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SECURITIES AND EXCHANGE COMMISSION  
20549

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

SEC FILE NUMBER  
8-51512

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: Fredericks Michael Securities, Inc. OFFICIAL USE ONLY  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
430 Park Ave. 8th Floor  
(No. and Street)  
New York NY 10022  
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
Alberto Realuyo 212-732-1600  
(Area Code - Telephone Number)

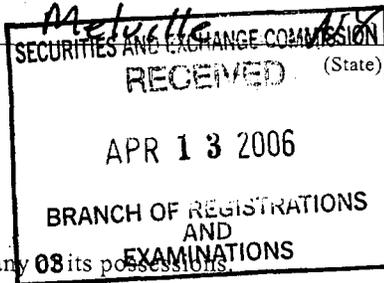
**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*  
Robert J. Eckhardt & Co. P.C.  
(Name - if individual, state last, first, middle name)

One Huntington Quadrangle Metairie 11747  
(Address) (City) (State) (Zip Code)

CHECK ONE:

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



PROCESSED  
JUL 17 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)

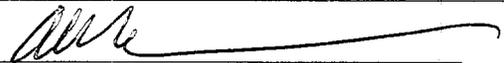
7/14/06

OATH OR AFFIRMATION

I, Alberto Realuyo, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Fredericks Michael Securities, as of 31 December, 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:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**ATHENA HONDROS**  
Notary Public, State of New York  
No. 01H08130303  
Qualified in Richmond County  
Commission Expires July 18, 2009

  
Signature  
Interim 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).

SCHEDULE I

**FREDERICKS MICHAEL SECURITIES, INC.**

COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1 OF THE  
SECURITIES AND EXCHANGE COMMISSION

AS OF DECEMBER 31, 2005

Stockholders' equity		\$	95,028
Deduct: stockholders' equity not allowable for net capital			0
Add: subordinated borrowings allowable in computation of net capital			0
			-----
Total capital and allowable subordinated borrowings		\$	95,028
Deductions and/or charges:			
Nonallowable assets:			
Miscellaneous receivables	\$	76,045	
Furniture and equipment, net		5,092	\$ 81,137
		-----	-----
Net Capital before haircuts on securities positions		\$	13,891
Haircuts on securities			0
			-----
Net capital		\$	13,891
Minimum net capital required			5,000
			-----
Excess capital		\$	8,891
			=====
Aggregate indebtedness			
Items included in statement of financial condition			
Accounts payable, accrued liabilities, accrued expenses and other items included in statement of financial condition			15,909
			-----
Total aggregate indebtedness		\$	15,909
			=====
Minimum net capital required		\$	5,000
			=====
Excess net capital at 1,500 percent		\$	18,450
			=====
Excess net capital at 1,000 percent		\$	12,300
			=====
Ratio: Aggregate indebtedness to net capital			1.15 to 1
			=====
Reconciliation with Company's computation (included in Part II of Form Z-17 A-5 as of December 31, 2005):			
Net capital, as reported in Company's Part II (unaudited) FOCUS report		\$	16,495
Audit adjustments to increase expenses			2,604
			-----
Net capital per above		\$	13,891
			=====