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

CYM

SEC FILE NUMBER
 8-52711

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

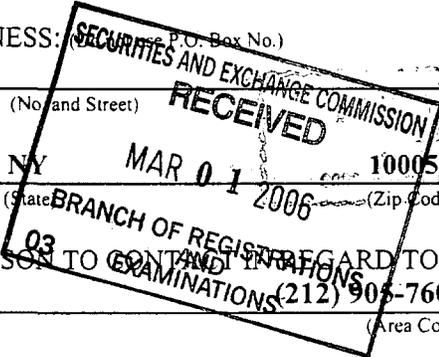
A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:
EVOLUTION FINANCIAL TECHNOLOGIES, LLC

OFFICIAL USE ONLY

FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS:
67 WALL STREET, 21ST FLOOR



(No. and Street)
NEW YORK
 (City)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT REGARDING THIS REPORT
DARYL DENSON

(State) **NY** (Zip Code) **10005**
 (Area Code - Telephone Number) **(212) 905-7600**

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*
KAUFMANN, GALLUCCI & GRUMER LLP

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

ONE BATTERY PARK PLAZA **NEW YORK** **NY** **10004**
 (Address) (City) (State) (Zip Code)

CHECK ONE:

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

PROCESSED

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THOMSON FINANCIAL

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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)

SEC 1410 (06-02)

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 contained in this form are not required to respond unless the form
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OATH OR AFFIRMATION

I, DARYL DENSON

swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting _____, as of EVOLUTION FINANCIAL TECHNOLOGIES, LLC, as of DECEMBER 31, 2005, are true and correct. I further swear (or affirm) that neither _____ partner, proprietor, principal officer, or director has any proprietary interest in any account classified _____ as that of a customer, except as follows:

Daryl Denson

Signature

CHIEF OPERATING OFFICER
Title

VIVETTE DIXON-SMALL
Notary Public - State Of New York
No. 01D16128121
Qualified In Kings County
My Commission Expires June 6, 2009

2/11/06
Vivette Dixon-Small

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 Cash Flows.
- (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.
- (o) Independent auditor's report on internal control.

** For conditions of confidential treatment of certain portions of this filing, see section 240.17 a-5(e)(3).

Evolution Financial Technologies, LLC
Statement of Financial Condition
December 31, 2005

ASSETS

Cash and cash equivalents	\$ 1,107,611
Receivable from broker-dealers and clearing organizations	159,740
Marketable securities owned, at market value	228,481
Deposit with clearing brokers	337,877
Prepaid expenses and other assets	<u>48,374</u>
 Total assets	 \$ <u><u>1,882,083</u></u>

LIABILITIES AND MEMBER'S EQUITY

Liabilities:	
Securities sold, not yet purchased, at market value	\$ 14,603
Accounts payable and accrued expenses	<u>1,479,415</u>
 Total liabilities	 1,494,018
 Commitments and contingencies	
 Member's equity before related receivable	952,608
Less receivable from Member	<u>(564,543)</u>
 Member's equity	 <u>388,065</u>
 Total Liabilities and Member's equity	 \$ <u><u>1,882,083</u></u>

The accompanying notes are an integral part
of these financial statements.