

CYM



06006123

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL
OMB Number: 3235-0123
Expires: January 31, 1993
Estimated average burden
hours per response . . . 12.00

RECD S.E.C.
MAR 8 2006
ECS

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

SEC FILE NUMBER
8-15656

3/29

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:

STRASBOURGER PEARSON TULCIN WOLFF INCORPORATED

OFFICIAL USE ONLY
FIRM ID. NO.

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

61 BROADWAY SUITE 1630

(No. and Street)

NEW YORK

NEW YORK

10006

(City)

(State)

(Zip Code)

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

MICHAEL J. SCHUMACHER

212-952-7500

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

VASSALLO, VINCENT R. CPA

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

16 PORTER PLACE

SEA CLIFF

NEW YORK

11579

(Address)

(City)

(State)

(Zip Code)

PROCESSED

CHECK ONE:

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

MAY 24 2006 E

THOMSON
FINANCIAL

FOR OFFICIAL USE ONLY

JA 5/23/06

*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, MICHAEL J. SCHUMACHER, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of STRASBOURGER PEARSON TULCIN WOLFF 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:

JENNIFER L. BLOCK
Notary Public, State of New York
No. 02BL5065335
Qualified in New York County
Commission Expires September 3, 2006

Signature

PRESIDENT

Title

Notary Public

Sworn & believe me this
2um dan of February 2006

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 Proprietor's 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).

**STRASBOURGER PEARSON
TULCIN WOLFF INCORPORATED**

FINANCIAL STATEMENTS

DECEMBER 31, 2005

STRASBOURGER PEARSON TULCIN WOLFF INCORPORATED

DECEMBER 31, 2005

INDEX

FINANCIAL STATEMENTS:

Independent Accountants' Report.....	1
Statements of Financial Condition As at December 31, 2005 and 2004.....	2
Statements of Operations For the Years Ended December 31, 2005 and 2004.....	3
Statements of Changes in Stockholder's Equity For the Years Ended December 31, 2005 and 2004.....	4
Statements of Cash Flows For the Years Ended December 31, 2005 and 2004.....	5
Notes to Financial Statements.....	6-8
Schedule of Computation of Net Capital Pursuant To Uniform Net Capital Rule 15C3-1 As at December 31, 2005 and 2004.....	9
Schedule of Reconciliation of Computation of Net Capital.....	10
Statement of Changes in Liabilities Subordinated to Claims of General Creditors as at December 31, 2005 and 2004.....	11

VINCENT R. VASSALLO

CERTIFIED PUBLIC ACCOUNTANT

16 PORTER PLACE
SEA CLIFF, NEW YORK 11579
TEL.: (516) 759-1994 FAX: (516) 759-7109

INDEPENDENT ACCOUNTANTS' REPORT

Board of Directors
Strasbourger Pearson Tulcin Wolff Incorporated

We have audited the accompanying statements of financial condition of Strasbourger Pearson Tulcin Wolff Incorporated, as at December 31, 2005 and 2004, and the related statements of operations, changes in stockholder's equity and cash flows for the years then ended that you are filing pursuant to Rule 17a-d 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 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 Strasbourger Pearson Tulcin Wolff Incorporated, as 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 made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules of computation of net capital are presented for purposes of additional analysis and are not a required part of the basic financial statements, but 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.

Vincent R. Vassallo

Sea Cliff, New York
February 21, 2006

STRASBOURGER PEARSON TULCIN WOLFF INCORPORATED
STATEMENT OF FINANCIAL CONDITION

ASSETS

	<u>December 31,</u>	
	<u>2005</u>	<u>2004</u>
Current assets:		
Cash	\$ 94	\$ 94
Due from broker	336,989	333,487
Commissions and fees receivable	30,184	60,549
Due from stockholder	-	5,788
Prepaid expenses	<u>630</u>	<u>1,738</u>
Total current assets	<u>367,897</u>	<u>401,656</u>
Other assets:		
Investment in New York Stock Exchange		
Membership at cost	290,015	290,015
Security deposit and other assets	<u>9,438</u>	<u>3,300</u>
Total other assets	<u>299,453</u>	<u>293,315</u>
	<u>\$667,350</u>	<u>\$694,971</u>

LIABILITIES AND STOCKHOLDER'S EQUITY

Current liabilities:		
Bank line of credit	\$ 49,258	\$ -
Due to branch office	16,840	229,001
Due to floor broker	16,558	10,791
Due to stockholder	12,000	-
Accounts payable, accrued expenses		
And other current liabilities	<u>115,145</u>	<u>6,280</u>
Total current liabilities	<u>209,801</u>	<u>246,072</u>
Subordinated loans	150,000	150,000
Commitment and contingencies	-	-
Stockholder's equity:		
Common stock – Class A, voting \$1 par value, Authorized 1,000 shares, issued 400 shares, Outstanding 255-3/4 shares (not including 144-1/4 shares in treasury stock)	400	400
Capital contributed in excess of par value	584,546	584,546
Retained earnings	115,403	106,753
Treasury stock – at cost (144-1/4 shares)	<u>(392,800)</u>	<u>(392,800)</u>
Total stockholder's equity	<u>307,549</u>	<u>298,899</u>
	<u>\$667,350</u>	<u>\$694,971</u>

See accompanying notes to financial statements.

STRASBOURGER PEARSON TULCIN WOLFF INCORPORATED
STATEMENTS OF OPERATIONS

	For the years Ended	
	<u>December 31,</u>	
	<u>2005</u>	<u>2004</u>
Income:		
Commissions	\$2,042,358	\$4,255,198
Underwriting fees and other commissions	-	181,079
Floor lease	39,500	169,917
Other revenue	931,123	1,523,105
Interest and dividends	<u>37,992</u>	<u>40,600</u>
	3,050,973	6,169,899
Less: Clearing commissions paid	<u>83,587</u>	<u>175,013</u>
Total income	<u>2,967,386</u>	<u>5,994,886</u>
Expenses:		
Salaries:		
Officer	14,670	67,520
Office	267,885	288,459
Commissions	1,906,916	4,711,916
Interest	3,765	1,733
Payroll taxes	25,143	24,590
Employee welfare	90,509	121,926
Membership dues and fees	68,008	50,326
Moving expense	750	-
Error account	-	2,730
Rent	101,912	141,062
Professional fees	175,277	240,514
Communications	25,113	63,725
Insurance	10,366	9,357
Office	80,034	57,881
Promotion	91,619	207,353
Automobile	26,528	53,782
Dues, subscriptions and research	51,403	3,462
Employment agency fee	<u>17,795</u>	<u>-</u>
Total expenses	<u>2,957,693</u>	<u>6,046,336</u>
Income (Loss) before provision for income taxes	9,693	(51,450)
Provision for income taxes	<u>1,043</u>	<u>1,248</u>
Net Income (Loss)	<u>\$ 8,650</u>	<u>(\$ 52,698)</u>

See accompanying notes to financial statements.

STRASBOURGER PEARSON TULCIN WOLFF INCORPORATED
 STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY
 FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

	<u>Common Stock</u>	<u>Capital Contributed in Excess of Par Value</u>	<u>Retained Earnings</u>	<u>Treasury Stock</u>	<u>Total Stockholder's Equity</u>
Balance at January 1, 2004	\$400	\$484,003	\$159,451	(\$392,800)	\$251,054
Additional capital contributed In excess of par value	-	100,543	-	-	100,543
Net loss for 2004	<u>-</u>	<u>-</u>	<u>(52,698)</u>	<u>-</u>	<u>(52,698)</u>
Balance at December 31, 2004	400	584,546	106,753	(392,800)	298,899
Net income for 2005	<u>-</u>	<u>-</u>	<u>8,650</u>	<u>-</u>	<u>8,650</u>
Balance at December 31, 2005	<u>\$400</u>	<u>\$584,546</u>	<u>\$115,403</u>	<u>(\$392,800)</u>	<u>\$307,549</u>

See accompanying notes to financial statements.

STRASBOURGER PEARSON TULCIN WOLFF INCORPORATED
STATEMENTS OF CASH FLOWS

	For the years Ended December 31,	
	<u>2005</u>	<u>2004</u>
Cash flows from operating activities:		
Net income (loss)	\$ 8,650	(\$ 52,698)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Increase (decrease) in cash flows as a result of changes in asset and liability account balances:		
Due from broker	(3,502)	(251,069)
Commissions and fees receivable	30,365	242,024
Prepaid expenses	1,108	909
Security deposit and other assets	(6,138)	-
Due from branch office	(212,161)	(258,861)
Due to floor broker	5,767	4,008
Accounts payable, accrued expenses and other current liabilities	<u>108,865</u>	<u>(7,396)</u>
Total adjustments	<u>(75,696)</u>	<u>(270,385)</u>
Net cash (used in) operating activities	<u>(67,046)</u>	<u>(323,083)</u>
Cash flows provided by (used in) investing activities:		
Bank line of credit	49,258	-
Subordinated loans	-	150,000
Loan receivable – stockholder	<u>17,788</u>	<u>4,541</u>
Net cash provided by investing activities	<u>67,046</u>	<u>154,541</u>
Cash flows provided by financing activities:		
Capital contributed in excess of par	<u>-</u>	<u>100,543</u>
Net increase (decrease) in cash	-	(67,999)
Cash at beginning of year	<u>94</u>	<u>68,093</u>
Cash at end of year	<u>\$ 94</u>	<u>\$ 94</u>
Supplemental Disclosures of Cash Flow Information:		
Cash paid during the year for:		
Interest	<u>\$ 3,765</u>	<u>\$ 1,733</u>
Income taxes	<u>\$ 1,043</u>	<u>\$ 1,248</u>

See accompanying notes to financial statements.

STRASBOURGER PEARSON TULCIN WOLFF INCORPORATED
NOTE TO FINANCIAL STATEMENTS
DECEMBER 31, 2005

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES.

The financial statements of Strasbourger Pearson Tulcin Wolff Incorporated (the "Company") are prepared in conformity with accounting principles generally accepted in the United States of America. The following is a summary of the significant accounting and reporting policies used in preparing the Company's financial statements.

(a) Organization:

The Company was incorporated in the State of New York on February 11, 1970. Its principal business activity is that of a broker-dealer of publicly traded securities. The Company's activities are regulated by various government agencies, including the Securities and Exchange Commission and the New York Stock Exchange.

(b) Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(c) Cash:

The Company places its cash with a high credit quality financial institution. At times, such investments may be in excess of the FDIC insurance limit.

(d) Property and Equipment

Furniture, fixtures and equipment are depreciated using accelerated methods over estimated useful lives of 5 to 7 years. Expenditures for maintenance, repairs and minor renewals are charged to operations. Upon retirement or other disposition of properties, the carrying value and related accumulated depreciation are removed from the accounts.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES. (Continued)

(e) Commissions:

Commissions and related clearing expenses are recorded on a trade-date basis as security transactions occur.

(f) Income Taxes:

The Company, with the consent of its stockholder, has elected to be treated as an "S" Corporation for federal and New York State income tax purposes. Accordingly, no provision has been made for federal and New York State income taxes. The provisions for taxes represent the New York State tax on "S" Corporations and the New York City Corporate income tax.

NOTE 2 - PROPERTY AND EQUIPMENT.

Property and equipment, at cost, consist of the following:

	<u>December 31,</u>	
	<u>2005</u>	<u>2004</u>
Furniture and fixtures	\$26,253	\$26,253
Leasehold improvements	5,000	5,000
Computer equipment	<u>2,275</u>	<u>2,275</u>
	33,528	33,528
Less: Accumulated depreciation	<u>33,528</u>	<u>33,528</u>
	<u>\$ 0</u>	<u>\$ 0</u>

NOTE 3 - NET CAPITAL REQUIREMENTS.

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (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 New York Stock Exchange also provides 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 \$150,549, which was \$50,549 in excess of its required minimum capital of \$100,000. The Company's net capital ratio at December 31, 2005 was 1.4 to 1.

NOTE 4 - COMMITMENT.

The Company signed a one year lease which commenced May 1, 2005 and expires April 30, 2006 at an annual rent of \$56,625, payable at \$4,718.75 per month..

NOTE 5 - CONCENTRATION OF CREDIT RISK AND OTHER MATTERS.

The Company clears its introduced transactions through another broker-dealer, which is highly capitalized, and a member of the major securities exchanges. Nonperformance by its customers in fulfilling their contractual obligations pursuant to securities transactions may expose the Company to risk and potential loss.

NOTE 6 - LITIGATION.

The Company is from time to time involved in litigation incidental to the conduct of its business. The Company is not presently a defendant in any legal action. There is an investigation by the NYSE open and from which may arise disciplinary action by the Exchange against the Company including, without limitation, a fine. Management of the Company intends to defend the action vigorously and believes the outcome of this claim will not have a material impact on the operations of the Company.

STRASBOURGER PEARSON TULCIN WOLFF INCORPORATED
SCHEDULES OF COMPUTATION OF NET CAPITAL
PURSUANT TO UNIFORM NET CAPITAL RULE 15C3-1

	<u>December 31,</u>	
	<u>2005</u>	<u>2004</u>
Stockholder's equity at December 31,	\$307,549	\$298,899
Less: Undue concentration	3,081	-
Non-allowable assets	<u>303,919</u>	<u>295,190</u>
	549	3,709
Subordinated loan	<u>150,000</u>	<u>150,000</u>
Net capital	150,549	153,709
Less: Minimum capital required	<u>100,000</u>	<u>100,000</u>
Excess net capital	<u>\$ 50,549</u>	<u>\$ 53,709</u>
Aggregate indebtedness	<u>\$210,407</u>	<u>\$246,072</u>
Percentage of aggregate indebtedness of net capital	<u>139.8%</u>	<u>160.1%</u>

See accompanying notes to financial statements.

STRASBOURGER PEARSON TULCIN WOLFF INCORPORATED
RECONCILIATION OF COMPUTATION OF NET CAPITAL
DECEMBER 31, 2005

<u>Description</u>	<u>Per Audited Report</u>	<u>Per Unaudited Report</u>	<u>Increase (Decrease) Net Capital</u>	<u>Explanation</u>
Total ownership equity	\$307,549	\$298,112	(\$ 9,437)	Year-end adjustments
Less non-allowable assets	<u>303,919</u>	<u>294,482</u>	<u>9,437</u>	Year-end adjustments
Net capital	<u>\$ 3,630</u>	<u>\$ 3,630</u>	<u>\$ -</u>	

See accompanying notes to financial statements.

STRASBOURGER PEARSON TULCIN WOLFF INCORPORATED
STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED
TO CLAIMS OF GENERAL CREDITORS
DECEMBER 31, 2005

Balance at January 1, 2005	\$150,000
No activity during year	<u>0</u>
Balance at December 31, 2005	<u>\$150,000</u>

See accompanying notes to financial statements.

VINCENT R. VASSALLO

CERTIFIED PUBLIC ACCOUNTANT

16 PORTER PLACE
SEA CLIFF, NEW YORK 11579
TEL.: (516) 759-1994 FAX: (516) 759-7109

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE

REQUIRED BY SEC RULE 17A-5



To the Board of Directors
Strasbourger Pearson Tulcin Wolff Incorporated

In planning and performing our audit of the financial statements and supplementary Schedules of Strasbourger Pearson Tulcin Wolff Incorporated, for the year ended December 31, 2005, we considered its internal control, 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 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, count, verifications, and comparisons
2. Recordation of difference required by Rule 17a-13
3. 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.

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the proceeding 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 of America. 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 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 specific internal control components does not reduce to a relatively low level the risk that errors or irregularities 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 the internal control, including procedures 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, to meet the SEC's objectives.

This report is intended solely for the use of the Board of Directors, management, the SEC, 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 should not be used for any other purpose.



Sea Cliff, NY
February 21, 2006