

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q**

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended: June 30, 2009

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from: _____ to _____.

Commission File No.: 1-7986

Kent Financial Services, Inc.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of incorporation or organization)

75-1695953

(I.R.S. Employer Identification No.)

211 Pennbrook Road, P.O. Box 97, Far Hills, New Jersey 07931

(Address of principal executive offices)

(908) 766-7221

(Registrant's telephone number)

Indicate by check mark whether the registrant(1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files.) Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check One)

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

State the number of shares outstanding of each of the issuer's classes of common equity as of the latest practicable date: As of July 31, 2009, the issuer had 2,759,193 shares of its common stock, par value \$.10 per share, outstanding.

KENT FINANCIAL SERVICES, INC. AND SUBSIDIARIES

FORM 10-Q

For The Quarterly Period Ended June 30, 2009

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PART I -FINANCIAL INFORMATION
Item 1. - Financial Statements

KENT FINANCIAL SERVICES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

ASSETS	June 30, 2009 (Unaudited)	December 31, 2008
Current Assets:		
Cash and cash equivalents	\$ 11,722,564	\$ 1,990,753
Short-term investments		10,090,292
Marketable securities	66,155	70,450
Accounts receivable	54,694	55,895
Prepaid expenses and other current assets	32,541	14,769
Total current assets	<u>11,875,954</u>	<u>12,222,159</u>
Property and equipment, net of accumulated depreciation of \$5,811 and \$10,728	19,143	21,618
Other assets	16,000	16,000
Total assets	<u>\$ 11,911,097</u>	<u>\$ 12,259,777</u>
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses	\$ 197,717	\$ 227,497
Deferred revenue		64,817
Total current liabilities	<u>197,717</u>	<u>292,314</u>
Noncurrent liabilities:		
Accrued post employment obligations	720,000	720,000
Total liabilities	<u>917,717</u>	<u>1,012,314</u>
EQUITY		
Kent Financial Services shareholders' equity		
Preferred stock without par value; 500,000 shares authorized; none outstanding	-	-
Common stock, \$.10 par value; 8,000,000 shares authorized; 2,759,193 and 2,759,293 shares issued and outstanding	275,919	275,929
Additional paid-in capital	12,344,796	12,344,949
Accumulated deficit	(6,497,453)	(6,293,407)
Accumulated other comprehensive loss	(50,119)	(45,824)
Total Kent Financial Services shareholders' equity	<u>6,073,143</u>	<u>6,281,647</u>
Noncontrolling interest in subsidiaries	4,920,237	4,965,816
Total equity	<u>10,993,380</u>	<u>11,247,463</u>
Total liabilities and equity	<u>\$ 11,911,097</u>	<u>\$ 12,259,777</u>

See accompanying notes to consolidated financial statements.

KENT FINANCIAL SERVICES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three Months Ended June 30,		Six Months Ended June 30,	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Revenues:				
Seminar fees	\$ 54,284	\$ 64,557	\$ 164,567	\$ 134,355
Interest and dividends	5,173	87,531	12,756	182,740
Realized gains (losses)			10,034	(660)
Other income	11,207	9,397	13,686	79,224
	<u>70,664</u>	<u>161,485</u>	<u>201,043</u>	<u>395,659</u>
Total revenues				
Expenses:				
General and administrative	<u>197,196</u>	<u>230,123</u>	<u>449,055</u>	<u>552,282</u>
Loss before income taxes and minority interest	(126,532)	(68,638)	(248,012)	(156,623)
Provision for income taxes		(1,030)	(1,613)	(2,140)
Net loss	(126,532)	(69,668)	(249,625)	(158,763)
Add: net loss attributable to noncontrolling interest	<u>29,214</u>	<u>1,072</u>	<u>45,579</u>	<u>25,527</u>
Net loss attributable to Kent Financial Services shareholders	(97,318)	(68,596)	(204,046)	(133,236)
Other comprehensive gain (loss):				
Unrealized gain (loss) on available for sale securities	<u>15,138</u>	<u>(3,550)</u>	<u>(4,295)</u>	<u>(12,429)</u>
Comprehensive loss	<u>\$ (82,180)</u>	<u>\$ (72,146)</u>	<u>\$ (208,341)</u>	<u>\$ (145,665)</u>
Basic and diluted net loss per common share	<u>\$ (0.04)</u>	<u>\$ (0.02)</u>	<u>\$ (0.07)</u>	<u>\$ (0.05)</u>
Weighted average number of common shares outstanding	<u>2,759,200</u>	<u>2,792,022</u>	<u>2,759,246</u>	<u>2,792,022</u>

See accompanying notes to consolidated financial statements.

KENT FINANCIAL SERVICES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Six Months Ended March 31,	
	2009	2008
Cash flows from operating activities:		
Net loss	\$ (204,046)	\$ (133,236)
Adjustments to reconcile net loss to net cash used in operating activities:		
(Gain) loss on sale of marketable securities	(10,034)	660
Depreciation	2,475	1,558
Minority interest in subsidiaries losses	(45,579)	(25,527)
Changes to operating assets and liabilities:		
Interest receivable on short-term investments	1,125	26,566
Change in accounts receivable	1,201	64,746
Change in prepaid expenses and other current assets	(17,772)	36,680
Change in accounts payable and accrued expenses	(29,780)	(1,121)
Change in deferred revenue	(64,817)	
	(367,227)	(29,674)
Cash flows from investing activities:		
Sales of marketable securities	629,031	2,405
Sales and maturities of short-term investments	10,089,167	12,226,771
Purchases of short-term investments		(11,549,243)
Acquisition of property and equipment		(24,954)
Purchases of marketable securities	(618,997)	
	10,099,201	654,979
Cash flows from financing activities:		
Repurchase of common stock	(163)	
	(163)	-
Net increase in cash and cash equivalents	9,731,811	625,305
Cash and cash equivalents at beginning of period	1,990,753	134,927
	\$ 11,722,564	\$ 760,232
Supplemental disclosure of cash flow information:		
Cash paid for:		
Taxes	\$ 1,613	\$ 2,140

See accompanying notes to consolidated financial statements.

KENT FINANCIAL SERVICES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Periods Ending June 30, 2009 and 2008
(UNAUDITED)

NOTE A - Basis of Presentation

The accompanying unaudited consolidated financial statements of Kent Financial Services, Inc. and subsidiaries (the "Company") reflect all material adjustments consisting of only normal recurring adjustments which, in the opinion of management, are necessary for a fair presentation of results for the interim periods. Certain information and footnote disclosures required under accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission, although the Company believes that the disclosures are adequate to make the information presented not misleading. These consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2008 as filed with the Securities and Exchange Commission.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates that are particularly susceptible to change include assumptions used in determining the fair value of securities owned and non-readily marketable securities.

The results of operations for the three and six months ended June 30, 2009 are not necessarily indicative of the results to be expected for the entire year or for any other period.

NOTE B – Business and Segment Information

The Company's business is comprised of the management of Kent International and Kent Educational. The Company has determined that its operations can be segregated into two principal operating segments which are business development activities and education services. We define operating segments as components of an enterprise about which separate financial information is available that is evaluated regularly by the Chairman in deciding how to allocate resources and in assessing performance.

Kent International is a publicly traded company (stock symbol "KNTH.PK") currently seeking to redeploy its assets into an operating business through an acquisition or merger. Kent Financial Services owned approximately 53.44% of Kent International at June 30, 2009. All of Kent International's assets, excluding its portfolio of pharmaceutical patents (which have a zero carrying value on the consolidated financial statements), are invested in cash and United States Treasury Bills. Kent International's activity is reported in the business development activities segment.

Additionally, Kent International has developed a niche social networking website, www.ChinaUSPals.com, designed to promote cultural exchange between the citizens of the United States and those of the People's Republic of China. Membership to the site is free, thus, any potential revenues will be derived from advertisements placed on the site by third parties. The site provides users with access to other users' personal profiles and enables the user to send messages to other registered users of similar interests in order to develop

lasting friendships or simply attain a pen pal. ChinaUSPals.com also features user generated discussion forums and blogs as well as user submitted videos and pictures. The site was redesigned in preparation for the 2008 Olympics and re-launched on August 6, 2008. Since then, site membership has grown to over 4,900 members from the approximately 150 members prior to the redesign.

While Kent International is encouraged by the membership and traffic growth since the redesign, we cannot be certain that the growth rate will continue or that existing members will continue using the site. Kent International also faces the risk that our website will not be viewable in China or will be deliberately blocked by the government of the People's Republic of China. Internet usage and content are heavily regulated in China and compliance with these laws and regulations may cause us to change or limit our business practices in a manner adverse to our business.

The Company does not expect that these activities will generate any significant revenues for an indefinite period as these efforts are in their early stages. As a result, these programs may produce significant losses until such time as meaningful revenues are achieved.

The education services segment represents the activity of Kent Educational; which is a wholly owned subsidiary of the Company that has a 60% controlling interest in the Academy for Teaching and Leadership Inc. ("The Academy"). The Academy, headed by Dr. Saul Cooperman, a former Commissioner of Education in the State of New Jersey, provides educators various programs designed to improve themselves, their students, and their schools.

The allocation of resources for educational purposes is currently under great scrutiny in New Jersey. Funding for public schools in New Jersey comes from either State aid or local property taxes. Although property taxes have increased rapidly in New Jersey over the last seven years, this has not resulted in additional educational expenditures, because the State of New Jersey has at the same time reduced its aid allocated to public schools. It is impossible to foresee the future developments of property taxes and educational State aids. As public schools in New Jersey are currently our primary customer, our revenue growth is restricted by any limitation on these resources.

The following table summarizes the assets and operations of the Company's segments as of and for the three and six month periods ended June 30, 2009 and 2008:

	Business Development Activities	Educational Services	All Other Operations	Eliminations	Consolidated Totals
<u>Three Months Ended June 30, 2009</u>					
Revenues from external customers		\$ 54,389	\$ 3,943		\$ 58,332
Management fees			63,000	\$ (63,000)	
Interest and dividend revenue	\$ 4,692	9	472		5,173
Other revenue			7,159		7,159
Total revenues	4,692	54,398	74,574	(63,000)	70,664
General and administrative expenses	(90,984)	(29,547)	(139,665)	63,000	(197,196)
Minority interest	39,154	(9,940)			29,214
Net income (loss) by segment	\$ (47,138)	\$ 14,911	\$ (65,091)	\$ -	\$ (97,318)

	Business Development Activities	Educational Services	All Other Operations	Eliminations	Consolidated Totals
<u>Six Months Ended June 30, 2009</u>					
Revenues from external customers		\$ 164,742	\$ 6,352		\$ 171,094
Management fees			126,000	\$ (126,000)	
Interest and dividend revenue	\$ 10,455	35	2,266		12,756
Investing gains		10,034			10,034
Other revenue			7,159		7,159
Total revenues	10,455	174,811	141,777	(126,000)	201,043
General and administrative expenses	(203,334)	(67,988)	(303,733)	126,000	(449,055)
Income tax expense		(1,613)			(1,613)
Minority interest	87,758	(42,179)			45,579
Net income (loss) by segment	\$ (105,121)	\$ 63,031	\$ (161,956)	\$ -	\$ (204,046)
<u>As of June 30, 2009</u>					
Total assets by segment	\$ 10,202,028	\$ 472,699	\$ 1,236,370	\$ -	\$ 11,911,097
<u>Three Months Ended June 30, 2008</u>					
Revenues from external customers		\$ 66,020	\$ 7,309		\$ 73,329
Management fees			63,000	\$ (63,000)	
Interest revenue	\$ 77,279	1,130	9,122		87,531
Other revenue	625				625
Total revenues	77,904	67,150	79,431	(63,000)	161,485
General and administrative expenses	(100,135)	(44,383)	(148,605)	63,000	(230,123)
Income tax expense	(510)		(520)		(1,030)
Minority interest	10,179	(9,107)			1,072
Net income (loss) by segment	\$ (12,562)	\$ 13,660	\$ (69,694)	\$ -	\$ (68,596)
<u>Six Months Ended June 30, 2008</u>					
Revenues from external customers		\$ 136,755	\$ 76,199		\$ 212,954
Management fees			126,000	\$ (126,000)	
Interest revenue	\$ 160,795	3,104	18,841		182,740
Investing losses			(660)		(660)
Other revenue	625				625
Total revenues	161,420	139,859	220,380	(126,000)	395,659
General and administrative expenses	(213,296)	(142,779)	(322,207)	126,000	(552,282)
Income tax expense	(510)	(1,110)	(520)		(2,140)
Minority interest	24,410	1,117			25,527
Net loss by segment	\$ (27,976)	\$ (2,913)	\$ (102,347)	\$ -	\$ (133,236)
<u>As of June 30, 2008</u>					
Total assets by segment	\$ 10,544,121	\$ 369,331	\$ 1,619,903	\$ -	\$ 12,533,355

NOTE C - Securities Owned

Marketable securities owned as of June 30, 2009 and December 31, 2008, comprised mainly of portfolio positions (equity securities) held for capital appreciation consisted of the following:

	June 30, 2009			December 31, 2008	
	Percent Owned	Estimated Fair Value	Losses in Accumulated Other Comprehensive Income	Estimated Fair Value	Losses in Accumulated Other Comprehensive Income
GolfRounds.com, Inc.	4.35%	\$ 61,200	\$ 40,800	\$ 66,000	\$ 36,000
All other equity securities	N/A	4,955	9,319	4,450	9,824
		<u>\$ 66,155</u>	<u>\$ 50,119</u>	<u>\$ 70,450</u>	<u>\$ 45,824</u>

The Company's securities are valued at fair value. Fair value is ordinarily the listed market price of the stock. If listed market prices are not indicative of fair value or if liquidating the Company's position would reasonably be expected to impact market prices, fair value is determined based on other relevant factors. Among the factors considered by management in determining fair value of the portfolio positions are the financial condition, asset composition and operating results of the issuer, the long-term business potential of the issuer and other factors generally pertinent to the valuation of investments, including the analysis of the valuation of comparable companies.

NOTE D - Capital Stock Activity

Dividends

No dividends were declared or paid during the three months ended June 30, 2009.

Common Stock Repurchases

In August 2004, the Board of Directors approved a plan to repurchase up to 200,000 shares of the Company's common stock at prices deemed favorable in the open market or in privately negotiated transactions subject to market conditions, the Company's financial position and other considerations. This program has no expiration date. Although no shares were acquired during the quarter ended June 30, 2008, 100 shares were repurchased during the three and six months ended June 30, 2009 for approximately \$163. As of June 30, 2009, 64,819 shares remained authorized for repurchase under the program.

NOTE E - Net Income (Loss) Per Share

The Company reports net income (loss) per share under the requirements of Statement of Financial Accounting Standards No. 128, "Earnings per Share". Basic income (loss) per share includes the weighted average number of common shares outstanding during the year. Diluted income (loss) per share includes the weighted average number of shares outstanding and dilutive potential common shares, such as warrants and options. The Company had no common stock options or warrants outstanding at June 30, 2009 and 2008.

NOTE F - Stock Option Plans

On November 25, 2005, shareholders of the Company approved the 2005 Stock Option Plan making a total of 400,000 common stock options available for issuance. The Company did not record stock-based compensation expense for the three and six month periods ending June 30, 2009 and 2008, respectively, as no options were earned during these periods. At June 30, 2009, the Company had no common stock options outstanding.

Kent International Stock Options Plans

Kent International has issued certain common stock options to its employees, directors and consultants. At June 30, 2009 and December 31, 2008, Kent International had 200,000 common stock options outstanding. Any exercises of these common stock options could have a dilutive effect on the percentage of Kent International owned by the Company.

NOTE G - Related Party Transactions

The Company receives a monthly management fee of \$21,000 from Kent International for management services. These services include, among other things, preparation of periodic and other filings with the Securities and Exchange Commission, evaluating merger and acquisition proposals, providing internal accounting services and shareholder relations. This arrangement may be terminated at will by either party. The monthly management fee revenue and offsetting expense is eliminated during consolidation. The Company is the beneficial owner of approximately 53.44% of Kent International's outstanding Common Stock at June 30, 2009. Paul O. Koether, Chairman of the Company is also the Chairman of Kent International and the beneficial owner of or authorized proxy for approximately 59.54% of the Company's outstanding common stock. Bryan P. Healey, Chief Financial Officer and Director of the Company is also the Chief Financial Officer and Director of Kent International as well as the son-in-law of Paul O. Koether.

The Company and its consolidated subsidiaries reimburse an affiliate, Bedminster Management Corp., for the allocated direct cost of group health insurance and office supplies. These reimbursements were \$17,015 and \$35,423 in the three and six months ended June 30, 2009, respectively and \$13,539 and \$27,932 in the three and six months ended June 30, 2008, respectively. Bedminster Management Corp. facilitates the allocation of certain central administrative costs on a cost reimbursement basis and is owned equally by Kent, Kent International and T.R. Winston & Company, LLC.

NOTE H - Legal Proceedings

Texas American Petrochemicals, Inc. ("TAPI")

By letter dated May 24, 2005, the Texas Commission on Environmental Quality ("TCEQ") advised Texas American Petrochemicals, Inc. ("TAPI"), that it was a person responsible for solid waste at a hazardous waste site in Texas. TAPI is an inactive subsidiary of the Company with no assets. The TCEQ determined that the amount owed to the State of Texas for remediation is \$2,459,594 and that failure to pay that amount would result in the matter being referred to the TCEQ Litigation Division. The Company has been advised by its environmental counsel that it has good legal arguments to support its position and that it should not be subject to liability for the remediation costs of the site, however no assurances can be made as to the outcome of this matter.

NOTE I – Net Operating Loss Carryforwards

As of December 31, 2008, the Company had approximately \$2.6 million of net operating loss carryforwards (“NOL”) for income tax purposes. In addition, Kent International had approximately \$63.4 million of NOL and \$1.85 million of research and development and foreign tax credit carryforwards available to offset future federal income tax, subject to limitations for alternative minimum tax. The NOL’s and tax credit carryforwards expire in various years from 2009 through 2027. The Company’s and Kent International’s use of operating loss carryforwards and tax credit carryforwards is subject to limitations imposed by the Internal Revenue Code. Management believes that the deferred tax assets as of June 30, 2009 do not satisfy the realization criteria set forth in SFAS No. 109 and has recorded a valuation allowance for the entire net tax asset. By recording a valuation allowance for the entire amount of future tax benefits, the Company has not recognized a deferred tax benefit for income taxes in its statements of operations.

NOTE J - New Accounting Pronouncements

In December 2007, the Financial Accounting Standards Board (“FASB”) issued Statement of Financial Accounting Standard (“SFAS”) No. 141 (R), *Business Combinations*, and SFAS No. 160, *Noncontrolling Interests in Consolidated Financial Statements*. SFAS No. 141 (R) requires an acquirer to measure the identifiable assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree at their fair values on the acquisition date, with goodwill being the excess value over the net identifiable assets acquired. SFAS No.160 clarifies that a noncontrolling interest in a subsidiary should be reported as equity in the consolidated financial statements. The calculation of earnings per share will continue to be based on income amounts attributable to the parent. SFAS No. 141 (R) and SFAS No. 160 are effective for financial statements issued for fiscal years beginning after December 15, 2008. SFAS 141 (R) and SFAS No. 160 will significantly affect the accounting for future business combinations and we will determine the accounting impact as new combinations are determined.

In May 2009, the FASB issued SFAS No. 165 “Subsequent Events.” This statement establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or available to be issued. This statement is effective for interim or annual financial periods ending after June 15, 2009. The Company believes that the adoption of the above recent pronouncement will not have a material effect on the Company’s results of operations, financial position, or cash flows.

Item 2. - Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with the Annual Report on Form 10-K for the fiscal year ended December 31, 2008, of Kent Financial Services, Inc. (“Kent” or the “Company”) as well as the Company’s financial statements and notes thereto included elsewhere in this Quarterly Report on Form 10-Q. Statements in this report relating to future plans, projections, events or conditions are forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those described. The Company expressly disclaims any obligation or undertaking to update these statements in the future.

Kent’s business is comprised of the management of Kent International Holdings, Inc. (“Kent International”) and Kent Educational Services, Inc. (“Kent Educational”). Kent was formed in 1988 as a Delaware corporation and reincorporated in Nevada in 2006 by a merger into a newly formed, wholly owned Nevada subsidiary with the same name that was the surviving corporation of the merger.

Kent International

Kent International is a publicly traded company (stock symbol "KNTH.PK") currently seeking to redeploy its assets into an operating business. The Company owned approximately 53.44% of Kent International at June 30, 2009. All of Kent International's assets, excluding its portfolio of pharmaceutical patents (which have a zero carrying value on the consolidated financial statements), are invested in cash and United States Treasury Bills. Kent International's current business plan is to serve as a vehicle for the acquisition of or merger or consolidation with another company. Kent International may use its available working capital, capital stock, debt or a combination of these to start a business or to effect a business combination with a company seeking to establish a public trading market for its securities while avoiding the time delays, significant expense, loss of voting control and other burdens including significant professional fees of an initial public offering. A business combination may be with a financially stable, mature company or a company that is in its early stages of development or growth, which could include companies seeking to obtain capital and to improve their financial stability.

Additionally, Kent International has developed a niche social networking website, www.ChinaUSPals.com, designed to promote cultural exchange between the citizens of the United States and those of the People's Republic of China. Membership to the site is free, thus, any potential revenues will be derived from advertisements placed on the site by third parties. The site provides users with access to other users' personal profiles and enables the user to send messages to other registered users of similar interests in order to develop lasting friendships or simply attain a pen pal. ChinaUSPals.com also features user generated discussion forums and blogs as well as user submitted videos and pictures. The site was redesigned in preparation for the 2008 Olympics and re-launched on August 6, 2008. Since then, site membership has grown to over 4,900 members from the approximately 150 members prior to the redesign.

While Kent International is encouraged by the membership and traffic growth since the redesign, we cannot be certain that the growth rate will continue or that existing members will continue using the site. Kent International also faces the risk that our website will not be viewable in China or will be deliberately blocked by the government of the People's Republic of China. Internet usage and content are heavily regulated in China and compliance with these laws and regulations may cause us to change or limit our business practices in a manner adverse to our business.

Kent International does not expect that these activities will generate any significant revenues for an indefinite period as these efforts are in their early stages. As a result, these programs may produce significant losses until such time as meaningful revenues are achieved.

Kent Educational

Kent Educational, a wholly owned subsidiary of Kent has a 60% controlling interest in The Academy for Teaching and Leadership, Inc., ("The Academy"). The Academy, headed by Dr. Saul Cooperman, a former Commissioner of Education in the State of New Jersey, offers educators high quality programs designed to dramatically improve themselves, their students and their schools. The Academy brings together educators from school districts to engage in quality programs related to curriculum, assessment, and instructional strategies that have the potential to assist them in their own development as well as to enhance the learning of their students. Similarly, it offers administrators the latest programs in leadership practices that can support their school district's goals and give them the skills to achieve their specific objectives.

Kent Educational and The Academy are consolidated in the accompanying financial statements. The Academy is currently reviewing its strategic options including hiring an executive officer, partnering with a competitor, continuing to provide services to existing clients through an outsourcing platform, or discontinuation of services.

Results of Operations

The Company had a net loss of \$97,318 or \$.04 basic and diluted loss per share, for the three months ended June 30, 2009 compared to a net loss of \$68,596, or \$.02 basic and diluted loss per share for the comparable quarter in 2008. For the six months ended June 30, 2009, the Company had a net loss of \$204,046 or \$.07 basic and diluted loss per share, compared to a net loss of \$133,236, or \$.05 basic and diluted loss per share for the six months ended June 30, 2008. The increases in the net losses were mainly the result of decreased interest revenue and administrative fees paid by an un-affiliated investment partnership offset by decreased expenses during the periods.

Revenue

Seminar fees based on seminars held by The Academy decreased to \$54,284 for the three months ended June 30, 2009 compared to \$64,557 for the three months ended June 30, 2008. For the six months ended June 30, 2009, seminar fees for seminars held by The Academy increased to \$164,567, compared to \$134,355 for the six months ended June 30, 2008. The Company recognizes seminar revenue when the services are provided. Despite ongoing business development activities, The Academy does not currently have any customers under contract for services to be rendered during the 2009-2010 school year. Accordingly, The Academy is currently reviewing its strategic options including partnering with a competitor or discontinuation of services.

Interest and dividend revenue decreased to \$5,173 for the three months ended June 30, 2009, from \$87,531 for the three months ended June 30, 2008. For the six months ended June 30, 2009, interest revenue decreased to \$12,756 from \$182,740 for the six months ended June 30, 2008. A decrease in the yield on short-term investments and cash equivalents from 3.2% to 0.2% was the primary reason for the decreases.

The Company realized gains on securities transactions of \$10,034 for the six months ended June 30, 2009 as compared to the realized losses on securities transactions of \$660 for the six months ended June 30, 2008.

For the three months ended June 30, 2009, other income increased to \$11,207 from \$9,397 for the three months ended June 30, 2008. Other income decreased to \$13,686 for the six months ended June 30, 2009, from \$79,224 for the six months ended June 30, 2008, caused primarily by the decrease in administrative fees paid by an un-affiliated investment partnership. These administrative fees fluctuate based on the performance of the investment partnership; as a result, based upon current global financial market conditions we do not believe that these fees will return to 2008 levels for the foreseeable future.

Expenses

General and administrative expenses were \$197,196 in the three months ended June 30, 2009 compared to \$230,123 in the three months ended June 30, 2008, a decrease of \$32,927. For the six months ended June 30, 2009, general and administrative expenses decreased to \$449,055 from \$552,282 for the six months ended June 30, 2008, a decrease of \$103,227 or 19%. The majority of the decrease for the six month period in 2009 as compared to the six month period in 2008 was made up of expenses at the Academy related to production, marketing and fulfillment costs for the *Sex Over Sixty* DVD of \$55,094 incurred in 2008. Other significant

reductions in expenses included personnel costs which decreased \$23,060, travel and entertainment expenses which decreased \$9,922, and costs of seminars held by the Academy which decreased \$19,252.

Liquidity and Capital Resources

At June 30, 2009, the Company had cash and cash equivalents of \$11,722,564. Cash and cash equivalents consist of cash held in banks and brokerage firms and U.S. Treasury Bills with original maturities of three months. Working capital at June 30, 2009 was approximately \$11.678 million. Management believes its cash and cash equivalents are sufficient for its business activities for at least the next 12 months and for the costs of seeking an acquisition of an operating business.

Net cash used in operations was \$367,227 in the six months ended June 30, 2009, compared to net cash used in operations of \$29,674 in the comparable period of 2008. Cash used in operations is a direct result of operating expenses offset by operating revenues and adjusted for changes in operating assets and liabilities. The increase in net cash used in operations was largely the result of the decrease in revenues as described above.

Net cash of \$10,099,201 was provided by investing activities during the six months ended June 30, 2009 by the gain generated by the net purchases and sales of marketable securities of \$10,034 and by the sales and maturities of short-term investments of \$10,089,167. Net cash of \$654,979 was provided by investing activities during the period ended June 30, 2008 by the sales and maturities of short-term investments of \$12,226,771 and marketable securities of \$2,405, offset by the purchase of short-term investments of \$11,549,243 and the acquisition of property and equipment of \$24,954.

\$163 was used for financing activities to repurchase 100 shares of common stock in the six months ending June 30, 2009. Nil cash was used for financing activities in the six months ending June 30, 2008.

Other Disclosures – Related Party Transactions

The Company receives a monthly management fee of \$21,000 from Kent International for management services. These services include, among other things, preparation of periodic and other filings with the Securities and Exchange Commission, evaluating merger and acquisition proposals, providing internal accounting services and shareholder relations. This arrangement may be terminated at will by either party. The monthly management fee revenue and offsetting expense is eliminated during consolidation. The Company is the beneficial owner of approximately 53.44% of Kent International's outstanding Common Stock at June 30, 2009. Paul O. Koether, Chairman of the Company is also the Chairman of Kent International and the beneficial owner of or authorized proxy for approximately 59.54% of the Company's outstanding common stock. Bryan P. Healey, Chief Financial Officer and Director of the Company is also the Chief Financial Officer and Director of Kent International as well as the son-in-law of Paul O. Koether.

The Company and its consolidated subsidiaries reimburse an affiliate, Bedminster Management Corp., for the allocated direct cost of group health insurance and office supplies. These reimbursements were \$17,015 and \$35,423 in the three and six months ended June 30, 2009, respectively and \$13,539 and \$27,932 in the three and six months ended June 30, 2008, respectively. Bedminster Management Corp. facilitates the allocation of certain central administrative costs on a cost reimbursement basis and is owned equally by Kent, Kent International and T.R. Winston & Company, LLC.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition or results of operations.

ITEM 3. Quantitative and Qualitative Disclosure About Market Risk.

Not Applicable.

Item 4. - Controls and Procedures

As of the end of the period covered by this report, the Company carried out, under the supervision and with the participation of the Company's management, including its Chief Executive Officer and Chief Financial Officer, an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) in ensuring that information required to be disclosed by the Company in its reports is recorded, processed, summarized and reported within the required time periods. In carrying out that evaluation, management identified a material weakness (as defined in Public Company Accounting Oversight Board Standard No. 2) in our internal control over financial reporting.

The material weakness identified by Management consisted of inadequate staffing and supervision within the bookkeeping and accounting operations of our company. The relatively small number of employees who have bookkeeping and accounting functions prevents us from segregating duties within our internal control system. The inadequate segregation of duties is a weakness because it could lead to the untimely identification and resolution of accounting and disclosure matters or could lead to a failure to perform timely and effective reviews. However, as there has been no instance in which the company failed to identify or resolve a disclosure matter or failed to perform a timely and effective review, management determined that the addition of personnel to our bookkeeping and accounting operations is not an efficient use of our resources at this time.

Accordingly, based on their evaluation of our disclosure controls and procedures as of June 30, 2009, the Company's Chief Executive Officer and its Chief Financial Officer have concluded that, as of that date, the Company's controls and procedures were not effective for the purposes described above.

There was no change in the Company's internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934) during the quarter ended June 30, 2009 that has materially affected or is reasonably likely to materially affect the Company's internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. - Legal Proceedings

None.

ITEM 1A. Risk Factors

Not Applicable

ITEM 2. - Unregistered Sales of Equity Securities and Use of Proceeds

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
April 1, 2009 - April 30, 2009				135,081
May 1, 2009 - May 31, 2009	100	\$ 1.63	100	134,981
June 1, 2009 - June 30, 2009				134,981
Total	100	\$ 1.63	100	134,981

1) In August 2004, the Board of Directors approved a stock repurchase program authorizing the Company to repurchase up to 200,000 shares of its common stock. This program has no expiration date.

ITEM 3. - Defaults Upon Senior Securities

None.

ITEM 4. - Submission of Matters to a Vote of Security Holders

None.

ITEM 5. - Other Information

None.

ITEM 6. - Exhibits

(a) Exhibits

- 3.1 Bylaws of the Registrant, as amended. (1)
- 3.2(a) Articles of Incorporation of Registrant, as amended (including certificate of stock designation for \$2.575 Cumulative Convertible Exchangeable Preferred Stock). (2)
- 3.2(b) Certificate of Amendment to Certificate of Incorporation. (3)
- 3.2(c) Certificate of Amendment to Certificate of Incorporation dated September 26, 1991. (4)

- 10.1 Employment Agreement dated May 12, 2008 by and between Kent Financial Services, Inc. and Paul O. Koether. (5) **
- 10.2 Employment Agreement dated May 1, 2006 by and between Kent Financial Services, Inc. and Bryan P. Healey. (6) **
- 31.1 Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.2 Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 32 Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

- (1) Incorporated by reference to Texas American Energy Corporation Registration Statement, as amended, on Form S-1, No. 33-11109.
- (2) Incorporated by reference to Texas American Energy Corporation Form 10-K, for the fiscal year ended December 31, 1984.
- (3) Incorporated by reference to Texas American Energy Corporation Form 10-K for the fiscal year ended December 31, 1987.
- (4) Incorporated by reference to Kent Financial Services, Inc. Form 10-Q for the quarter ended September 30, 1991.
- (5) Incorporated by reference to Kent Financial Services, Inc., Form 10-Q for the quarter ended June 30, 2008.
- (6) Incorporated by reference to Kent Financial Services, Inc. Form 8-K filed on May 1, 2006.

** Compensatory Plan

SIGNATURES

In accordance with the requirements of the Exchange Act of 1934, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

KENT FINANCIAL SERVICES, INC.

Dated: August 10, 2009

By: /s/ Bryan P. Healey
Bryan P. Healey
Chief Financial Officer
(Principal Financial and Accounting Officer)

CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Paul O. Koether, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Kent Financial Services, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal controls over financial reporting, or caused such internal controls over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 10, 2009

/s/ Paul O. Koether
Paul O. Koether
Chief Executive Officer

CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Bryan P. Healey, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Kent Financial Services, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal controls over financial reporting, or caused such internal controls over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 10, 2009

/s/ Bryan P. Healey
Bryan P. Healey
Chief Financial Officer

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO SECTION 906 OF
THE SARBANES-OXLEY ACT OF 2002

Pursuant to Section 906 of the Public Company Accounting Reform and Investor Protection Act of 2002 (18 U.S.C. 1350, as adopted), Paul O. Koether, the Chief Executive Officer of Kent Financial Services, Inc., (the "Company"), and Bryan P. Healey, the Chief Financial Officer of the Company each hereby certifies that, to the best of his knowledge:

1. The Quarterly Report on Form 10-Q of the Company for the period ended June 30, 2009, (the "Quarterly Report"), fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended;

and

2. The information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 10, 2009

/s/ Paul O. Koether
Paul O. Koether
Chief Executive Officer

/s/ Bryan P. Healey
Bryan P. Healey
Chief Financial Officer