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

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 January 1, 2005 ENDING December 31, 2005

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER
Hunter, Keith, Marshall & Co., Incorporated

OFFICIAL USE ONLY
FIRM ID. NO.

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

450 Seventh Ave. Ste 1505

(No. and Street)

New York

New York

10123

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Henry C. Marshall

212-736-6140

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Levy & Gold, LLP

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

310 Northern Blvd

Great Neck

NY

(Address)

(City)

SECURITIES AND EXCHANGE COMMISSION
(State) RECEIVED (Zip Code)

PROCESSED
MAR 29 2006

THOMSON
FINANCIAL

CHECK ONE

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

RECEIVED
FEB 26 2006
BRANCH OF REGISTRATIONS
AND
EXAMINATIONS
05

FOR OFFICIAL USE ONLY

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

Sec 1410 (06-02)

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OATH OR AFFIRMATION

I, Henry C. Marshall, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of

Hunter, Keith, Marshall & Co., Incorporated

, as of

December 31, 2005, 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:

Henry C. Marshall
Managing Director
Signature

Title

Elizabeth D. Sikora
Notary Public

ELIZABETH D. SIKORA
Notary Public, State of New York
No. 01915055931
Qualified in New York County
Commission Expires Feb. 20, ~~2008~~
2010

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

- X (a) Facing Page
- X (b) Statement of Financial Condition.
- X (c) Statement of Income (Loss)
- X (d) Statement of Cash Flows.
- X (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- X (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.
- X (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 an audited Statements of Financial Condition with respect to methods of Consolidation.
- X (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.
- X (o) A report on internal control.

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

Hunter, Keith, Marshall & Co., Incorporated

Financial Statements
And Supplemental Information

Year ended December 31, 2005

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Hunter, Keith, Marshall & Co., Incorporated

We have audited the accompanying statement of financial condition of Hunt Keith Marshall & Co., Incorporated (the "Company") as of December 31, 2005 and the related statements of operations, changes in member's equity and cash flows for the year then ended that you are filing pursuant to rule 17a-5 under the Securities Exchange Act of 1934. 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.

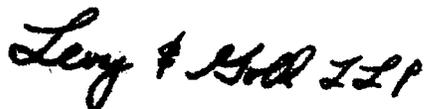
We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 Hunt Keith Marshall & Co., Incorporated at December 31, 2005 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.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information contained in Schedule 1 is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934. This schedule is the responsibility of the Company's management. Such schedule 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 when considered in relation to the basic financial statements taken as a whole.

CERTIFIED PUBLIC ACCOUNTANTS

January 30, 2006



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Hunter, Keith, Marshall & Co., Incorporated
Statement of Financial Condition
December 31, 2005

ASSETS

| | | |
|--|----|-----------------------|
| Cash and cash equivalents | \$ | 15,142 |
| Securities owned | | 95,655 |
| Due from stockholder | | 59,513 |
| Furniture, fixtures and equipment, at cost, less accumulated depreciation of \$61,088 | | 2,619 |
| Other assets | | <u>20,985</u> |
| Total Assets | \$ | <u><u>193,914</u></u> |

LIABILITIES AND STOCKHOLDER'S EQUITY

| | | |
|------------------------------|----|---------------|
| Accounts payable | \$ | 5,742 |
| Pension contribution payable | | <u>65,173</u> |
| Total Liabilities | | <u>70,915</u> |

Commitments

Stockholder's equity

| | | |
|---|----|-----------------------|
| Common stock, \$10 par value; 3,000 shares authorized, 1,000 shares issued and outstanding | | 10,000 |
| Additional paid-in-capital | | 324,513 |
| Retained earnings (deficit) | | <u>(211,514)</u> |
| Total Stockholder's Equity | | <u>122,999</u> |
| Total Liabilities and Stockholder's Equity | \$ | <u><u>193,914</u></u> |

See Notes to Financial Statements

Hunter, Keith, Marshall & Co., Incorporated
Statement of Operations
For the Year Ended December 31, 2005

REVENUES

| | |
|--------------------------------|----------------|
| Commission and fees | \$ 112,295 |
| Interest and dividend income | 3,618 |
| Rent income | 36,620 |
| Unrealized gain on investments | <u>10,362</u> |
| | <u>162,895</u> |

EXPENSES

| | |
|------------------------------------|----------------|
| Employee compensation and benefits | 125,937 |
| Occupancy and equipment rental | 74,115 |
| Communications | 4,960 |
| Professional fees | 6,825 |
| Other operating expenses | <u>13,351</u> |
| | <u>225,188</u> |

LOSS BEFORE INCOME TAXES (62,293)

State and local income taxes 650

NET LOSS \$ (62,943)

See Notes to Financial Statements

Hunter, Keith, Marshall & Co., Incorporated
Statement of Changes in Stockholder's Equity
For the Year Ended December 31, 2005.

| | <u>Common Stock</u> | <u>Additional Paid-in Capital</u> | <u>Retained Earnings (Deficit)</u> | <u>Total</u> |
|---------------------|-------------------------|---|--|-------------------|
| Balance - Beginning | \$ 10,000 | \$ 324,513 | \$ (148,571) | \$ 185,942 |
| Net loss | - | - | (62,943) | (62,943) |
| Balance - End | <u>\$ 10,000</u> | <u>\$ 324,513</u> | <u>\$ (211,514)</u> | <u>\$ 122,999</u> |

See Notes to Financial Statements

Hunter, Keith, Marshall & Co., Incorporated
Statement of Cash Flows
For the Year Ended December 31, 2005

| | |
|---|-----------------------------|
| <i>Cash flows from operating activities</i> | |
| Net loss | <u>\$ (62,943)</u> |
| Adjustments to reconcile net loss to net cash used in operating activities: | |
| (Increase) decrease in assets: | |
| Depreciation | - |
| Securities owned | (13,978) |
| Other assets | 646 |
| Increase (decrease) in liabilities: | |
| Accounts payable | (4,810) |
| Pension contribution payable | <u>32,894</u> |
| Total adjustments | <u>14,752</u> |
| <i>Net cash used by operating activities</i> | <u>(48,191)</u> |
| <i>Cash flows from financing activities</i> | |
| Due from stockholder | <u>43,642</u> |
| <i>Net cash provided by financing activities</i> | <u>43,642</u> |
| NET DECREASE IN CASH | (4,549) |
| CASH AND CASH EQUIVALENTS- BEGINNING | <u>19,691</u> |
| CASH AND CASH EQUIVALENTS- END | <u><u>\$ 15,142</u></u> |
| Supplemental disclosures of cash flow information: | |
| Cash paid during the year for: | |
| Interest expense | <u>\$ 400</u> |
| Income Tax | <u><u>\$ 650</u></u> |

See Notes to Financial Statements

Hunter, Keith, Marshall & Co., Incorporated

Notes to Financial Statements

December 31, 2005

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

Hunter, Keith, Marshall & Co., Incorporated ("Company") is a broker-dealer and does not carry or hold securities for customer accounts.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REVENUE RECOGNITION

The Company's principal source of revenue is commissions earned on private placement transactions. Such commissions are recorded as earned and related expenses are recognized when the underlying contract is consummated.

DEPRECIATION

Depreciation of furniture, fixtures and equipment is provided over the estimated useful lives of the respective assets (five to seven years) using accelerated methods.

CASH EQUIVALENTS

The Company considers all highly liquid debt instruments purchased with maturity of three months or less to be cash equivalents.

2. DUE FROM STOCKHOLDER

The Company made non-interest bearing advances to the stockholder due upon demand. The stockholder paid back \$43,642, leaving an outstanding balance of \$59,513 at December 31, 2005.

3. INCOME TAXES

The Company files its federal income tax return as an S corporation under the provisions of the Internal Revenue Code. Under these provisions, the Company's net income or loss is reported directly on the individual tax return of the stockholder. Accordingly, the current year's income tax provision consists solely of state and local income taxes.

Hunter, Keith, Marshall & Co., Incorporated

Notes to Financial Statements
December 31, 2005

4. PENSION PLAN

The Company maintains a defined benefit pension plan, which covers substantially all of the Company's employees after one year of employment. The benefits are based on years of service and the employee's compensation. Pension expense for 2005 was approximately \$39,700.

5. LEASE COMMITMENTS

The Company leases its office facilities under an agreement, which provides for scheduled rent increases. Lease term is May 1, 2002 through April 30, 2007. Included in operations for 2005 is rent expense of approximately \$74,000. Future minimum rental payments under noncancellable operating lease are approximately as follows:

Years ended December 31,

| | |
|-------|-----------------|
| 2006 | 70,500 |
| 2007 | <u>23,700</u> |
| TOTAL | <u>\$94,200</u> |

6. COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS FOR
BROKERS AND DEALERS PURSUANT TO RULE 15c3-3

The Company is exempt from the provisions of Rule 15c3-3 under the Securities Exchange Act of 1934, in that the Company's activities are limited to those set forth in the conditions for exemption appearing in paragraph (k)(2)(ii) of the Rule.

7. NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c-3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1 (and that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1). At December 31, 2005, the Company had net capital of \$25,595, which was \$20,595 in excess of its required net capital of \$5,000. The Company had a percentage of aggregate indebtedness to net capital of 277% as of December 31, 2005.

Hunter, Keith, Marshall & Co., Incorporated
 Computation of Net Capital Under Rule 15c-3-1
 of the Securities and Exchange Commission
 December 31, 2005

Net Capital

| | |
|---|-----------------------------|
| Stockholder's equity | <u>\$ 122,999</u> |
| Deductions and/or charges: | |
| Less non-allowable assets | |
| Due from stockholder | 59,513 |
| Furniture, fixtures and equipment, net | 2,619 |
| Other assets | <u>20,985</u> |
| | 83,117 |
| Haircut on exempt securities | <u>14,287</u> |
| Net Capital | <u><u>\$ 25,595</u></u> |
| Aggregate Indebtness | <u><u>\$ 70,915</u></u> |
| Minimum Net Capital Required | <u><u>\$ 5,000</u></u> |
| Excess of Net Capital Over Minimum Requirements | <u><u>\$ 20,595</u></u> |
| Percentage of Aggregate Indebtness To Net Capital | <u><u>277%</u></u> |
| Net Capital per Company's unaudited Form X-17A-5 filing | \$ 10,225 |
| Auditors' adjustments | <u>15,370</u> |
| Net capital per above calculation | <u><u>\$ 25,595</u></u> |

See Notes to Financial Statements

***INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL REQUIRED BY SEC RULE 17a-5 FOR A
BROKER-DEALER CLAIMING AN EXEMPTION FROM SEC RULE 15c3-3***

To the Board of Directors
Hunter, Keith, Marshall & Co., Incorporated

In planning and performing our audit of the financial statements and supplemental schedule of Hunter, Keith, Marshall & Co., Incorporated (the Company), for the year ended December 31, 2005, we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control.

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

1. Making quarterly securities examinations, counts, verifications, and comparisons recordation of differences required by rule 17a-13
2. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System
3. Obtaining and maintaining physical possession or control of all fully paid and excess margin securities of customer as required by Rule 15c3-3

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

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

Our consideration of internal control would not necessarily disclose all matters in internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted the following matter involving the internal control environment that we consider to be a material weakness as defined above. This condition was considered in determining the nature, timing and extent of the procedures to be performed in our audit of the financial statements of Hunter, Keith, Marshall & Co., Incorporated for the year ended December 31, 2005, and this report does not affect our report thereon dated January 30, 2006

The size of the business and resultant limited number of employees imposes practical limitations on the effectiveness of those internal control structure procedures that depend on the segregation of duties. Since this condition is inherent in the size of the Company, the specific weaknesses are not described herein and no corrective action has been taken or proposed by the Company.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2005, to meet the SEC's objectives.

This report is intended solely for the information and use of management, the SEC, the NASD, and other regulatory agencies that rely on rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers is not intended to be and should not be used by anyone other than these specified parties.

CERTIFIED PUBLIC ACCOUNTANTS

January 30, 2006

Levy & Gold LLP

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