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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

SEC FILE NUMBER
8- 32418

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01/01/2005 AND ENDING 12/31/2005
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: TRANS AMERICAN EQUITIES CORPORATION

OFFICIAL USE ONLY
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
4141 North Henderson Road, Suite #8

Arlington, Virginia 22203
(No. and Street)

(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Mr. Arthur L. Walters (703) 527-5200

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

ROBINSON, JACK H.

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

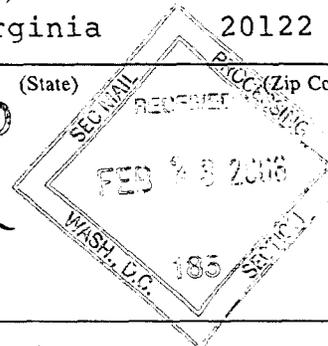
P. O. Box 430 Centreville Virginia 20122

(Address) (City) (State) (Zip Code)

CHECK ONE:

- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions.

PROCESSED
APR 12 2006
THOMSON
FINANCIAL



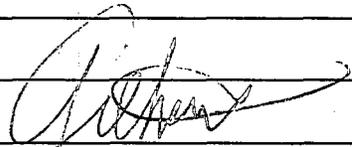
FOR OFFICIAL USE ONLY

Handwritten signature: [Signature]

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

OATH OR AFFIRMATION

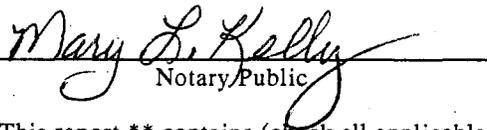
I, ARTHUR L. WALTERS, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Trans American Equities Corporation, as of December 31,, 20 05, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:



Signature

PRESIDENT

Title


Notary Public

This report ** contains (check all applicable boxes):

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Changes in Financial Condition.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital.
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

JACK H. ROBINSON

----- Certified Public Accountant-----

**P.O. Box 430
Centreville, Virginia 20122
703-830-8865**

INDEPENDENT AUDITOR'S REPORT

To the Stockholders and
Board of Directors of
Trans American Equities Corporation:

We have audited the balance sheet of Trans American Equities Corporation as of December 31, 2005 and the related statements of income and retained earnings, cash flows and changes in shareholders' equity. These financial statements are the responsibility of the Trans American Equities Corporation'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 audits provide 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 Trans American Equities Corporation at December 31, 2005 and the results of their operations and their cash flows for the year ended, in conformity with accounting principles accepted in the United States of America.



Arlington, Virginia
February 01, 2006

TRANS AMERICAN EQUITIES CORPORATION

BALANCE SHEET

DECEMBER 31, 2005

ASSETS**Current Assets:**

Cash		\$	103,675
Investments- Equity Securities (Note A-2)	138,300		
Add: Unrealized Gain	144,054		282,354

Accounts Receivable			7,250

Total Current Assets		\$	393,279
			=====

LIABILITIES AND SHAREHOLDERS' EQUITYLIABILITIES**Current Liabilities:**

Accounts Payable		\$	5,197
Income Taxes			

Total Current Liabilities		\$	5,197

SHAREHOLDERS' EQUITY

Common Shares, Par Value \$.01 a share, 10,000 Shares Authorized 8,100 Issued & Outstanding		\$	81
Capital in Excess of Par Value			239,919
Net Unrealized Securities Gain			144,054
Retained Earnings- Exhibit B			4,028

Total Shareholders' Equity			388,082

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$	393,279
			=====

The accompanying notes are an integral part of these financial statements.

TRANS AMERICAN EQUITIES CORPORATION
STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2005

Income :	
Investment Advisory Fees	\$ 22,025
Gain on Sale of Securities	
Interest	1,197

Total	\$ 23,222

Expenses:	
Administrative Services	5,860
Consulting Fees	15,950
Registration Fees & Expenses	1,796

Total	\$ 23,606

Income (Loss) Before Provision for Income Taxes:	(384)
Provision (Benefit Provided) for Income Taxes	0

Net Income	\$ (384)
Retained Earnings - December 31, 2004	4,412

Retained Earnings - December 31, 2005	\$ 4,028
	=====
Earnings (Loss) per share	
Primary	\$ (0.05)
Fully Diluted	\$ (0.05)

The accompanying notes are an integral part of these financial statements.

TRANS AMERICAN EQUITIES CORPORATION
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2005

CASH FLOWS FROM OPERATING ACTIVITIES:

Net Income (Loss)	\$ (384)
Adjustments to reconcile income to net cash provided:	
Accounts Receivable	(3,750)
Accounts Payable-increase	(11,003)

Net Cash Provided (Used) by Operating Activities:	\$ (15,137)
	=====

CASH FLOWS FROM INVESTING ACTIVITIES :

Available for Sale Securities	(135,000)

Net Cash Provided (Used) by Investing Activities:	\$ (135,000)
	=====

CASH FLOWS FROM FINANCING ACTIVITIES :

Proceeds from Sale of Common Stock	135,000

Net Cash Provided (Used) by Financing Activities:	\$ 135,000
	=====

Net Increase (Decrease) in Cash	\$ (15,137)
UNRESTRICTED CASH- Beginning of Period	118,812

UNRESTRICTED CASH- End of Period	\$ 103,675
	=====

The accompanying notes are an integral part of these financial statements.

TRANS AMERICAN EQUITIES CORPORATION
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2005

	<u>Common Stock</u>		ADD'L PAID-IN CAPITAL	UNREALIZED SECURITIES GAIN	RETAINED EARNINGS
	Shares	Amount			
Balance January 1, 2005	8,000	\$80	\$104,920	\$0	\$4,412
Sale of Capital Stock	100	\$1	\$134,999		
Realized Gain in Value of Equity Securities Sold					
Unrealized Gain in Value of Equity Securities Held				\$144,054	
Net Income (Loss) (Exhibit B)					(\$384)
	-----	-----	-----	-----	-----
Balance December 31, 2005	8,100	\$81	\$239,919	\$144,054	\$4,028
	=====	====	=====	=====	=====

The accompanying notes are an integral part of these financial statements.

TRANS AMERICAN EQUITIES CORPORATION

-Notes to Financial Statements-

December 31, 2005

NOTE A: Significant Accounting Policies

1. **Principal of Statement Presentation:**

Trans American Equities Corporation, a Virginia corporation, was incorporated in 1983 but did not commence operations until 1984. On October 25, 1984, the Corporation was registered as a Securities Broker/Dealer pursuant to Section 15(b) of the Securities Exchange Act. The Corporation's operational activities have been limited to investment advisory services.

2. **Investment Securities:**

Investment securities are carried at cost adjusted for amortization of premiums and discounts, both computed by the straight-line method. The Corporation is required to disclose fair value information for balance sheet financial instruments. The fair value of the Equity Securities are based upon market quotations at December 31, 2005. The fair values of the financial instruments may not be indicative of their future fair values.

Equity Securities

Carrying Value	\$ 282,354
Fair Value	282,354

3. **Income Taxes:**

Prepaid and deferred income taxes are provided for timing differences between income and expenses for financial reporting purposes and for income tax purposes.

4. **Cash Equivalents:**

Highly liquid investment instruments purchased with original maturities of three months or less are considered cash equivalents.

5. **Use of Estimates**

The preparation of financial statements in conformity with accounting principles accepted in the United States of America requires management to management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements. The Foundation is also required to make estimates and assumptions that affect the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE B: Common Stock

On July 23, 1986, the Corporation declared a reverse split of its common stock reducing the authorized 100,000 shares with a par value of \$.01 to 10,000 shares with a par value of \$.01. All common shares at the time of the reverse split were issued and outstanding and were exchanged at rate of 10 shares of old stock for one share of new. On October 8, 1986, the common shareholders, on a pro rata basis, paid-in an additional \$15,000. On December 1, 1989, the common shareholders, on a pro rata basis, again paid-in an additional \$15,000.

On January 1, 1996, the Corporation declared a reverse stock split. 10,000 shares of common stock were exchanged at a rate of two shares of old stock for one share of new. Par value remained at \$.01 per share. On February 20, 1996, the Corporation sold 2,850 shares of previously unissued stock for \$20,000. On March 5, 1998, 150 shares of previously unissued stock were sold for \$50,000. On July 1, 2005, 100 shares of previously unissued stock were sold for \$135,000.00.

TRANS AMERICAN EQUITIES CORPORATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2005

NOTE C

COMPUTATION OF NET CAPITAL

Total ownership equity (Exhibit A)		\$	388,082
Deductions:			
Non - Allowable Assets (Accounts receivable)			7,250

Net capital before haircuts on security positions		\$	380,832
Haircuts on security positions			
Exempt securities	95,900		
Other securities	42,353		
Undue concentration	21,695		159,948

Net Capital		\$	220,884
			=====

NOTE D

COMPUTATION OF BASIC NET
CAPITAL REQUIREMENT

Minimum net capital required		\$	346
Minimum dollar net capital requirement		\$	5,000
Net capital requirement		\$	5,000
Excess net capital			
Net Capital	215,884		
Net capital requirement	5,000	\$	220,884

Excess net capital at 1000%			
Net Capital	220,884		
10% of indebtedness	0	\$	220,884

			=====

COMPUTATION OF
AGGREGATE INDEBTEDNESS

Total liabilities- Exhibit A		\$	5,197
			=====
Total aggregate indebtedness		\$	5,197
			=====
Percentage of aggregate indebtedness to net capital			
Aggregate indebtedness	5,197		
Net Capital	220,884		2.35%
			=====

TRANS AMERICAN EQUITIES CORPORATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2005

NOTE E

**COMPUTATION FOR DETERMINATION
OF RESERVE REQUIREMENTS PURSUANT TO
SEC RULE 15c3-3**

The Company claims an exemption from Rule 15c3-3 based upon

A.(k) (1)

Limited business (mutal funds and/or variable annutities only)

JACK H. ROBINSON

----- Certified Public Accountant -----

**P.O. Box 430
Centreville, Virginia 20122
703-830-8865**

SUPPLEMENTAL REPORT

To the Stockholders and
Board of Directors of
Trans American Equities Corporation:

We have examined the financial statements of Trans American Equities Corporation for the year ended December 31, 2005, and have issued our report dated February 01, 2006. As a part of our examination, we reviewed and tested the Corporation's system of internal accounting and operational procedures with respect to material inadequacies, the prior unaudited internal computation of Net Capital and Reserve Requirements and the computation of changes in stockholders' equity. Our review also took into consideration the audit requirements pursuant to Securities and Exchange Rule 17a-5(d)(1).

We found no material inadequacies as to the Corporation's system of internal accounting controls or its operational procedures.

A reconciliation between the audited computation of Net Worth and 15c3-3 Reserve Requirements and the Corporation's unaudited Part II reflected no differences.

This report is solely intended for use in meeting compliance requirements as set forth in the Securities and Exchange Commission Rule 17a-5(d)(1) and is to be considered an integral part of our report dated February 01, 2006.



Arlington, Virginia

February 01, 2006

TRANS AMERICAN EQUITIES CORPORATION

FINANCIAL STATEMENTS

&

SUPPLEMENTAL DATA

as of

December 31, 2005

JACK H. ROBINSON
Certified Public Accountant
Centreville, Virginia