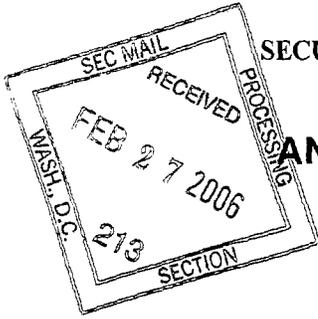


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OMB Number:	3235-0123
Expires:	January 31, 2007
Estimated average burden hours per response.....	12.00

SEC FILE NUMBER
8-53416

**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 1/1/2005 AND ENDING 12/31/2005
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Silver Portal Capital, LLC

OFFICIAL USE ONLY
FIRM I.D. NO.

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

11943 El Camino Real #210

(No. and Street)

San Diego

(City)

CA

(State)

92130

(Zip Code)

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

Burland East

858-704-1765

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

PKF

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

2020 Camino del Rio N. #500, San Diego, CA 92108

(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 26 2006

THOMSON FINANCIAL

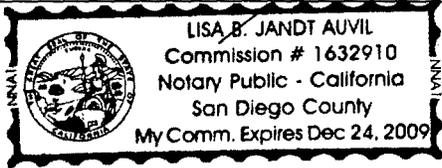
FOR OFFICIAL USE ONLY

*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 basis for the exemption. See Section 240.17a-5(e)(2)

BPB
4/25

OATH OR AFFIRMATION

I, Jon K. Haahr, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Silver Portal Capital, LLC, 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:



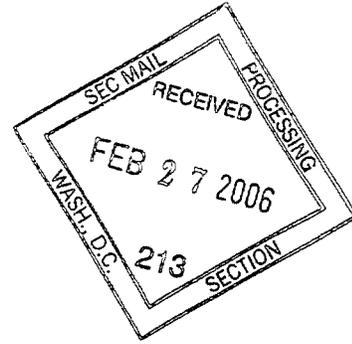
[Signature]
Signature
Designated Principal
Title

[Signature]
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).



Silver Portal Capital, LLC
ANNUAL FILING IN ACCORDANCE
WITH RULE 17a-5

For The Years Ended December 31, 2005 and 2004

TOGETHER WITH INDEPENDENT AUDITORS' REPORT THEREON

PKF

Silver Portal Capital, LLC

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INDEPENDENT AUDITORS' REPORT

Members of
Silver Portal Capital, LLC
San Diego, California

We have audited the accompanying statements of financial condition of Silver Portal Capital, LLC (the "Company"), (a California limited liability corporation) as of December 31, 2005 and 2004, and the related statements of operations, 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 audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 Silver Portal Capital, LLC as of December 31, 2005 and 2004, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in the schedules on pages 10 through 12 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 of the Securities and Exchange Commission. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

San Diego, California
February 3, 2006

PKF
Certified Public Accountants
A Professional Corporation

Silver Portal Capital, LLC
STATEMENTS OF FINANCIAL CONDITION
December 31, 2005 and 2004

ASSETS

	2005	2004
Current assets:		
Cash and cash equivalents	\$ 659,775	\$ 356,467
Accounts receivable, net (Note 3)	420,995	678,094
Prepaid expenses	15,017	11,285
Total current assets	1,095,787	1,045,846
Long-term assets:		
Property and equipment, net (Note 4)	199,775	107,743
Deposits	25,079	25,000
Total long-term assets	224,854	132,743
Total assets	\$ 1,320,641	\$ 1,178,589

LIABILITIES AND MEMBERS' CAPITAL

Current liabilities :		
Accounts payable	\$ 29,229	\$ 23,146
Accrued liabilities	78,117	79,755
Deferred revenue	575,713	-
Total current liabilities	683,059	102,901
Long-term liabilities	-	6,667
Total liabilities	683,059	109,568
Commitments and contingencies (Note 5)		
MEMBERS' CAPITAL		
Members' capital	637,582	1,069,021
Total liabilities and members' capital	\$ 1,320,641	\$ 1,178,589

The accompanying notes are an integral part of the financial statements

Silver Portal Capital, LLC
 STATEMENTS OF OPERATIONS
 For the Years Ended December 31, 2005 and 2004

	<u>2005</u>	<u>2004</u>
Revenue:		
Fee Revenue	<u>\$ 3,899,589</u>	<u>\$ 2,427,901</u>
Total revenue	3,899,589	2,427,901
Costs and expenses:		
General and administrative	<u>2,276,650</u>	<u>1,565,775</u>
Total costs and expenses	2,276,650	1,565,775
Other income	105,848	115,143
Other expense	<u>(536)</u>	<u>-</u>
Income before provision for income taxes	1,728,251	977,269
Provision for income taxes	<u>6,800</u>	<u>7,195</u>
Net income	<u>\$ 1,721,451</u>	<u>\$ 970,074</u>

The accompanying notes are an integral part of the financial statements

Silver Portal Capital, LLC
 STATEMENTS OF CHANGES IN MEMBERS' CAPITAL
 For the Years Ended December 31, 2005 and 2004

	Total
Balance at December 31, 2003	\$ 636,172
Contributions	41,824
Distributions	(579,049)
Net income	970,074
Balance at December 31, 2004	1,069,021
Distributions	(2,152,890)
Net income	1,721,451
Balance at December 31, 2005	\$ 637,582

The accompanying notes are an integral part of the financial statements

Silver Portal Capital, LLC
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2005 and 2004

	2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 1,721,451	\$ 970,074
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	30,622	40,052
Gain on disposal of capital asset	(940)	(12,093)
Changes in certain assets and liabilities:		
Accounts receivable	257,099	(647,492)
Other assets	(3,811)	7,534
Accounts payable and other liabilities	(2,222)	18,966
Deferred revenue	575,713	-
Net cash provided by operating activities	2,577,912	377,041
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(170,854)	(39,909)
Proceeds from disposal of capital asset	49,140	34,000
Net cash used in investing activities	(121,714)	(5,909)
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital distributions	(2,152,890)	(579,049)
Net cash used in financing activities	(2,152,890)	(579,049)
Net increase (decrease) in cash and cash equivalents	303,308	(207,917)
Cash and cash equivalents at the beginning of the year	356,467	564,384
Cash and cash equivalents at the end of the year	\$ 659,775	\$ 356,467
Cash paid during the period for:		
Taxes	\$ 6,800	\$ 7,195
Interest	\$ -	\$ -

The accompanying notes are an integral part of the financial statements

Silver Portal Capital, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2005 and 2004

NOTE 1 - ORGANIZATION

Silver Portal Capital, LLC (the "Company") was incorporated in California in September 2000 as Burland East, LLC. On May 29, 2001 the Company changed its name to Silver Portal Capital, LLC. The Company began doing business on October 18, 2001 as a broker-dealer registered with the Securities and Exchange Commission (SEC). The Company operates as a fully disclosed broker-dealer pursuant to the exemptive provisions of SEC Rule 15c3-3 subparagraph (k)(2)(i). To maintain this exemption, the Company does not hold customer funds and/or securities.

NOTE 2 - ACCOUNTING POLICIES

The financial statements are prepared on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America, which 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.

Cash and cash equivalents include amounts on deposit with financial institutions and investments maturing within 90 days when purchased.

Fee revenue, which results from the Company providing investment advisory services for the sale of limited partnership or membership interests under private offerings in the real estate industry and the structuring of joint ventures, are recorded as they are earned.

Other income consists primarily of reimbursement of operating expenses from a sublessor of office space and clients' reimbursement of direct expenses.

Concentration of Credit Risk

The Company maintains its checking and money market accounts at a financial institution located in California. Accounts at this bank are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. At December 31, 2005, the Partnership's uninsured cash balance was approximately \$560,000. The Company has not experienced any losses in such accounts. Management believes that the Company is not exposed to any significant credit risk with respect to its cash and cash equivalents.

Deferred Revenue

The Company recognizes revenue on service contracts ratably over applicable contract periods or as services are performed. Amounts billed and collected before the services are performed are included in deferred revenues.

Reclassification

Certain amounts in the prior periods presented have been reclassified to conform to the current period financial statement presentation. These reclassifications have no effect on previously reported net income.

Silver Portal Capital, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2005 and 2004

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable, as of December 31, 2005 and 2004 consist of amounts due from Silver Portal Capital Advisors, an affiliated entity, and to a lesser degree, amounts from a sublessor of office space from the Company. Due to the inability of the affiliate to pay the Company, the amount of \$35,000 has been fully reserved. The Company has allowed approximately \$17,000 for additional accounts receivable which may be uncollectible.

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment are stated at cost. Depreciation is computed over the estimated useful life of the depreciable asset, ranging from three to seven years, using either the straight-line or declining balance methods. The depreciation expense for the years ended December 31, 2005 and 2004 is \$30,622 and \$40,052, respectively. Property and equipment consists of the following at December 31:

	<u>2005</u>	<u>2004</u>
Computer and related equipment	\$ 40,802	\$ 41,483
Furniture and fixtures	93,108	85,388
Company vehicle	-	75,312
Leasehold Improvements	163,815	
Accumulated depreciation and amortisation	<u>(97,950)</u>	<u>(94,440)</u>
	<u>\$ 199,775</u>	<u>\$ 107,743</u>

Silver Portal Capital, LLC
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2005 and 2004

NOTE 5 - COMMITMENTS AND CONTINGENCIES

During the year ended December 31, 2005, the Company signed a new seven-year lease for its office location. The term of the lease include a five-year renewal option. The lease includes a 3% per year increase to the base rent of \$18,194 per month. The Company generally pays taxes, insurances, and maintenance expenses related to the leased facilities. Gross rent expense was \$158,276 and \$140,244 for the year ended December 31, 2005 and 2004, respectively. The Company also signed a new lease for a company vehicle which expires in December 2008. During 2005 and 2004 the Company received approximately \$32,000 and \$41,000, respectively of sub-lease income from a related party who is on a month to month sublease with the Company (Note 7). Future minimum payments, by year and in the aggregate, under the aforementioned non-cancelable operating leases with initial or remaining terms in excess of one year as of December 31, 2005, are as follows:

2006	\$	197,122
2007		203,019
2008		208,453
2009		199,698
2010		206,188
Thereafter		385,733
Total minimum lease payments	<u>\$</u>	<u>1,400,213</u>

NOTE 6 -INCOME TAXES

Effective May 29, 2001, the Company elected to be taxed as a Limited Liability Corporation (LLC). Accordingly, revenues and expenses are reported on the members' individual income tax returns, and no provision for federal income taxes is included in the Company's financial statements. The \$6,800 and \$7,195 income tax provision represents the California LLC and minimum franchise tax paid by the Company in 2005 and 2004.

NOTE 7 - RELATED PARTY TRANSACTIONS

The Company is involved in certain related party transactions with an affiliate, Silver Portal Capital Advisors ("Advisors"). For the period October 18, 2001 to December 31, 2002 Advisors was charged \$35,235 by the Company for office rent and related expenses, which has not been collected and is fully reserved for in the accompanying financial statements as of December 31, 2005 and 2004 (Note 3). In addition, the Company leased a portion of its office space to Wachovia Securities (formerly First Union Securities) for office rent and related expenses. For the years ended December 31, 2005 and 2004 Wachovia Securities paid the Company \$40,499 and \$40,934 for rent and related expenses.

Silver Portal Capital, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2005 and 2004

NOTE 8 - NET CAPITAL REQUIREMENTS

Under SEC Rule 15c3-1(a)(2), the Company is required to maintain a minimum net capital of \$5,000, and shall not permit its aggregate indebtedness to all other persons to exceed 800% of its net capital. As of December 31, 2005 and 2004, the Company had net capital of \$369,088 and \$239,770, respectively. This was \$323,548 in excess of its required net capital for 2005 and \$232,465 for 2004. The Company's net capital ratio was 185% as of December 31, 2005 and 46% as of December 31, 2004. (See supplementary information for calculations).

NOTE 9 - EMPLOYEE RETIREMENT PLAN

The Company has a 401(k) defined contribution retirement plan (the "Plan") covering all eligible employees. The Plan provides for voluntary employee contributions up to 15% of annual compensation. The Company made a 3% Safe Harbor Non-Elective Contribution and a 2% Employer Tiered Profit Sharing Contribution in 2005 totaling \$78,117. In 2004, the Company made a Qualified Non-Elective Contribution of 5% of annual compensation totaling \$79,755.

SUPPLEMENTARY INFORMATION

Silver Portal Capital, LLC
 COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1
 OF THE SECURITIES AND EXCHANGE COMMISSION
 December 31, 2005 and 2004

	<u>2005</u>	<u>2004</u>
Total assets	\$ 1,320,641	\$ 1,178,589
Total liabilities	<u>683,059</u>	<u>109,568</u>
Total shareholder's equity	637,582	1,069,021
Less non-allowable assets:		
Prepaid expense	15,017	11,285
Deposit	25,079	25,000
Property and equipment	199,775	107,743
Accounts receivable	<u>15,429</u>	<u>678,094</u>
	255,300	822,122
Haircut on securities	<u>13,195</u>	<u>7,129</u>
Net capital	<u>\$ 369,088</u>	<u>\$ 239,770</u>

COMPUTATION OF BASIC NET CAPITAL REQUIREMENTS

Minimum net capital required (6-2/3% of aggregate indebtedness or \$5,000, whichever is greater)	<u>\$ 45,540</u>	<u>\$ 7,305</u>
Net capital in excess of amount required	<u>\$ 323,548</u>	<u>\$ 232,465</u>
Aggregate indebtedness	<u>\$ 683,059</u>	<u>\$ 109,568</u>
Ratio of aggregate indebtedness to net capital	<u>185%</u>	<u>46%</u>

RECONCILIATION WITH COMPANY'S COMPUTATION
 (INCLUDED IN PART IIA OF FORM X-17A-5)

Net capital, as reported in Company's Part IIA (Unaudited) FOCUS report	\$ 369,088	\$ 262,770
Adjustments, net:		
Adjustment of cash in bank	<u>-</u>	<u>(23,000)</u>
Net capital, as adjusted	<u>\$ 369,088</u>	<u>\$ 239,770</u>

Silver Portal Capital, LLC
COMPUTATION OF RESERVE REQUIREMENTS
PURSUANT TO RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION
For the Years Ended December 31, 2005 and 2004

The Company operates as a fully disclosed broker-dealer pursuant to the exemptive provisions of the SEC Rule 15c3-3 subparagraph (k)(2)(i). To maintain this exemption, the Company does not hold customer funds and/or securities. If any customer funds and/or securities are received, they are to be promptly forwarded.

Silver Portal Capital, LLC
INFORMATION RELATING TO POSSESSION
OR CONTROL REQUIREMENTS UNDER RULE 15c3-3
OF THE SECURITIES AND EXCHANGE COMMISSION
For the Years Ended December 31, 2005 and 2004

The Company does not hold customer securities, and consequently qualifies for exemption under the provisions of the Rule.



Certified Public Accountants
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2020 Camino del Rio North
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San Diego, CA 92108

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INDEPENDENT AUDITORS' REPORT ON INTERNAL ACCOUNTING CONTROL REQUIRED
BY RULE 17A-5 OF THE SECURITIES AND EXCHANGE COMMISSION

Members of
Silver Portal Capital, LLC
San Diego, California

In planning and performing our audits of the financial statements of Silver Portal Capital, LLC as of December 31, 2005 and 2004, we considered its internal controls, including procedures 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 the internal controls.

We also made a study of the practices and procedures followed by the Company in making the periodic computations of aggregate indebtedness and net capital under Rule 17a-3(a)(11) and the procedures for determining compliance with the exemptive provisions of Rule 15c3-3. We did not review the practices and procedures followed by the Company in making the quarterly securities examinations, counts, verifications and comparisons, and the recordation of differences required by Rule 17a-13 or in complying with the requirements for prompt payment for securities under section 8 of Regulation T of the Board of Governors of the Federal Reserve System, because the Company does not carry security accounts for customers or perform custodial functions relating to customer securities.

The management of the Company is responsible for establishing and maintaining internal controls 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 internal control policies and procedures 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 Commission's above-mentioned objectives. Two of the objectives of internal controls 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 preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in any internal controls or the practices and procedures referred to above, errors 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 the internal controls would not necessarily disclose all matters in the internal controls 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 elements do not reduce to a relatively low level the risk that errors 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 control environment and its operation that we considered 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 Silver Portal Capital for the years ended December 31, 2005 and 2004, and this report does not affect our report thereon dated February 3, 2006.

As a result of the Company's small size, the assignment of job responsibilities does not provide an adequate segregation of duties. Effective internal control contemplates a segregation of duties so that no one individual processes a transaction from its inception to its completion. While we recognize that the Company is not large enough to permit an adequate segregation of duties for an effective system of internal accounting control, it is important that you be aware of this condition.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the Commission 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 Commission's objectives.

This report is intended solely for the use of management, the Securities and Exchange Commission, the New York Stock Exchange and other regulatory agencies which rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 and should not be used for any other purpose.

San Diego, California
February 3, 2006



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A Professional Corporation