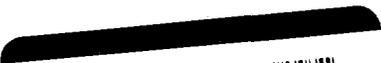


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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

SEC FILE NUMBER
840365

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 01/01/05 AND ENDING 12/31/05
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Owens Securities Corp.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

2221 Olympic Blvd.

Walnut Creek
(City)

(No. and Street)
CA
(State)

94595
(Zip Code)

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

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Grant Thornton LLP

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

100 Liberty St., Ste. 770, Reno
(Address) (City)

NV
(State)

89504
(Zip Code)

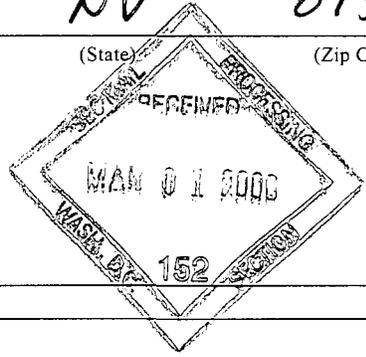
PROCESSED

MAY 31 2006

THOMSON
FINANCIAL

CHECK ONE:

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



FOR OFFICIAL USE ONLY

Empty box 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)

SEC 1410 (06-02)

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OATH OR AFFIRMATION

I, Bryan Draper, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Owens Securities Corp., 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:

Bryan Draper
Signature
CFO
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).

JURAT

State/Commonwealth of California
County of Contra Costa } ss.

Subscribed and sworn to (or affirmed) before me
this 28 day of February, 2006, by

(1) Bryan H. Draper
Name of Signer #1

(2) _____
Name of Signer #2



Karen A. Gonzales
Signature of Notary Public

Place Notary Seal and/or Any Stamp Above

Other Required Information (Printed Name of Notary, Residence, etc.)

OPTIONAL

Though the information in this section is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

RIGHT THUMBPRINT OF SIGNER #1
Top of thumb here

RIGHT THUMBPRINT OF SIGNER #2
Top of thumb here

Financial Statements and
Report of Independent Certified Public Accountants
Owens Securities Corporation
December 31, 2005 and 2004

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Report of Independent Certified Public Accountants**Board of Directors and Stockholders
Owens Securities Corporation**

We have audited the accompanying balance sheets of Owens Securities Corporation, as of December 31, 2005 and 2004, and the related statements of operations, 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 as established by the Auditing Standards Board of the American Institute of Certified Public Accountants. 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 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 Owens Securities Corporation, 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.

Grant Thornton LLP

San Francisco, California
February 10, 2006

Owens Securities Corporation

BALANCE SHEETS

December 31,

	ASSETS	
	2005	2004
CURRENT ASSETS		
Cash	\$ 13,062	\$ 9,636
Interest receivable	29	4
Total current assets	<u>13,091</u>	<u>9,640</u>
OTHER INVESTMENTS	<u>3,300</u>	<u>3,300</u>
	<u>\$ 16,391</u>	<u>\$ 12,940</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES		
Accounts payable	\$ 800	\$ -
STOCKHOLDERS' EQUITY		
Common stock, \$1 par value; authorized 10,000,000 shares; issued and outstanding 15,000 shares	15,000	15,000
Additional paid-in capital	93,900	73,900
Accumulated deficit	<u>(93,309)</u>	<u>(75,960)</u>
	<u>15,591</u>	<u>12,940</u>
	<u>\$ 16,391</u>	<u>\$ 12,940</u>

The accompanying notes are an integral part of these statements.

Owens Securities Corporation
STATEMENTS OF OPERATIONS
 Years ended December 31,

	2005	2004
Revenues	\$ -	\$ -
General and administrative expenses	16,684	16,870
Loss from operations	(16,684)	(16,870)
Other income		
Interest and other income	135	51
Total other income	135	51
Loss before provision for income taxes	(16,549)	(16,819)
Provision for income taxes	(800)	(800)
NET LOSS	\$ (17,349)	\$ (17,619)

The accompanying notes are an integral part of these statements.

Owens Securities Corporation

STATEMENTS OF STOCKHOLDERS' EQUITY

Years ended December 31, 2005 and 2004

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount			
Balances at January 1, 2004	15,000	\$ 15,000	\$ 63,100	\$ (58,341)	\$ 19,759
Net loss	-	-	-	(17,619)	(17,619)
Capital contributed from parent	-	-	10,800	-	10,800
Balances at December 31, 2004	15,000	15,000	73,900	(75,960)	12,940
Net loss	-	-	-	(17,349)	(17,349)
Capital contributed from parent	-	-	20,000	-	20,000
Balances at December 31, 2005	<u>15,000</u>	<u>\$ 15,000</u>	<u>\$ 93,900</u>	<u>\$ (93,309)</u>	<u>\$ 15,591</u>

The accompanying notes are an integral part of these statements.

Owens Securities Corporation
STATEMENTS OF CASH FLOWS
 Years ended December 31,

	<u>2005</u>	<u>2004</u>
Cash flows from operating activities:		
Net loss	\$ (17,349)	\$ (17,619)
Adjustments to reconcile net loss to net cash used in operating activities:		
Expenses paid by contributed capital	-	800
Change in interest receivable	(25)	(4)
Change in accounts payable	800	-
Net cash flows used in operating activities	<u>(16,574)</u>	<u>(16,823)</u>
 Cash flows provided by financing activities:		
Additional paid-in capital contributed	<u>20,000</u>	<u>10,000</u>
Net cash flows provided by financing activities	<u>20,000</u>	<u>10,000</u>
 INCREASE (DECREASE) IN CASH	 3,426	 (6,823)
 Cash at beginning of year	 <u>9,636</u>	 <u>16,459</u>
 Cash at end of year	 <u><u>\$ 13,062</u></u>	 <u><u>\$ 9,636</u></u>
 Supplementary cash flows information:		
Income taxes paid by parent	<u><u>\$ -</u></u>	<u><u>\$ 800</u></u>

The accompanying notes are an integral part of these statements.

Owens Securities Corporation

NOTES TO FINANCIAL STATEMENTS

December 31, 2005 and 2004

NOTE A - ORGANIZATION

Owens Securities Corporation (the Company) was incorporated in September 1988 in the State of California. The Company is a registered broker-dealer and is a wholly-owned subsidiary of Owens Financial Group Inc. (the "Parent"). Its operations consist of effecting transactions of limited partnership interests in Owens Mortgage Investment Fund. During the years ended December 31, 2005 and 2004, no commission revenue was earned.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting and Management Estimates

The Company uses the accrual method of accounting for financial reporting purposes.

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 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.

2. Cash and Cash Equivalents

For purposes of the statements of cash flows, cash and cash equivalents includes interest-bearing bank deposits and short-term investments with original maturities of three months or less.

3. Income Taxes

The Company has elected S corporation status for federal and state tax purposes. For an S corporation, federal and state taxes on income are taxed to the individual stockholders. While the income is not subject to federal corporation income tax at the corporate level, it is subject to a 1.5% California franchise tax.

The provision for income taxes for the years ended December 31, 2005 and 2004 consists of minimum state franchise tax of \$800.

4. Other Investments

The Company's other investments consist of an investment in NASDAQ Stock Market, Inc. The Company accounts for its investments at cost less any valuation allowance required for impairments in fair value.

Owens Securities Corporation

NOTES TO FINANCIAL STATEMENTS

December 31, 2005 and 2004

NOTE C - NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule 15c3-1, which requires (1) the maintenance of minimum net capital, as defined, of \$5,000 or 6 2/3% of the aggregate indebtedness, as defined, which ever is greater; and (2) a maximum ratio of aggregate indebtedness to net capital, as defined, not to exceed 15 to 1. At December 31, 2005, the Company had net capital of \$12,291, which was \$7,291 in excess of its required net capital, and a ratio of aggregate indebtedness to net capital of .05 to 1.00. At December 31, 2004, the Company had net capital of \$9,640, which was \$4,640 in excess of its required net capital, and a ratio of aggregate indebtedness to net capital of .00 to 1.00.

SUPPLEMENTARY INFORMATION

Independent Auditors' Report on Supplementary Information
Required by Rule 17A-5 of the Securities and Exchange Commission

Board of Directors and Stockholders
Owens Securities Corporation

We have audited the accompanying financial statements of Owens Securities Corporation for the years ended December 31, 2005 and 2004, and have issued our report thereon dated February 10, 2005. Our audit was conducted for the purpose of forming an opinion on the basic financial statements. The information contained hereinafter 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 financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Grant Thornton LLP

San Francisco, California
February 10, 2006

Owens Securities Corporation

COMPUTATION OF NET CAPITAL UNDER
RULE 15c3-1 OF THE SECURITIES AND EXCHANGE COMMISSION

Years ended December 31,

	<u>2005</u>	<u>2004</u>
Net capital		
Total stockholders' equity	\$ 15,591	\$ 12,940
Deduct non-allowable assets:		
Other investments	<u>(3,300)</u>	<u>(3,300)</u>
Net capital	<u>\$ 12,291</u>	<u>\$ 9,640</u>
Computation of basic net capital requirement:		
Minimum net capital required	<u>\$ 5,000</u>	<u>\$ 5,000</u>
Excess net capital	<u>\$ 7,291</u>	<u>\$ 4,640</u>
Ratio of aggregate indebtedness to capital	<u>.05 to 1.00</u>	<u>.00 to 1.00</u>

Net capital:

The net capital as reported in the accompanying financial statements equals the net capital as reported in the Company's unaudited filing of Part IIA of the FOCUS reports as of December 31, 2005 and 2004

The accompanying notes are an integral part of this statement.

Independent Auditors' Report on Internal Controls
Required by the Securities and Exchange Commission Rule 17a-5

Board of Directors and Stockholders
Owens Securities Corporation

In planning and performing our audits of the financial statements of Owens Securities Corporation (the Company) for the years ended December 31, 2005 and 2004, we considered its internal controls, 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 the internal controls.

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 compliance with 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 the reserve required by Rule 15c3-3(e). Because the Company does not carry security 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 the recordation of differences required by rule 17a-13.
- (2) 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.
- (3) Obtaining and maintaining physical possession or control of all fully paid and excess margin securities of customers as required by Rule 15c3-3.

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 controls, and of the practices and procedures referred to in the previous 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 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 the preparation of financial statements in accordance with accounting principles generally accepted in the United States of America (US GAAP). 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, 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 internal controls would not necessarily disclose all matters in 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 components does 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 no matters involving internal controls 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 Commission'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, 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.

Grant Thornton LLP

San Francisco, California
February 10, 2006