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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

SEC FILE NUMBER
8-51486

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: Eitel & Company

OFFICIAL USE ONLY
FIRM I.D. NO.

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

230 East 79th Street, Apt. 3D

(No. and Street)

New York

New York

10021-1255

(City)

(State)

(Zip Code)

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

Mary Eitel

800-537-0072

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

PROCESSED

Plaut & Associates, PSC

JUN 12 2006

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

THOMSON
FINANCIAL

6004 Brownsboro Park Blvd, Ste. B

Louisville, KY 40207

(Address)

(City)

(State)

(Zip Code)

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)

SEC 1410 (06-02)

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EITEL & COMPANY
FINANCIAL STATEMENTS
AND REPORTS OF INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS
DECEMBER 31, 2005 AND 2004

OATH OR AFFIRMATION

I, MARY EITEL, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of EITEL & Co., as of _____, 20____, 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:

Mary Eitel
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).

Plaut & Associates, P.S.C.

Certified Public Accountants

6004 Brownsboro Park Boulevard, Suite B

Louisville, Kentucky 40207

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H. Steven Plaut, CPA

Anthony B. Howard, CPA

Kimberly S. Taylor, CPA

Nancy A. Langan

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON BASIC FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

To the Officer of
Eitel & Company

We have audited the accompanying statements of financial condition of Eitel & Company, a Kentucky Sub-Chapter S-Corporation, as of December 31, 2005 and 2004, and the related statements of operations, changes in financial condition, changes in stockholder's equity and statements of liabilities subordinated to claims of general creditors 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 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 Eitel & Company as of December 31, 2005 and 2004 and the results of its operations and its changes in financial condition 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 included on pages 13-16 are presented for purposes of additional analysis and are not a required part of the basic financial statements, but are 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 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.

Plaut & Associates, PSC

Plaut & Associates, PSC
Certified Public Accountants
Louisville, Kentucky

March 8, 2006

Members:

*American Institute of Certified Public Accountants/Private Companies Practice Section
Kentucky Society of Certified Public Accountants*

EITEL & COMPANY
 STATEMENTS OF FINANCIAL CONDITION
 DECEMBER 31, 2005 AND 2004

<u>ASSETS</u>	<u>2005</u>	<u>2004</u>
Cash	\$ 44	\$ 393
Receivable From Broker-Dealers and Clearing Organization	64	1,164
Prepaid Expenses	540	540
Deposits with Clearing Organization and Others	15,183	15,183
Total Assets	<u>\$ 15,831</u>	<u>\$ 17,280</u>
<u>LIABILITIES AND STOCKHOLDER'S EQUITY</u>		
Liabilities		
Accounts Payable	\$ 904	\$ 345
Total Liabilities	<u>904</u>	<u>345</u>
Stockholder's Equity		
Common Stock, \$0.10 Par Value, Authorized 1,000 Shares, Issued 1000 Shares	100	100
Additional Paid - In Capital	16,561	16,561
Retained Earnings (Deficit)	(1,734)	274
Total Stockholder's Equity	<u>14,927</u>	<u>16,935</u>
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	<u>\$ 15,831</u>	<u>\$ 17,280</u>

See accompanying notes and accountants' report.

EITEL & COMPANY
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
REVENUE		
Commission Income	\$ 7,288	\$ 31,600
Interest Income	554	456
Total Revenues	<u>7,842</u>	<u>32,056</u>
OPERATING EXPENSES		
Accounting and Consulting	100	995
Insurance	-	-
Licenses and Permits	1,365	1,425
Miscellaneous expense	-	-
Office Expenses	-	-
Postage and Delivery	7	32
Bank and Clearing Charges	<u>2,418</u>	<u>3,949</u>
Total Operating Expenses	<u>3,890</u>	<u>6,401</u>
NET INCOME FOR THE YEAR	<u>\$ 3,952</u>	<u>\$ 25,655</u>

See accompanying notes and accountants' report.

EITEL & COMPANY
STATEMENTS OF CHANGES IN FINANCIAL CONDITION
DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	\$ 3,952	\$ 25,655
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
(Increase) Decrease in Assets:		
Receivable From Broker-Dealers and Clearing Organization	1,100	259
12b-1 Fees Receivable	-	150
Prepaid Expenses	-	150
Increase (Decrease) in Liabilities:		
Accounts Payable, Accrued Expenses, and Other Liabilities	559	(450)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>5,611</u>	<u>25,614</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of securities	-	-
Loss on sale of securities	-	-
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Distributions to Stockholders	(5,960)	(30,181)
NET CASH USED BY FINANCING ACTIVITIES	<u>(5,960)</u>	<u>(30,181)</u>
Net Decrease in cash	(349)	(4,567)
CASH AT BEGINNING OF YEAR	<u>393</u>	<u>4,960</u>
CASH AT END OF YEAR	<u>\$ 44</u>	<u>\$ 393</u>

See accompanying notes and accountants' report.

EITEL & COMPANY
STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

	<u>COMMON STOCK</u>	<u>ADDITIONAL PAID-IN CAPITAL</u>	<u>RETAINED EARNINGS (DEFICIT)</u>	<u>TOTAL</u>
Balance, December 31, 2003	\$ 100	\$ 16,561	\$ 4,800	\$ 21,461
Net Income	-	-	25,655	25,655
Distributions to Stockholder	-	-	(30,181)	(30,181)
Balance, December 31, 2004	<u>\$ 100</u>	<u>\$ 16,561</u>	<u>\$ 274</u>	<u>\$ 16,935</u>
Balance, December 31, 2004	\$ 100	\$ 16,561	\$ 274	\$ 16,935
Net Income	-	-	3,952	3,952
Distributions to Stockholder	-	-	(5,960)	(5,960)
Balance, December 31, 2005	<u>\$ 100</u>	<u>\$ 16,561</u>	<u>\$ (1,734)</u>	<u>\$ 14,927</u>

See accompanying notes and accountants' report.

EITEL & COMPANY
STATEMENTS OF LIABILITIES SUBORDINATED TO CLAIMS OF GENERAL CREDITORS
DECEMBER 31, 2005 AND 2004

NONE

See accompanying notes and accountants' report.

EITEL & COMPANY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Eitel & Company is a Kentucky Sub-Chapter S Corporation, organized and registered as a minimum net capital broker-dealer. The Company has registered with NASD and the SEC and meets all the licenses and regulatory requirements thereof. The Company exists primarily for regulatory purposes to allow its member and its employees to perform certain securities services that are subject to regulatory oversight. During the year ended December 31, 2003, operations were moved to the state of New York.

As a minimum net capital broker-dealer, the Company does not hold customer securities or cash balances and, if and when it does process customer trades, clears such trades through other broker-dealers. As of December 31, 2005 and 2004 the Company has not processed any customer transactions.

For purposes of the statement of changes in financial condition, the Company considers all highly liquid investments with maturities of three months or less to be cash equivalents.

Investments represent securities not publicly traded and are stated at cost which approximates market value. The net realized and unrealized gains (losses) on investments, if any, are reflected in the statement of income.

The accompanying financial statements are prepared in accordance with generally accepted accounting principles, consistently applied (GAAP). It is the opinion of management that there are not material estimates necessary in the preparation of the Company's financial statements. As an S Corporation, the Company is not subject to income taxes; instead, the net earnings or loss is reported by its member on her individual income tax returns.

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) 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.

NOTE 2 – CAPITAL REQUIREMENTS

Pursuant to the net capital provisions of Rule 15c3-1 of the Securities and Exchange Act of 1934, the Company is required to have maintained minimum net capital equal to the greater of \$5,000 or 6.67% of aggregated indebtedness. As of December 31, 2005, the Company had net capital of \$14,204, which was \$9,204 in excess of its minimum requirement. As of December 31, 2004, the Company had net capital of \$16,212, which was \$11,212 in excess of its minimum requirement.

NOTE 3 – EXEMPTION FROM RULE 15C3-3

The Company is exempt from Rule 15c3-3 of the Securities and Exchange Act of 1934 and, accordingly, is not required to maintain a reserve account for the exclusive benefit of customers.

SUPPLEMENTAL INFORMATION

EITEL & COMPANY
COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1 OF THE
SECURITIES EXCHANGE ACT OF 1934
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
CAPITAL	\$ 14,927	\$ 16,935
Deductions and/or Charges:		
Nonallowable Assets:		
Deposits with Clearing Organization and Others	183	183
Prepaid Expenses	540	540
TOTAL NET CAPITAL	<u>\$ 14,204</u>	<u>\$ 16,212</u>
 AGGREGATE INDEBTEDNESS		
Items included in Statement of Financial Condition:		
Accounts Payable, Accrued Expenses, and Other Liabilities	<u>\$ 904</u>	<u>\$ 345</u>
 Total Aggregate Indebtedness	<u>\$ 904</u>	<u>\$ 345</u>
 COMPUTATION OF BASIC NET CAPITAL REQUIREMENT		
Minumum Net Capital Required	<u>\$ 60</u>	<u>\$ 23</u>
Minimum Dollar Net Capital Required	<u>\$ 5,000</u>	<u>\$ 5,000</u>
Net Capital Requirement- Greater of Minimum Net Capital or Minimum Dollar Net Capital	<u>\$ 5,000</u>	<u>\$ 5,000</u>
Excess Net Capital	<u>\$ 9,204</u>	<u>\$ 11,212</u>
Excess Net Capital at 1,000% of Aggregated Indebtedness - Excess Net Capital Less 10% of Accounts Payable	<u>\$ 9,114</u>	<u>\$ 11,177</u>
Percentage of Aggregated Indebtedness of Net Capital	6%	2%
Percentage of Debt to Debt-Equity Computed in Accordance With Rule 15c3-1(d)	N/A	N/A

See accompanying notes and accountants' report.

EITEL & COMPANY
NET CAPITAL RECONCILIATION PURSUANT TO RULE 17a-5(d)4
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
Net capital, as reported by Company in Part IIA (unaudited) of Focus Report	\$ 15,316	\$ 16,212
Net audit adjustments	<u>(1,112)</u>	<u>-</u>
Net capital as computed under Rule 15c3-1	<u>\$ 14,204</u>	<u>\$ 16,212</u>

See accompanying notes and accountants' report.

Plaut & Associates, P.S.C.

Certified Public Accountants

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON INTERNAL CONTROL REQUIRED BY SEC RULE 17a-5 FOR A BROKER-DEALER CLAIMING AN EXEMPTION FROM SEC RULE 15c3-3

In planning and performing our audits of the financial statements and supplemental schedules of Eitel & Company (the Company), for the years ended December 31, 2005 and 2004, we considered the Company's 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 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 aggregated 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 examination, 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 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 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 the generally accepted accounting principles. Rule 17a-5(g) listed additional objectives of the practices and procedures listed in the preceding paragraph.

Members:

American Institute of Certified Public Accountants/Private Companies Practice Section
Kentucky Society of Certified Public Accountants

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, projections 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 operations 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 the specific internal control components does not reduce to a relatively low level the risk that 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 Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objective 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 on December 31, 2005 and 2004, to meet the SEC's objective.

This report is intended solely for the use of the Member, management, the SEC, NASD and other regulatory agencies that rely on rule 7a-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 purposes.

Plaut & Associates, PSC
Certified Public Accountants

March 8, 2006