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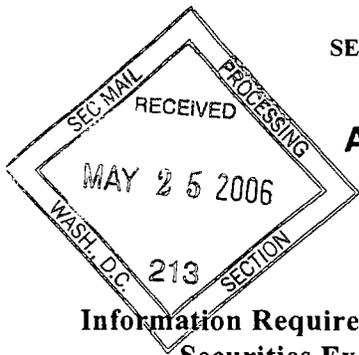


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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

AB 6/3

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

SEC FILE NUMBER
8- 47268

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 04/01/05 AND ENDING 03/31/06
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: BISON CAPITAL, INC.

OFFICIAL USE ONLY

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

FIRM I.D. NO.

1535 42nd Street SW Suite 300B

(No. and Street)

Fargo

ND

58103

(City)

(State)

(Zip Code)

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

RYAN DAVIS

701-281-7140

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

POWER FINANCIAL, LLC

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

1110 College Dr Suite 105

Bismarck

ND

58501

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

Certified Public Accountant

Public Accountant

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

PROCESSED

JUN 26 2006

THOMSON
FINANCIAL

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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OATH OR AFFIRMATION

I, Ryan Davis, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Bison Capital, Inc., as of March 31, 2006, 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:

JODI BESSETTE
Notary Public, State of North Dakota
My Commission Expires June 4, 2007

Jodi Besette
Notary Public

[Handwritten Signature]
Signature
FIN OP
Title

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).



BISON CAPITAL, INC.

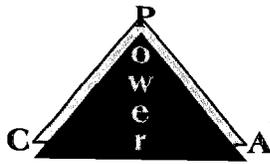
AUDITED FINANCIAL STATEMENTS

MARCH 31, 2006 AND 2005

BISON CAPITAL, INC.

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Power Financial, LLC
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for Closely-held Businesses

▲ John P. Power, CPA

▲ 1110 College Drive, Suite 105 Bismarck, ND 58501

▲ 701.255.7259 Fax 701.255.2213 john@powercpa.biz

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Bison Capital, Inc.
Fargo, North Dakota

We have audited the accompanying statements of financial condition of **Bison Capital, Inc.** as of March 31, 2006 and 2005, and the related statements of operations, stockholders' equity, and cash flows for the year 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 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 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 **Bison Capital, Inc.** as of March 31, 2006 and 2005, 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 conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedule I is presented for the purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 under the Securities and 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.

May 4, 2006
Bismarck, North Dakota

BISON CAPITAL, INC.

STATEMENTS OF FINANCIAL CONDITION

MARCH 31, 2006 and 2005

LIABILITIES AND STOCKHOLDERS' EQUITY

| | <u>2006</u> | <u>2005</u> |
|---|------------------|------------------|
| CURRENT LIABILITIES: | | |
| Accounts payable | \$ 726 | \$ -0- |
| Accrued income taxes | <u>-0-</u> | <u>6,982</u> |
| Total Current Liabilities | 726 | 6,982 |
| Total Liabilities | 726 | 6,982 |
| STOCKHOLDERS' EQUITY: | | |
| Common stock | 50,000 | 50,000 |
| Additional paid-in capital | 90,971 | 90,971 |
| Retained earnings (deficit) | <u>(120,534)</u> | <u>(84,185)</u> |
| Total Stockholders' Equity | <u>20,437</u> | <u>56,786</u> |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | <u>\$ 21,163</u> | <u>\$ 63,768</u> |

See Notes to Financial Statements

BISON CAPITAL, INC.
STATEMENTS OF INCOME
FOR THE YEARS ENDED MARCH 31, 2006 and 2005

| | <u>2006</u> | <u>2005</u> |
|--|--------------------|------------------|
| INCOME: | | |
| Commissions received | 203,395 | 137,098 |
| Interest | <u>-0-</u> | <u>13</u> |
| Total Income | 203,395 | 137,111 |
| EXPENSES: | | |
| Office rent and management fees | 120,000 | 62,000 |
| Contract services | 42,000 | 24,000 |
| Professional services | 67,243 | 4,150 |
| Office expense | 839 | 678 |
| Licenses and fees | 4,125 | 5,468 |
| Insurance and bonds | 1,707 | 350 |
| Travel | 1,941 | -0- |
| Education and training | 475 | -0- |
| Advertising | 3,683 | 1,253 |
| Dues & subscriptions | 1,570 | -0- |
| Depreciation | -0- | 12 |
| Interest expense | -0- | 25 |
| Miscellaneous | <u>1,171</u> | <u>-0-</u> |
| Total Expenses | <u>244,754</u> | <u>97,936</u> |
| Income (Loss) before Income Taxes | (41,359) | 39,175 |
| Benefit from (provision for) Income Taxes | <u>5,010</u> | <u>(2,732)</u> |
| NET INCOME (LOSS) | <u>\$ (36,349)</u> | <u>\$ 36,443</u> |

See Notes to Financial Statements

BISON CAPITAL, INC.
STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED MARCH 31, 2006 and 2005

| | <u>Common Stock</u> | <u>Additional Paid-in Capital</u> | <u>Retained Earnings (Deficit)</u> |
|---|-------------------------|---|--|
| Balances, March 31, 2004 | \$ 50,000 | \$ 85,500 | \$ (120,628) |
| Contributions | -0- | 30,000 | -0- |
| Distributions | -0- | (24,529) | -0- |
| Net Income (Loss) | <u>-0-</u> | <u>-0-</u> | <u>36,443</u> |
| Balances, March 31, 2005 | 50,000 | 90,971 | (84,185) |
| Distributions | -0- | -0- | -0- |
| Contributions | -0- | -0- | -0- |
| Net Income (Loss) | <u>-0-</u> | <u>-0-</u> | <u>(36,349)</u> |
| Balances, March 31, 2006 | <u>\$ 50,000</u> | <u>\$ 90,971</u> | <u>\$(120,534)</u> |

See Notes to Financial Statements

BISON CAPITAL, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2006 and 2005

| | <u>2006</u> | <u>2005</u> |
|---|------------------------|-------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Cash received from customers | \$ 202,679 | \$ 135,274 |
| Cash paid to suppliers and employees | (245,279) | (101,434) |
| Interest received | -0- | 13 |
| Interest paid | -0- | (25) |
| Income tax refunds received | -0- | -0- |
| Income taxes paid | <u>(6,982)</u> | <u>-0-</u> |
| Net cash provided (used) by operating activities | (49,582) | 33,828 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Proceeds from sale of assets | -0- | -0- |
| Capital expenditures | <u>-0-</u> | <u>-0-</u> |
| Net cash used by investing activities | -0- | -0- |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Capital contributions (distributions) | <u>-0-</u> | <u>5,471</u> |
| Net cash provided (used) by financing activities | <u>-0-</u> | <u>5,471</u> |
| Net Increase (Decrease) in Cash | (49,582) | 39,299 |
| CASH AT BEGINNING OF YEAR | <u>56,390</u> | <u>17,091</u> |
| CASH AT END OF YEAR | <u>\$ 6,808</u> | <u>\$ 56,390</u> |

See Notes to Financial Statements

BISON CAPITAL, INC.
STATEMENTS OF CASH FLOWS (Continued)
FOR THE YEARS ENDED MARCH 31, 2006 and 2005

| | <u>2006</u> | <u>2005</u> |
|--|---------------------------|-------------------------|
| RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES | | |
| NET INCOME (LOSS) | \$ (36,349) | \$ 36,443 |
| ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES: | | |
| Depreciation | -0- | 12 |
| Change in assets and liabilities - | | |
| (Increase) decrease in commissions receivable | (716) | (1,824) |
| (Increase) decrease in tax refunds receivable | (5,010) | -0- |
| (Increase) decrease in prepaid expenses | (1,251) | (385) |
| (Increase) decrease in deferred tax credits | -0- | (4,250) |
| Increase (decrease) in accounts payable | 726 | (3,150) |
| Increase (decrease) in accrued income taxes | <u>(6,982)</u> | <u>6,982</u> |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | <u>\$ (49,582)</u> | <u>\$ 33,828</u> |

See Notes to Financial Statements

BISON CAPITAL, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2006 and 2005

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

- A. Nature of Business – Bison Capital, Inc. is a North Dakota corporation operating as a broker/dealer in securities under the Securities Exchange Act of 1934. The Company operates from one location in Fargo, North Dakota. The Company's primary source of revenue is providing brokerage services to its customers.

The Company operates under the provisions of Paragraph (k)(2)(I) of Rule 15c3-3 of the Securities and Exchange Commission and, accordingly, is exempt from the remaining provisions of that Rule. Essentially, the requirements of paragraph (k)(2)(I) provide that the Company carries no margin accounts, promptly transmits all customer funds and delivers all securities received in connection with the activities as a broker/dealer, does not otherwise hold funds or securities for, or owe money or securities to customers and effectuates all financial transactions between itself and its customers through one or more bank accounts each to be designated as "Special Account for the Exclusive Benefit of Customers."

- B. Security Transactions – Commission revenue and expenses are reflected in these financial statements as of the trade date.
- C. Income taxes – Accounting policies used for federal and state income tax purposes are consistent with those used for financial reporting purposes.
- D. Estimates – The preparation of financial statements in conformity with generally accepted accounting principles 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.
- E. Advertising – Costs for advertising are expensed as incurred.
- F. Depreciation – Depreciation is computed on an accelerated method using estimated useful lives of five to seven years.

BISON CAPITAL, INC.
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2006 and 2005

NOTE 2. NET CAPITAL REQUIREMENTS:

The Company is subject to the Securities and Exchange Commission's uniform net capital rule (Rule 15c3-1) which requires the maintenance of minimum net capital and requires that the ratio of aggregated indebtedness to net capital, both as defined, shall not exceed 15 to 1. The rule also provides that equity capital may not be withdrawn or dividends paid if the resulting net capital ratio would exceed 10 to 1. As of March 31, 2006 and 2005, the Company's net capital ratio, net capital, and net capital requirements were as follows:

| | <u>2006</u> | <u>2005</u> |
|-------------------------|-----------------|------------------|
| Net capital ratio | <u>.11:1</u> | <u>.14:1</u> |
| Net capital | <u>\$ 6,082</u> | <u>\$ 49,408</u> |
| Net capital requirement | <u>\$ 5,000</u> | <u>\$ 5,000</u> |

The Securities and Exchange Commission has adopted certain amendments to its Net Capital Rule requiring increased minimum net capital for brokers and dealers in securities. The Company is still subject to a \$5,000 minimum net capital requirement. The Company is also subject to the requirements that if aggregate indebtedness multiplied by 6-2/3 percent is higher, the minimum net capital would be increased to the higher amount.

NOTE 3. RESERVE REQUIREMENTS:

The Company is exempt from Securities and Exchange Commission Rule 15c-3-3 under Section (k)(2)(A) and, therefore, is not required to make the periodic computation for determination of reserve requirements and information relating to the possession and control requirements under Rule 15c3-3.

NOTE 4. NOTES PAYABLE - LINE OF CREDIT:

The Company had a \$30,000 line of credit with Security State Bank of Fargo. Interest on the line was variable with a current rate of 7% on the outstanding balance. At March 31, 2005, \$-0- was owed on the line of credit. The line of credit was unsecured and expired on December 1, 2005.

BISON CAPITAL, INC.
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2006 and 2005

NOTE 5. PROVISION FOR INCOME TAXES:

Federal and state income tax expense consists of the following:

| | <u>2006</u> | <u>2005</u> |
|--|-----------------|-------------------|
| Provision for taxes based on statutory rates | \$ -0- | \$ (6,982) |
| Deferred tax benefit | <u>5,010</u> | <u>4,250</u> |
| Benefit from (provision for) income taxes | <u>\$ 5,010</u> | <u>\$ (2,732)</u> |

On March 31, 2006 and 2005, a deferred tax asset of \$15,450 and \$15,450, respectively, has been recorded based on net operating loss carryovers being utilized over fifteen and twenty year periods beginning March 31, 1998. A valuation allowance has been established in the amount of \$11,200 and \$11,200, respectively, to reflect net operating losses expected to expire prior to utilization.

NOTE 6. RELATED PARTY TRANSACTIONS:

Effective October 1, 2005, the company entered into a Cost Sharing Agreement with Financial Advisors, a sole proprietorship owned by Bruce Hager, that calls for monthly payments of \$10,000. The Company paid \$120,000 and \$60,000 to Financial Advisors under this agreement for the years ended March 31, 2006 and 2005, respectively.

NOTE 7. SALE OF THE COMPANY:

Effective July 1, 2004, all of the outstanding stock of the company was purchased by Bruce Hager. The change in ownership will limit the Company's ability to utilize net operating loss carryforwards (See Note 5).

BISON CAPITAL, INC.
COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1
OF THE SECURITIES AND EXCHANGE COMMISSION
MARCH 31, 2006

| | <u>Schedule I</u> |
|--|-------------------|
| NET CAPITAL | |
| Total stockholder's equity from the statement of financial condition | \$ 20,437 |
| Deductions | |
| Nonallowable assets: | |
| Commissions receivable | (2,540) |
| Tax refunds receivable | (5,010) |
| Prepaid expenses | (2,555) |
| Deferred tax credits | <u>(4,250)</u> |
| Net capital | <u>\$ 6,082</u> |
| COMPUTATION OF BASIC NET CAPITAL REQUIREMENTS | |
| Minimum net capital required – higher of 6-2/3% times aggregate indebtedness or \$5,000 | <u>\$ 5,000</u> |
| Excess net capital | <u>\$ 1,082</u> |
| Excess net capital at 1,000% (Net capital less 10% of total aggregate indebtedness) | <u>\$ 6,009</u> |
| AGGREGATE INDEBTEDNESS | |
| Total aggregate indebtedness included in the statement of financial condition | <u>\$ 726</u> |
| Ratio of aggregate indebtedness to net capital | <u>.11:1</u> |
| RECONCILIATION WITH COMPANY'S COMPUTATION | |
| Net capital per Part II of Form X-17A-5, as originally filed | \$ 6,082 |
| Audit Adjustments | -0- |
| Rounding | <u>-0-</u> |
| | <u>\$ 6,082</u> |
| Total aggregate indebtedness per Part II of Form X-17A-5, as originally filed | \$ 726 |
| Audit adjustments | <u>-0-</u> |
| | <u>\$ 726</u> |



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▲ 701.255.7259 Fax 701.255.2213 john@powercpa.biz

www.powercpa.biz

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL

The Board of Directors
Bison Capital, Inc.
Fargo, North Dakota

In planning and performing our audit of the financial statements and supplementary schedule of **Bison Capital, Inc.** for the year ended March 31, 2006, 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 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 **Bison Capital, Inc.** including tests of such practices and procedures that we considered relevant to the objectives stated in Rule 17a-5(g), in making the periodic computation of aggregate indebtedness 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 security accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in making the quarterly securities examinations, counts, verifications and comparisons; in recordation of differences required by Rule 17a-124; and in 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 **Bison Capital, Inc.** 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 managements 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 objective 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, error 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 the 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 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 **Bison Capital, Inc.**'s practices and procedures were adequate at March 31, 2006, to meet the SEC's objectives.

This report is intended solely for the use of the Board of Directors, management, the Securities and Exchange Commission, the National Association of Securities Dealers, Inc. and other regulatory agencies that rely on Rule 171-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "John Lawe, CPA". The signature is written in a cursive style.

Bismarck, North Dakota
May 4, 2006