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OMB Number: 3235-0123
Expires: January 31, 2007
Estimated average burden
hours per response..... 12.00

SECURITIES AND EXCHANGE COMMISSION

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BRANCH OF REGISTRATIONS
AND
EXAMINATIONS
10

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

SEC FILE NUMBER

8-65276

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: **TEXAS SECURITIES, INC.**

OFFICIAL USE ONLY

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

FIRM I.D. NO.

4024 NAZARENE DRIVE, STE. B

(No. and Street)

CARROLLTON

(City)

TEXAS

(State)

7510

(Zip Code)

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

SHAWN M. GRISHAM

972-395-1133

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

HARTMAN LEITO & BOLT, LLP

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

6100 SOUTHWEST BLVD, STE. 500

(Address)

FORT WORTH

(City)

TEXAS

(State)

76109

(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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OATH OR AFFIRMATION

I, SHAWN M. GRISHAM, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of TEXAS SECURITIES, 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:



[Handwritten Signature]
Signature

President
Title

[Handwritten Signature]
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).

TEXAS SECURITIES INC.
Statement of Financial Condition
December 31, 2005

ASSETS:

Current assets:

| | |
|---------------------------|---------------|
| Cash | \$ 238,770 |
| Trade accounts receivable | 75,150 |
| Prepaid expenses | 13,833 |
| Other current assets | <u>65,419</u> |

Total current assets 393,172

Equipment:

| | |
|-------------------------------|----------------|
| Office equipment | 30,898 |
| Furniture and fixtures | <u>125,297</u> |
| | 156,195 |
| Less accumulated depreciation | <u>52,249</u> |

Total equipment 103,946

Total assets \$ 497,118

LIABILITIES AND STOCKHOLDERS' EQUITY:

Current liabilities:

| | |
|---------------------|----------------|
| Accounts payable | \$ 7,447 |
| Accrued liabilities | <u>193,528</u> |

Total current liabilities 200,975

Commitments and contingencies

-

Stockholders' equity:

| | |
|--|------------------|
| Common Stock, .01 par value; 100,000 shares authorized, 100,000 shares issued and outstanding | 1,000 |
| Additional paid-in capital | 688,230 |
| Retained deficit | <u>(393,087)</u> |

Total stockholders' equity 296,143

Total liabilities and stockholders' equity \$ 497,118

See accompanying notes and independent auditors' report.