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UNITED STATES
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**

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SECTION
WASH. D.C.

SEC FILE NUMBER
8- 66626

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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: Dakota Securities International, Inc. OFFICIAL USE ONLY

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

9100 S. Dadeland Blvd., Suite 908
(No. and Street)

Miami FL 33156
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Bruce Zipper 305-403-7500
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*
Sweeney & Company, CPAs, LLC

(Name - if individual, state last, first, middle name)
2419 E. Commercial Blvd., Suite 302, Fort Lauderdale, FL 33308
(Address) (City) (State) (Zip Code)

PROCESSED
MAY 23 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

*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)

BB
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OATH OR AFFIRMATION

I, Bruce Zipper, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Dakota Securities International, 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:

Bruce Zipper
Signature

President
Title

Maria Pilar Salgado
Notary Public



Maria Pilar Salgado
My Commission DD242178
Expires August 27 2007

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).

**DAKOTA SECURITIES INTERNATIONAL, INC.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
and
REPORT OF
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

DAKOTA SECURITIES INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2005

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SWEENEY & COMPANY
CPAs, LLC

Certified Public Accountants and Consultants

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The Stockholders and Board of Directors
Dakota Securities International, Inc.

We have audited the accompanying statement of financial condition of Dakota Securities International, Inc., as of December 31, 2005, and the related statements of operations; changes in stockholder's equity and cash flows for the year 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 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 from 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 audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Dakota Securities International, Inc. at December 31, 2005, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying reconciliation of net capital 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 audit of the basic financial statements and, in our opinion, is fairly represented in all material respects in relation to the basic financial statements taken as a whole.

Sweeney & Company, CPAs, LLC

February 21, 2006

DAKOTA SECURITIES INTERNATIONAL, INC.
STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2005

ASSETS

Cash	\$ 12,768
Commissions due from clearing organization	18,040
Prepaid expenses	6,880
Property and equipment, net	19,619
Other assets	<u>6,994</u>
	<u>\$ 64,301</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Liabilities	
Accounts payable	\$ 4,183
Commissions payable	7,975
Accrued expenses	<u>3,966</u>
Total liabilities	<u>16,124</u>
Stockholders' equity:	
Common stock, par value \$.01 per share, authorized and issued 10,000 shares	100
Additional paid-in capital	97,215
Accumulated deficit	<u>(49,138)</u>
Total stockholders' equity	<u>48,177</u>
	<u>\$ 64,301</u>

The accompanying notes are an integral part of these financial statements

DAKOTA SECURITIES INTERNATIONAL, INC.
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2005

Revenues:

Commissions	\$ 276,243
Interest and dividends	<u>3,965</u>
Total revenues	<u>280,208</u>

Expenses:

Employee compensation and benefits	55,912
Clearing and execution costs	63,562
Communications and data processing	12,246
Occupancy	46,545
Other expenses	<u>101,484</u>
Total expenses	<u>279,749</u>

Net income	<u><u>\$ 459</u></u>
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The accompanying notes are an integral part of these financial statements

DAKOTA SECURITIES INTERNATIONAL, INC.
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2005

	Common stock		Additional paid-in capital	Accumulated deficit	Total stockholders' equity
	Shares	Amount			
Balance, January 1, 2005	100	\$ 100	\$ 92,002	\$ (49,597)	\$ 42,505
Capital contribution by stockholders			5,213		5,213
Net income				459	459
Balance, December 31, 2005	<u>100</u>	<u>\$ 100</u>	<u>\$ 97,215</u>	<u>\$ (49,138)</u>	<u>\$ 48,177</u>

The accompanying notes are an integral part of these financial statements

DAKOTA SECURITIES INTERNATIONAL, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2005

Cash flows from operating activities:	
Net income	\$ 459
Adjustments to reconcile net income to net cash used by operating activities	
Depreciation	6,695
Change in assets and liabilities:	
(Increase) decrease:	
Commissions due from clearing organization	(18,039)
Prepaid expenses	(6,880)
Increase (decrease):	
Accounts payable	1,721
Commissions payable	7,975
Accrued expenses	3,966
	<u>3,966</u>
Total cash used by operating activities	<u>(4,103)</u>
Cash flows from financing activities:	
Contribution of capital	<u>5,213</u>
Total cash provided by financing activities	<u>5,213</u>
Net increase in cash	1,110
Cash at beginning of year	<u>11,658</u>
Cash at end of year	<u><u>\$ 12,768</u></u>

The accompanying notes are an integral part of these financial statements

DAKOTA SECURITIES INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2005

1. BUSINESS

Dakota Securities International, Inc. (the "Company"), was incorporated in Florida on January 9, 2004. The Company is a registered broker-dealer with the Securities and Exchange Commission and the National Association of Securities Dealers. The Company conducts a full service brokerage operation in Miami, Florida. The Company is an introducing broker dealer and all securities transactions are cleared through its clearing broker dealer on a fully disclosed basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Securities transactions – Customers' securities transactions are reported on a settlement date basis with related commission income and expenses reported on a trade date basis.

Property and equipment – Property and equipment are recorded at cost. Depreciation of property and equipment are provided utilizing the straight line method over the estimated useful lives of the related assets. Leasehold improvements are amortized over the lesser of the economic useful life of the improvements or the term of the lease.

Fair value of financial instruments – The financial instruments of the Company consisting of commissions dues from clearing organization, accounts payable, and accrued expenses are reported in the accompanying statement of financial condition at their carrying values, which approximate their fair values due to their short-term nature.

Commissions and fees –Commissions and fees include revenues generated from transactional fees charged to customers. Commissions and fees also include mutual fund transaction sales commissions and trailer fees, which are periodic fees paid mutual funds as an incentive to keep assets invested with them over time.

Advertising – Advertising costs are expensed as incurred.

Income taxes - The Company, with the consent of its stockholders, elected to be an "S" Corporation under the Internal Revenue Code. All taxable income or loss flows through to the stockholders. Accordingly, no income tax expense or liability is recorded in the accompanying financial statements.

Management estimates and assumptions - 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 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 can differ from those estimates.

DAKOTA SECURITIES INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2005

3. COMMISSIONS DUE FROM CLEARING ORGANIZATION

Commissions due from clearing organization were \$18,040 at December 31, 2005.

4. PROPERTY AND EQUIPMENT

At December 31, 2005, property and equipment consisted of the following:

		<u>Estimated useful lives</u>
Equipment	\$ 12,561	3-5 years
Furniture and fixtures	11,577	7 years
Leasehold improvements	<u>4,288</u>	3 years
	28,426	
Less accumulated depreciation	<u>(8,807)</u>	
	<u>\$ 19,619</u>	

Depreciation expense charged to income was \$6,695 in 2005.

6. COMMITMENTS AND CONTINGENCIES

The securities industry is subject to extensive regulation under Federal, state and applicable international laws. As a result, the Company is required to comply with many complex laws and rules and its ability to Comply is dependent in large part upon the establishment and maintenance of a qualified compliance system. From time to time, the Company has been threatened with, or named as a defendant in, lawsuits, arbitration and administrative claims involving securities and other matters. The Company is also subject to periodic regulatory audits and inspections. Compliance and trading problems are reported to regulators, such as the SEC, the NYSE, the NASD or the OTS by dissatisfied customers or others and are investigated by such regulators, and any, if pursued, result in formal claims being filed against the Company by customers and/or disciplinary action being taken against the Company by regulators. Any such claims or disciplinary actions that are decided against the Company could harm the Company's business.

Operating lease

The Company leases office space under a lease that expires August 2007. Aggregate annual base rents at December 31, 2005 are as follows:

2006	\$42,369
2007	28,801

Rent expense including operating expenses was \$46,546 for the year ended December 31, 2005.

DAKOTA SECURITIES INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2005

7. NET CAPITAL REQUIREMENTS AND VIOLATIONS

The Company is subject to SEC Uniform Net Capital Rule 15c3-1, which requires the maintenance of minimum net capital equal to \$5,000 and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. Net capital and the related ratio of aggregate indebtedness to net capital, as defined, may fluctuate on a daily basis. At December 31, 2005, the Company had net capital of 14,684, which was 9,684 in excess of its required net capital of \$5,000.

8. OFF BALANCE SHEET RISK

In the normal course of business, the Company purchases and sells securities as principal for its own account and on behalf of its customers. If either the customer or a broker dealer fails to perform, the Company could be required to discharge the obligations of the non-performing party. In these circumstances, the Company could sustain a loss of market value if the security contract is different from the contract value of the transaction.

Retail customer transactions are cleared through the clearing organization on a fully disclosed basis. In the event that customers default in payments of funds or delivery of securities, the clearing organization may charge the Company for any loss incurred in satisfying the customer obligations. Additional credit risk occurs if the Clearing organization or affiliates do not fulfill their obligations. The Company regularly monitors the activity in its customer accounts for compliance with margin requirements.

**DAKOTA SECURITIES INTERNATIONAL, INC.
COMPUTATION AND RECONCILIATION OF NET CAPITAL
UNDER RULE 15c3-1 OF THE
SECURITIES AND EXCHANGE COMMISSION
DECEMBER 31, 2005**

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT:

Total stockholder's equity qualified for net capital	\$ 48,177
Total non-allowable assets	<u>(33,493)</u>
Net capital before haircuts and minimum net capital requirement	14,684
Haircuts	<u>-</u>
Net capital	<u>14,684</u>
Calculation of minimum net capital requirement:	
6 2/3% of aggregate indebtedness	<u>\$ 2,015</u>
Minimum dollar net capital requirement of reporting broker	<u>5,000</u>
Net capital requirement (greater of two minimum requirement amounts)	<u>5,000</u>
Excess net capital	<u>\$ 9,684</u>
Net capital at 1000%	<u>\$ 14,685</u>
Ratio of aggregate indebtedness to net capital	<u>110 to 1</u>

RECONCILIATION:

Net capital, of the December 31, 2005 unaudited Focus Report	\$ 14,685
Net audit adjustments	<u>1</u>
Net capital, per December 31, 2005 audited report, as filed	<u>\$ 14,684</u>

**DAKOTA SECURITIES INTERNATIONAL, INC.
INFORMATION RELATING TO THE POSSESSION OR
CONTROL REQUIREMENTS UNDER SECURITIES AND EXCHANGE COMMISSION
RULE 15c-3-3
AS OF DECEMBER 31, 2005**

Dakota Securities International, Inc. is not required to file the above schedules as it claims exemption from Rule 15c3-3 under Paragraph (k)(2)(ii) of the Rule as all customer transactions are cleared through other broker-dealers on a fully disclosed basis.



SWEENEY & COMPANY

CPAs, LLC

Certified Public Accountants and Consultants

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON INTERNAL CONTROL REQUIRED BY SEC RULE 17a-5

To the Board of Directors
Dakota Securities International, Inc.

In planning and performing our audit of the financial statements and supplemental schedules of Dakota Securities International, Inc. for the year ended December 31, 2005, we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the 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 the 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
2. Recordation of differences required by rule 17a-13
3. Complying with the requirements for prompt payment for securities under Section 8 of the 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 preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control 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 Securities and Exchange Commission'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 preparation of the 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 internal control to future periods is subject to the risk that controls 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 structure 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 the following matters involving the control environment, the accounting system and control activities that we consider to be material weaknesses as defined above. These conditions were considered in determining the nature, timing and extent of the procedures to be performed in our audit of the financial statements of Dakota Securities International, Inc. for the year ended December 31, 2005.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the Securities and Exchange Commission to be adequate for its purposes in accordance with the Securities and Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish the 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 Securities and Exchange Commission's objectives.

This report is intended solely for the information and use of management, the Securities and Exchange Commission, and other regulatory agencies which 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 or should not be used by anyone other than these specified parties.

Sweeney + Company, CPAs, LLC

February 21, 2006