPLEMENTAL INFORMATION

To the Members
Brookridge Funding LLC
Danbury, Connecticut

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

/s/ Reynolds & Rowella, LLP

Ridgefield, Connecticut
February 13, 2009

BROOKRIDGE FUNDING LLC
SCHEDULE OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2008

Management fees	$	619,300
Commissions		48,475
Professional fees		43,634
Miscellaneous		450
Interest expense		482,331
	$	1,194,190

See auditor's report.

BROOKRIDGE FUNDING LLC
SCHEDULE OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2008

Management fees	$ 619,300
Commissions	48,475
Professional fees	43,634
Miscellaneous	450
Interest expense	482,331
	$ 1,194,190

See auditor's report.

Exhibit 99.2

Brookridge Funding, LLC

Financial Statements

For the Year Ended December 31, 2007

Brookridge Funding, LLC

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Report of Independent Auditors

To the Members
Brookridge Funding, LLC
Danbury, Connecticut

We have audited the accompanying balance sheet of Brookridge Funding, LLC (the "Company") as of December 31, 2007, and the related statement of operations, changes in members' capital and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Brookridge Funding LLC as of December 31, 2007, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

/s/ Cherry Bekaert & Holland L.L.P.

Charlotte, North Carolina
February 18, 2010

Brookridge Funding, LLC

Balance Sheet
December 31, 2007

	2007
Assets	
Current assets	
Cash and cash equivalents	$ 196,257
Retained interest in purchased accounts receivable, net	3,604,202
Fees receivable	54,791
Brookridge Trade Finance fees receivable	44,950
Total current assets	3,900,200
Other non-current assets	2,000
Total assets	$ 3,902,200
Liabilities and Members' Capital	
Current liabilities	
Loan payable	$ 3,150,000
Accounts payable	470,045
Total current liabilities	3,620,045
Members' capital	282,155
Total liabilities and members' capital	$ 3,902,200

See notes to Financial Statements.

Brookridge Funding, LLC

Statement of Operations
For the Year Ended December 31, 2007

		2007
Revenues		
Fee income	$	1,048,071
Brookridge Trade Finance management fee		137,687
Other		(2,012)
Interest income		20,857
Total income		1,204,603
Operating expenses		946,355
Interest expense		504,000
Net loss	$	(245,752)

See notes to Financial Statements.

Brookridge Funding, LLC

Statement of Changes in Members' Capital
For the Year Ended December 31, 2007

	2007
Members' beginning capital	$ 527,907
Net loss	(245,752)
Members' ending capital	$ 282,155

See notes to Financial Statements.

Brookridge Funding, LLC

Statement of Cash Flows
For the Year Ended December 31, 2007

		2007
Cash flows from operating activities:		
Net loss	$	(245,752)
Adjustments to reconcile net income to net cash flows provided by operating activities:		
Changes in assets and liabilities:		
Increase in retained interest in purchased accounts receivable		(33,566)
Increase in other assets		(2,000)
Decrease in fees receivable		141,617
Increase in accrued expenses		3,483
Net cash used in operating activities		(136,218)
Net decrease in cash		(136,218)
Cash at beginning of the year		332,475
Cash at end of the year	$	196,257
Supplemental disclosure of cash flow information		
Cash paid for interest	$	504,000

See notes to Financial Statements.

Note 1 – Nature of business and summary of significant accounting polities

Nature of Business – Brookridge Funding, LLC (the "Company") was organized in the state of Delaware and began operations on December 22, 2004 for the purpose of investing in secured transactions. The Company provides commercial accounts receivable factoring and purchase order funding services. The Company's clients are located throughout the United States.

Use of Estimates – The preparation of the 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, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents – The Company considers highly liquid investments with a maturity of three months or less to be cash equivalents. In the normal course of business, the Company may maintain cash held at financial institutions in excess of the insured limit of $100,000. The Company does not believe it is exposed to any significant credit risk related to cash.

Revenue Recognition – The Company provides factoring of accounts receivable as well as purchase order funding. The Company receives a fee for providing this service. Revenue is recognized when the money is advanced to the customer. The Company also receives a management fee which is recognized when earned.

Allowance for Doubtful Accounts – Factored accounts receivables and purchase order fundings are carried at original amount less an estimate of allowance for doubtful accounts based on a monthly review of all outstanding amounts. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Factored accounts receivables and purchase order fundings are written off when deemed uncollectible. Recoveries of receivables and purchase orders previously written off are recorded as income when received.

Income Taxes – The Company is not a taxpaying entity for federal income tax purposes, and thus no provision for income taxes has been recognized. Income of the Company is taxed to partners in their respective returns.

Members' Capital – The Members' Capital account consists of investments by the members.

Note 2 – Related party transactions

Loan receivable - related party is a loan receivable from Fairfield Factors, LLC ("Fairfield"). Both the Company and Fairfield have a common owner. The loan is payable by December 31, 2010 with interest at 3% and is unsecured.

The Company has a management agreement with Brookridge Funding Corporation where the Company pays a management fee monthly for services provided by Brookridge Funding Corporation. The Corporation has the same common owners as the Company.

Note 3 – Loan payable

During 2006, the Company entered into a $3,150,000 note at 16% interest. It is collateralized by substantially all of the assets of the Company as well as personal guarantees of the Partners. At December 31, 2007, the amount outstanding was $3,150,000.

Note 4 -– Participation payable

The Company is party to a participation agreement. As part of the agreement each lender is responsible for advancing their contractually agreed upon portion of the submitted receivables. The Company is the lead lender thus all servicing is done by the Company. The participating lender will submit funds to the Company for their portion of the advance amount on a weekly basis. As receivables are collected, the Company will relieve the payable by submitting principal plus any owed interest and fees to the participating lender. At December 31, 2007 the Company had approximately $466,000 outstanding in participation payables, which have been included in accounts payable.

Note 5 – Fees receivable

The Company receives a management fee from Brookridge Trade Finance for managing the business it refers. The Company refers business to this entity and is entitled to a fee equal to 1/12th of 1% of ending total assets of the entity at the end of each calendar month. The Company is also entitled to a profit sharing fee of 50% of the net profit in excess of a 15% hurdle rate, defined by the agreement, and in excess of a high watermark, defined by the agreement, of the entity at the end of each quarter.

Note 6 – Subsequent events

On December 7, 2009, the Company entered into an agreement to sell primarily all of its assets for approximately $2.4 million at closing, plus an earn-out payment based on future operating income of up to $800,000.

The Company has evaluated subsequent events through February 18, 2010, the date which the financial statements were available to be issued.

Exhibit 99.3

Brookridge Funding, LLC

Unaudited Financial Statements

For the Nine-Month Periods
Ended September 30, 2009 and 2008

Brookridge Funding, LLC

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Brookridge Funding, LLC

Balance Sheet
September 30, 2009

	2009
	(unaudited)
Assets	
Current assets	
Cash and cash equivalents	$ 360,225
Retained interest in purchased accounts receivable, net	1,593,956
Fees receivable	49,174
Brookridge Trade Finance fees receivable	35,626
Total current assets	2,038,981
Other non-current assets	
Loan receivable - related party	619,205
Loan fees, net	7,500
Total other non-current assets	626,705
Total assets	$ 2,665,686
Liabilities and Members' Capital	
Current liabilities	
Accounts payable	2,110,531
Total current liabilities	2,110,531
Members' capital	555,155
Total liabilities and members' capital	$ 2,665,686

See notes to Financial Statements.

Brookridge Funding, LLC

Statements of Operations
For the Nine-Month Periods Ended September 30, 2009 and 2008

	2009 (unaudited)	2008 (unaudited)
Revenues		
Fee income	$ 490,914	$ 857,966
Brookridge Trade Finance management fee	217,692	229,180
Other	3,312	3,395
Interest income	5,087	9,191
Total income	717,005	1,099,732
Operating expenses	383,621	668,123
Interest expense	367,891	203,584
Net (loss) income	$ (34,507)	$ 228,025

See notes to Financial Statements.

Brookridge Funding, LLC

Statement of Changes in Members' Capital
For the Nine-Month Period Ended September 30, 2009

Members' capital - December 31, 2008	$	589,662
Net loss (unaudited)		(34,507)
Members' capital - September 30, 2009	$	555,155

See notes to Financial Statements.

Brookridge Funding, LLC

Statements of Cash Flows
For the Nine-Month Periods Ended September 30, 2009 and 2008

	2009 (unaudited)	2008 (unaudited)
Cash flows from operating activities:		
Net (loss) income	$ (34,507)	$ 228,025
Adjustments to reconcile net income to net cash		
flows provided by operating activities:		
Changes in assets and liabilities:		
Decrease (increase) in retained interest in purchased accounts receivable	2,004,333	(146,298)
Decrease in other assets	-	2,000
Decrease in fees receivable	13,907	6,094
(Decrease) increase in accounts payable	(2,230)	1,381
Net cash provided by operating activities	1,981,503	91,202
Cash flows from financing activities:		
Payments on loan	(2,353,081)	(220,470)
Loan fees	(7,500)	-
Net cash used in financing activities	(2,360,581)	(220,470)
Net decrease in cash	(379,078)	(129,268)
Cash at beginning of the year	739,303	196,257
Cash at end of the year	$ 360,225	$ 66,989
Supplemental disclosure of cash flow information		
Cash paid for interest	$ 203,584	$ 367,891

See notes to Financial Statements.

Note 1 – Nature of business and summary of significant accounting polities

Nature of Business – Brookridge Funding LLC (the "Company") was organized in the state of Delaware and began operations on December 22, 2004 for the purpose of investing in secured transactions. The Company provides commercial accounts receivable factoring and purchase order funding services. The Company's clients are located throughout the United States.

Use of Estimates – The preparation of the 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, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents·– The Company considers highly liquid investments with a maturity of three months or less to be cash equivalents. The Company places its cash and cash equivalents on deposit with financial institutions in the United States of America. In October and November 2008, the Federal Deposit Insurance Corporation ("FDIC") temporarily increased coverage to $250,000 for substantially all depository accounts and temporarily provides unlimited coverage for certain qualifying and participating non-interest bearing transaction accounts. The increased coverage is schedule to expire on December 31, 2013, at which time it is anticipated amounts insured by the FDIC will return to $100,000. During the year, the Company from time to time had amounts on deposit in excess of the insured limits.

Revenue Recognition – The Company provides factoring of accounts receivable as well as purchase order funding. The Company receives a fee for providing this service. Revenue is recognized when the money is advanced to the customer. The Company also receives a management fee which is recognized when earned.

Allowance for Doubtful Accounts – Factored accounts receivables and purchase order fundings are carried at original amount less an estimate of allowance for doubtful accounts based on a monthly review of all outstanding amounts. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Factored accounts receivables and purchase order fundings are written off when deemed uncollectible. Recoveries of receivables and purchase orders previously written off are recorded as income when received.

Income Taxes – The Company is not a taxpaying entity for federal income tax purposes, and thus no provision for income taxes has been recognized. Income of the Company is taxed to partners in their respective returns.

Members' Capital – The Members' Capital account consists of investments by the members.

Note 2 – Related party transactions

Loan receivable - related party is a loan receivable from Fairfield Factors, LLC ("Fairfield"). Both the Company and Fairfield have a common owner. The loan is payable by December 31, 2010 with interest at 3% and is unsecured.

The Company has a management agreement with Brookridge Funding Corporation where the Company pays a management fee monthly for services provided by Brookridge Funding Corporation. The Corporation has the same common owners as the Company.

Note 3 – Loan payable

During 2006, the Company entered into a $3,150,000 note at 16% interest. It was collateralized by substantially all of the assets of the Company as well as personal guarantees of the Partners. The loan was paid in full during the Nine-Month period ending September 30, 2009.

Note 4 – Participations payable

The Company is party to several participation agreements. As part of these agreements each lender is responsible for advancing their contractually agreed upon portion of the submitted receivables. The Company is the lead lender thus all servicing is done by the Company. The participating lender will submit funds to the Company for their portion of the advance amount on a weekly basis. As receivables are collected, the Company will relieve the payable by submitting principal plus any owed interest and fees to the participating lender. At September 30, 2009 and 2008 the Company had approximately $1,168,000 and $2,110,000 outstanding in participations payable respectively, which have been included in accounts payable.

Note 5 – Fees receivable

The Company receives a management fee from Brookridge Trade Finance for managing the business it refers. The Company refers business to this entity and is entitled to a fee equal to $1/12^{th}$ of 1% of ending total assets of the entity at the end of each calendar month. The Company is also entitled to a profit sharing fee of 50% of the net profit in excess of a 15% hurdle rate, defined by the agreement, and in excess of a high watermark, defined by the agreement, of the entity at the end of each quarter.

Note 6 – Subsequent events

On December 7, 2009, the Company entered into an agreement to sell primarily all of its assets for approximately $2.4 million at closing, plus an earn-out payment based on future operating income of up to $800,000.

The Company has evaluated subsequent events through February 18, 2010, the date which the financial statements were available to be issued.

Exhibit 99.4

ANCHOR FUNDING SERVICES, INC.

UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS

On December 8, 2009, Anchor Funding Services, Inc., a Delaware corporation (the "Company"), filed a Current Report on Form 8-K (the "8-K") to report that the Company entered into an Asset Purchase Agreement (the "Asset Purchase Agreement") on December 4, 2009 with Brookridge Funding, LLC ("Seller") , a Delaware Limited Liability Company, providing for the acquisition of certain assets and accounts of Seller's purchase order finance business (the "Acquired Business"). The closing of the acquisition took place on December 7, 2009. In connection with the transaction, the Company and Seller's principals invested $1.5 million in Brookridge Funding Services, LLC, the Company's newly formed 80% owned subsidiary which will operate the Acquired Business ("Brookridge"). The purchase price for the Acquired Business was $2.4 million (the Acquired Business's outstanding client account balances at closing), plus an earn-out payment based on the Acquired Business's operating income of up to $800,000.

In connection with closing, Brookridge entered into a credit agreement (the "Credit Agreement") with MGM Funding, LLC, a limited liability company owned and controlled by the Company's Co-Chairmen, Morry F. Rubin and George Rubin, and an investor ("Lender"), pursuant to which Lender will provide a $3.7 million senior credit facility to Brookridge. Morry F. Rubin is the managing member of MGM. Loans under the Credit Agreement are secured by all of Brookridge's assets and will bear interest at a 20% annual rate. The Credit Agreement contains standard representations, covenants and events of default for facilities of this type. Occurrence of an event of default allows the Lender to accelerate the payment of the loans and/or terminate the commitments to lend, in addition to other legal remedies, including foreclosing on collateral.

The unaudited pro forma condensed combined balance sheet was prepared by combining the condensed balance sheet of Anchor Funding Services, Inc. and the condensed balance sheet of Brookridge Funding, LLC as of September 30, 2009. The unaudited pro forma condensed combined balance sheet reflects the gross consideration paid by the Company for the acquisition equal to the Acquired Business's outstanding client account balances as of September 30, 2009 assuming the transaction had been completed on September 30, 2009.

The unaudited pro forma condensed combined statement of operations was prepared by combining the condensed statement of operations of the Anchor Funding Services, Inc. and the condensed statement of operations of Brookridge Funding, LLC for the nine months ended September 30, 2009 and the year ended December 31, 2008 as if the acquisition was effective January 1, 2008.

The pro forma condensed combined financial statements should be read in conjunction with the separate financial statements and related notes thereto of Anchor Funding Services, Inc., as filed with the Securities and Exchange Commission (SEC) in its Annual Report on Form 10-K filed March 30, 2009 and in its Quarterly Report on Form 10-Q filed November 16, 2009 and in conjunction with the separate financial statements and related notes thereto of Brookridge Funding, LLC included as Exhibit 99.1 and 99.2 to this Form 8-K/A.

These pro forma condensed combined financial statements are not necessarily indicative of the combined results of operations that would have occurred had the acquisition actually taken place at the beginning of the period indicated above or the future results of operations. In the opinion of the Company's management, all significant adjustments necessary to reflect the effects of the acquisition that can be factually supported within SEC regulations covering the preparation of pro forma financial statements have been made. The pro forma adjustments as presented are based on estimates and certain information that is currently available to the Company's management. Such pro forma adjustments could change as additional information becomes available, as estimates are refined or as additional events occur.

ANCHOR FUNDING SERVICES, INC.
AND SUBSIDIARIES

UNAUDITED PRO FORMA CONDENSED
CONSOLIDATED BALANCE SHEET

AS OF SEPTEMBER 30, 2009

	Historical				
	Anchor Funding Services, Inc	Brookridge Funding, LLC			
	September 30, 2009	September 30, 2009	Pro-Forma Adjustments		Pro-Forma Consolidated
ASSETS					
CURRENT ASSETS:					
Cash	$ 384,891	$ 360,225	$ 500,000	B	$ 384,891
			(860,225)	F	
Retained interest in purchased accounts receivable and purchase orders funded	5,392,420	1,593,956	3,589,664	G	10,576,040
Earned but uncollected fee income	93,427	84,800	-		178,227
Other receivable	215,152	-	-		215,152
Deferred financing costs, current	72,728	-	-		72,728
Prepaid expenses and other	101,131	7,500	-		108,631
Total current assets	6,259,749	2,046,481	3,229,439		11,535,669
PROPERTY AND EQUIPMENT, net	59,353	-	-		59,353
GOODWILL, net			800,000	H	800,000
LOAN RECEIVABLE - RELATED PARTY	-	619,205	(619,205)	C	0
SECURITY DEPOSITS	19,500	-	-		19,500
	$ 6,338,602	$ 2,665,686	$ 3,410,234		$ 12,414,522
LIABILITIES AND STOCKHOLDERS' EQUITY					
CURRENT LIABILITIES:					
Due to lender	$ 3,412,936	$ 2,109,947	$ (2,109,947)	C	$ 7,888,856
	888		$ 4,475,920	G	
Accounts payable	78,940	584	(584)	C	78,940
Accrued payroll and related taxes	50,899	-	-		50,899
Accrued expenses	42,305	-	220,444	A	262,749
Collected but unearned fee income	52,145	-	-		52,145
Preferred dividends payable	354,552	-	-		354,552
Total and current liabilities	3,991,777	2,110,531	2,585,833		8,688,141
Note Payable			800,000	H	800,000
COMMITMENTS AND CONTINGENCIES					
MEMBERS' EQUITY	-	555,155	(555,155)	D	0
PREFERRED STOCK	4,736,937	-	-		4,736,937
COMMON STOCK	13,594	-	500	B	14,094
ADDITIONAL PAID IN CAPITAL	2,404,608	-	499,500	B	2,904,108
ACCUMULATED DEFICIT	(4,808,314)	-	(220,444)	A	(5,028,758)
NON-CONTROLLING INTEREST			300,000	E	300,000
	2,346,825	555,155	24,401		2,926,381
	$ 6,338,602	$ 2,665,686	$ 3,410,234		$ 12,414,522

See accompanying notes to unaudited pro forma condensed combined financial statements

ANCHOR FUNDING SERVICES, INC.
AND SUBSIDIARIES
UNAUDITED PRO FORMA CONDENSED
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2009

	Historical				
	Anchor Funding Services, Inc	Brookridge Funding, LLC			
	September 30, 2009	September 30, 2009	Pro-Forma Adjustments		Pro-Forma Consolidated
FINANCE REVENUES	$ 1,188,035	$ 483,364	$ 775,950	I	$ 2,447,349
INTEREST EXPENSE	(62,339)	(275,514)	(142,607)	J	(480,460)
INTEREST INCOME	-	5,087	-		5,087
NET FINANCE REVENUES (PROVISION)	1,125,696	212,937	633,343		1,971,976
RECOVERIES FOR CREDIT LOSSES	(26,003)	1,260	-		(24,743)
FINANCE REVENUES, NET OF INTEREST EXPENSE AND CREDIT LOSSES	1,099,693	214,197	633,343		1,947,233
OPERATING EXPENSES	(2,170,268)	(466,396)	-		(2,636,664)
MANAGEMENT FEE AND OTHER INCOME	-	217,692	(217,692)	K	-
NET LOSS BEFORE INCOME TAXES	(1,070,575)	(34,507)	415,651		(689,431)
INCOME TAXES	-	-	-		-
NET LOSS	(1,070,575)	(34,507)	415,651		(689,431)
LESS: NON-CONTROLLING INTEREST SHARE			76,229	L	76,229
CONTROLLING INTEREST SHARE	(1,070,575)	(34,507)	339,422		(765,660)
DEEMED DIVIDEND ON CONVERTIBLE PREFERRED STOCK	(354,552)	-	-		(354,552)
NET LOSS ATTRIBUTABLE TO COMMON STOCKHOLDER	$ (1,425,127)	$ (34,507)	$ 339,422		$ (1,120,212)
NET LOSS ATTRIBUTABLE TO COMMON STOCKHOLDER, per share					
Basic	$ (0.11)	N/A	-		$ (0.09)
Dilutive	$ (0.11)	N/A	-		$ (0.09)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING					
Basic	13,100,548	N/A	-		13,100,548
Dilutive	13,100,548	N/A	-		13,100,548

See accompanying notes to unaudited pro forma condensed combined financial statements

ANCHOR FUNDING SERVICES, INC.
AND SUBSIDIARIES
UNAUDITED PRO FORMA CONDENSED
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2008

	Historical: Anchor Funding Services, Inc December 31, 2008	Historical: Brookridge Funding, LLC December 31, 2008	Pro-Forma Adjustments		Pro-Forma Consolidated
FINANCE REVENUES					
INTEREST EXPENSE	$ 1,252,476	$ 1,127,227	$ 1,056,417	I	$ 3,436,120
INTEREST INCOME	(9,664)	(482,331)	(430,805)	J	(922,800)
	40,096	11,902	-		51,998
NET FINANCE REVENUES					
PROVISION FOR CREDIT LOSSES	1,282,908	656,798	625,612		2,565,318
	(63,797)	-	-		(63,797)
FINANCE REVENUES, NET OF INTEREST EXPENSE AND CREDIT LOSSES	1,219,111	656,798	625,612		2,501,521
OPERATING EXPENSES	(2,486,719)	(711,859)	-		(3,198,578)
MANAGEMENT FEE AND OTHER INCOME	-	362,568	(362,568)	K	-
NET (LOSS) INCOME BEFORE INCOME TAXES	(1,267,608)	307,507	263,044		(697,057)
INCOME TAXES	-	-	-		-
NET (LOSS) INCOME	(1,267,608)	307,507	263,044		(697,057)
LESS: NON-CONTROLLING INTEREST SHARE			114,110	L	114,110
CONTROLLING INTEREST SHARE	(1,267,608)	307,507	148,934		(811,167)
DEEMED DIVIDEND ON CONVERTIBLE PREFERRED STOCK	(486,800)	-	-		(486,800)
NET (LOSS) INCOME ATTRIBUTABLE TO COMMON STOCKHOLDER	$ (1,754,408)	$ 307,507	$ 148,934		$ (1,297,967)
NET LOSS ATTRIBUTABLE TO COMMON STOCKHOLDER, per share					
Basic	$ (0.14)	N/A	-		$ (0.10)
Dilutive	$ (0.14)	N/A	-		$ (0.10)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING					
Basic	12,718,636	N/A	-		12,718,636
Dilutive	12,718,636	N/A	-		12,718,636

See accompanying notes to unaudited pro forma condensed combined financial statements

ANCHOR FUNDING SERVICES, INC.

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

Purchase Price for the Acquired Business

The aggregate cost of the Acquired Business was approximately $2.4 million at December 7, 2009, representing the fair value of the outstanding client account balances. At September 30, 2009, the fair value of the outstanding client account balances was $1,678,756, representing the purchase price assuming the transaction had been completed on September 30, 2009.

Unaudited Pro Forma Condensed Combined Balance Sheet

The pro forma adjustments on the attached unaudited pro forma condensed combined balance sheets include the following:
A. Represents expenses related to the acquisition
B. Represents proceeds from stock issuance concurent with acquisition
C. To reflect assets not purchased and liabilities not assumed at closing
D. Represents reversal of Brookridge historical equity account
E. Represents 20% non controlling interest of Seller
F. To reflect final cash balance of -0- after cash is used to purchase certain of seller's assets
G. Represents additional accounts receivable and interests in purchase orders assigned to seller and purchased
H. Represents goodwill and contingent consideration

Unaudited Pro Forma Condensed Combined Statements of Operations

The pro forma adjustments on the attached unaudited pro forma condensed combined statements of operations include the following:

I. Represents the additional fee income Brookridge would have earned had it directly funded transactions that it originated
J. Represents the interest expense under the MGM Funding, LLC credit facility and the use of $1,500,000 of capital to fund transactions
K. Represents elimination of management fees no longer charged
L. Represents recording of non-controlling interest in consolidation.