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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

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

SEC FILE NUMBER
8- 52512

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 AND ENDING DECEMBER 31, 2005
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: The Capital Group Securities, Inc.

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

OFFICIAL USE ONLY
FIRM I.D. NO.

1220 Pontiac Avenue #301
(No. and Street)

Cranston RI 02920
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Barry Misbin (401) 943-2210
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

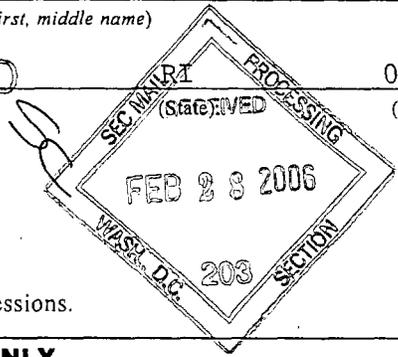
INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

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

405 Promenade Street PROCESSED RI 02908
(Address) (City) (State) (Zip Code)

CHECK ONE:

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



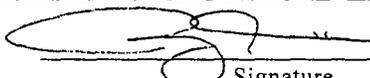
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*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

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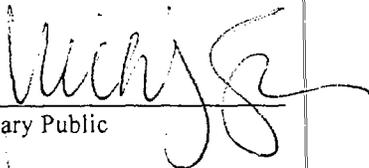
OATH OR AFFIRMATION

I, Barry MIsbin, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of The Capital Group Securities, Inc., 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
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).

THE CAPITAL GROUP SECURITIES, INC.

**FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2005 AND 2004**

THE CAPITAL GROUP SECURITIES, INC.

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CAYER CACCIA LLP

Certified Public Accountants and Business Consultants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Stockholders of
The Capital Group Securities, Inc.
Cranston, Rhode Island

We have audited the accompanying statements of financial condition of The Capital Group Securities, Inc. (a Rhode Island S-Corporation) as of December 31, 2005 and 2004, and the related statements of operations, changes in stockholders' equity and cash flows for the years 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 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 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 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 The Capital Group Securities, Inc. at 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 audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedules I, II, III, and IV 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Cayer Caccia, LLP.

February 9, 2006

405 Promenade Street, Providence, RI 02908 (401) 421-7700 FAX (401) 421-5252
100 Plaza Center 68 Cumberland Street, Woonsocket, RI 02895 (401) 766-8100

THE CAPITAL GROUP SECURITIES, INC.

STATEMENTS OF FINANCIAL CONDITION
DECEMBER 31, 2005 AND 2004

ASSETS

	<u>2005</u>	<u>2004</u>
Current assets:		
Cash and cash equivalents	\$ 22,573	\$ 34,953
Deposits with clearing organization	26,992	26,383
Commissions receivable	88,285	88,658
Total current assets	<u>137,850</u>	<u>149,994</u>
TOTAL ASSETS	<u>\$137,850</u>	<u>\$149,994</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:		
Accounts payable	\$ 5,900	\$ 5,900
Commissions payable		85,997
Total current liabilities	<u>5,900</u>	<u>91,897</u>
Stockholders' equity:		
Common stock, no par value, authorized 2,000 shares, issued and outstanding 100 shares	50,000	50,000
Additional paid-in-capital	52,000	52,000
Retained earnings (deficit)	29,950	(43,903)
Total stockholders' equity	<u>131,950</u>	<u>58,097</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$137,850</u>	<u>\$149,994</u>

SEE NOTES TO FINANCIAL STATEMENTS.

THE CAPITAL GROUP SECURITIES, INC.

STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
Revenues:		
Commission income.....	\$734,758	\$686,500
Interest income.....	608	109
Total revenues	<u>735,366</u>	<u>686,609</u>
Expenses:		
Compensation.....	380,000	673,378
Administrative and occupancy.....	180,000	48,000
Professional fees.....	5,900	6,450
Licenses and permits.....	4,240	4,240
Other expenses.....	1,373	1,353
Total expenses	<u>571,513</u>	<u>733,421</u>
Net income (loss)	<u>\$163,853</u>	<u>\$(46,812)</u>

SEE NOTES TO FINANCIAL STATEMENTS.

THE CAPITAL GROUP SECURITIES, INC.

**STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
YEARS ENDED DECEMBER 31, 2005 AND 2004**

	Common Stock		Additional Paid-in- Capital	Retained Earnings (Deficit)	Total
	Shares	Amount			
Balance at December 31, 2003	100	\$50,000	\$ 0	\$ 2,909	\$ 52,909
Net loss				(46,812)	(46,812)
Noncash contribution of equity			52,000		52,000
Balance at December 31, 2004	100	50,000	52,000	(43,903)	58,097
Net income				163,853	163,853
Distributions to stockholders				(90,000)	(90,000)
Balance at December 31, 2005	<u>100</u>	<u>\$50,000</u>	<u>\$52,000</u>	<u>\$29,950</u>	<u>\$131,950</u>

SEE NOTES TO FINANCIAL STATEMENTS.

THE CAPITAL GROUP SECURITIES, INC.

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
Cash flows from operating activities:		
Net income (loss).....	\$163,853	\$(46,812)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Increase in additional paid-in-capital from noncash contribution of equity.....		52,000
Changes in assets and liabilities:		
(Increase) decrease in commissions receivable.....	373	(10,856)
Decrease in accounts payable.....		(4,000)
Increase (decrease) in commissions payable.....	(85,997)	10,529
Increase in deposits with clearing organization.....	(609)	(107)
Net cash provided by operating activities	<u>77,620</u>	<u>754</u>
Cash flows from financing activities:		
Distributions to stockholders.....	(90,000)	
Net cash used for financing activities	<u>(90,000)</u>	<u>0</u>
Net increase (decrease) in cash and cash equivalents	(12,380)	754
Cash and cash equivalents, beginning of year	<u>34,953</u>	<u>34,199</u>
Cash and cash equivalents, end of year	<u>\$ 22,573</u>	<u>\$34,953</u>

SEE NOTES TO FINANCIAL STATEMENTS.

THE CAPITAL GROUP SECURITIES, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Company operates primarily throughout Rhode Island as a broker-dealer, registered with the Securities and Exchange Commission under Section 15 of the Securities Exchange Act of 1934.

Revenue Recognition

Securities transactions and related commission revenues and expenses are recorded on a settlement date basis.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Company has defined cash equivalents as highly liquid investments, with original maturities of less than ninety days that are not held for sale in the ordinary course of business.

Financial Instruments

The carrying amount of the Company's financial instruments, which includes cash, cash equivalents, commissions receivable, accounts payable and commissions payable approximate their fair value at the balance sheet date due to their short-term nature.

Income Taxes

The Company has elected to be taxed under the provisions of subchapter S of the Internal Revenue Code. Under those provisions, the Company generally will not pay corporate income taxes on its taxable income. Instead, the shareholders are liable for income taxes on the Company's taxable income as it affects the shareholders' individual income tax returns.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of 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.

Reclassifications

Certain reclassifications have been made to the 2004 financial statements to conform to the classifications used in the 2005 financial statements.

(CONTINUED)

THE CAPITAL GROUP SECURITIES, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004**

2. TRANSACTIONS WITH RELATED PARTIES

Effective January 1, 2005, the Company entered into an expense sharing agreement with The Capital Group Financial Advisors, Inc. whereby the Company pays the monthly sum of \$15,000 in the form of a management fee in consideration of rent, utilities, administrative salaries, and other general and administrative expenses paid on behalf of the Company. The shareholders of The Capital Group Financial Advisors, Inc. own 100% of the outstanding stock of the Company. In addition, the Company agrees to pay the monthly sum of \$20,000 in consideration of officers' salaries. The Company may pay, on a monthly, quarterly, or annual basis, a bonus for officers' salaries. For the year ended December 31, 2005, compensation totaled \$380,000, including bonuses.

Prior to January 1, 2005, the Company had entered into an agreement with The Capital Group Financial Advisors, Inc. whereby The Capital Group Financial Advisors, Inc. provides certain administrative services, which include rent, utilities, salaries and other general and administrative expenses to the Company in exchange for a monthly fee. The monthly fee per the agreement was \$250 for the period of January 2003 through November 2003. Although not formally amended in the written agreement, the monthly fee increased to \$4,000 per month beginning December 2003. For the year ended December 31, 2004, the shareholders of The Capital Group Financial Advisors, Inc. contributed \$52,000 to the Company, which represents the monthly overhead fee for the period from December 2003 through December 2004 via a noncash capital contribution. Based on the agreement in place prior to January 1, 2005, the Company had commissions payable in the amount of \$85,997 to a related party at December 31, 2004. During the year ended December 31, 2004, the Company transferred commission income of \$673,378 to the Company's shareholders. These transfers represented approximately 98.1% of total commission income.

3. NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC Rule 15c3-1), 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.

The Company's net capital as computed under 15c3-1 was \$131,409 at December 31, 2005 which resulted in a net capital excess of the required net capital of \$5,000 in the amount of \$126,409. The ratio of aggregate indebtedness to net capital at December 31, 2005 was 0.045 to 1.

The Company's net capital as computed under 15c3-1 was \$57,569 at December 31, 2004 which resulted in a net capital excess of the required net capital of \$6,126 in the amount of \$51,443. The ratio of aggregate indebtedness to net capital at December 31, 2004 was 1.60 to 1.

4. CASH AND CASH EQUIVALENTS

At December 31, 2005, the carrying amount of the Company's deposits was \$22,573 and the bank balance was \$22,573, of which the entire amount was covered by federal depository insurance.

At December 31, 2004, the carrying amount of the Company's deposits was \$34,953 and the bank balance was \$42,544, of which the entire amount was covered by federal depository insurance.

(CONTINUED)

THE CAPITAL GROUP SECURITIES, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004**

5. CONCENTRATIONS OF CREDIT RISK

The Company is engaged in various trading and brokerage activities whose counterparties primarily include various financial institutions. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standings of each counterparty with which it conducts business.

6. COMMITMENTS

On October 13, 2000, the Company entered into an agreement with a clearing organization whereby the clearing organization offers certain clearing, execution, and related services for transactions in securities. The agreement stipulates that the Company will maintain a \$25,000 escrow deposit, rising to \$50,000 one year following the date of the agreement. At December 31, 2005, the clearing organization has not requested this increase. The balance on deposit at December 31, 2005 totaled \$26,992, resulting in a difference of \$23,008. In the event of termination, the Company will be charged for the actual cost of the transfer but not less than \$7,500.

7. MAJOR CUSTOMERS

For the year ended December 31, 2005, the Company received 23%, 15%, 11%, and 10% of its income from four different customers. For the year ended December 31, 2004, the Company received 21%, 16%, and 12% of its income from three different customers.

(CONCLUDED)

SUPPLEMENTARY INFORMATION

THE CAPITAL GROUP SECURITIES, INC.

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>
Net capital:		
Common stock	\$ 50,000	\$50,000
Additional paid-in-capital	52,000	52,000
Retained earnings	29,950	(43,903)
Total	<u>131,950</u>	<u>58,097</u>
Adjustments to net capital:		
Haircuts	(541)	(528)
Net capital, as defined	<u>\$131,409</u>	<u>\$57,569</u>
Aggregate indebtedness:		
Accounts payable	\$ 5,900	\$ 5,900
Commissions payable		85,997
Total aggregate indebtedness	<u>\$ 5,900</u>	<u>\$91,897</u>
Capital requirements	<u>\$ 5,000</u>	<u>\$ 6,126</u>
Net capital in excess of requirement	<u>\$126,409</u>	<u>\$51,443</u>
Ratio of aggregate indebtedness to net capital	<u>0.045 to 1</u>	<u>1.60 to 1</u>
Reconciliation with the Company's computation (included in Part II of Form X-17A-5) as of December 31:		
Net capital, as reported in the Company's Part IIA (Unaudited) FOCUS Report	\$137,309	\$57,569
Net audit adjustments	(5,900)	0
Net capital per above	<u>\$131,409</u>	<u>\$57,569</u>

SEE INDEPENDENT AUDITOR'S REPORT.

THE CAPITAL GROUP SECURITIES, INC.

**COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS
UNDER RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION
DECEMBER 31, 2005 AND 2004**

The Capital Group Securities, Inc. is exempt from the reserve requirements of Rule 15c3-3 as its transactions are limited such that they do not handle customer funds or securities. Accordingly, the computation for determination of reserve requirements pursuant to Rule 15c3-3 and information relating to the possession or control requirements pursuant to Rule 15c3-3 are not applicable.

SEE INDEPENDENT AUDITOR'S REPORT.

THE CAPITAL GROUP SECURITIES, INC.

**INFORMATION RELATING TO POSSESSION OR CONTROL
REQUIREMENTS UNDER RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION
DECEMBER 31, 2005 AND 2004**

The Company had no items reportable as customers' fully paid securities: (1) not in the Company's possession or control as of the report date (for which instructions to reduce to possession or control had been issued as of the report date but for which the required action was not taken by the Company within the time frames specified under Rule 15c3-3) or (2) for which instructions to reduce to possession or control had not been issued as of the report date, excluding items arising from "temporary lags which result from normal business operations" as permitted under Rule 15c3-3.

SEE INDEPENDENT AUDITOR'S REPORT.

THE CAPITAL GROUP SECURITIES, INC.

**SCHEDULE OF SEGREGATION REQUIREMENTS AND FUNDS
IN SEGREGATION FOR CUSTOMERS' REGULATED
COMMODITY FUTURES AND OPTIONS ACCOUNTS
DECEMBER 31, 2005 AND 2004**

The Company claims exemption from the segregation requirements of the Commodities Futures Act since it has no commodity customers as the term is defined in Regulation 1.3(k).

SEE INDEPENDENT AUDITOR'S REPORT.

CAYER CACCIA LLP

Certified Public Accountants and Business Consultants

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

To the Board of Directors of
The Capital Group Securities, Inc.
Cranston, Rhode Island

In planning and performing our audits of the financial statements and supplemental schedules of The Capital Group Securities, Inc. (the Company) for the years ended December 31, 2005 and 2004, 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 and 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 and 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 conformity with generally accepted accounting principles. 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 one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by 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 no matters involving internal control, including control activities for safeguarding securities, that we consider to be material weaknesses as defined above.

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 and 2004, to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, the National Association of Securities Dealers, Inc. 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, and is not intended to be and should not be used by anyone other than these specified parties.

February 9, 2006

Cayer Caccia, LLP