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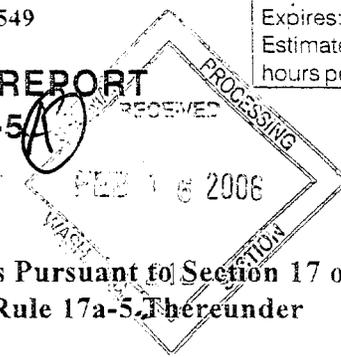


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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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



SEC FILE NUMBER
8-164

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 October 1, 2004 AND ENDING September 30, 2005
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: National Securities Corporation

OFFICIAL USE ONLY
FIRM I.D. NO.

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

1001 4th Avenue Suite 2200

(No. and Street)

Seattle

Washington

98154

(City)

(State)

(Zip Code)

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

Leo Satrawan

(206) 622-7200

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Marcum and Kliegman LLP

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

655 Third Avenue

New York

NY

10017

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

PROCESSED

AUG 30 2006

THOMSON
FINANCIAL

FOR OFFICIAL USE ONLY

Empty box 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)

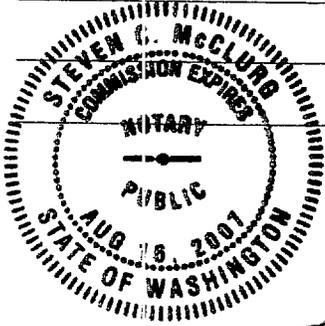
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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OATH OR AFFIRMATION

I, Leo Satriawan, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of National Securities Corporation, as of September 30, 20 05, 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:

Except as indicated in the footnotes to the consolidated Financial Statements.



[Signature]
Signature
Chief Financial Officer
Title

Steve McClurg
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 15c3-3 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) Report of Independent Certified Public Accountants on Internal Control Procedure

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

NATIONAL SECURITIES CORPORATION
AND SUBSIDIARY

RECONCILIATION OF NET CAPITAL IN ACCORDANCE WITH RULE
15c3-1 OF THE SECURITIES AND EXCHANGE COMMISSION

September 30, 2005

Reconciliation with Company's computation (included in Part II of Form X-17A-5 as of September 30, 2005) of Net Capital, as reported in Part II of the Company's Focus Report (unaudited)		\$ 1,080,000
Audit Adjustments:		
Receivables from Broker- Dealers and clearing	\$ 92,000	
Other receivables, net	(33,000)	
Accounts payable, accrued expenses and other liabilities	27,000	
Deferred rent payable	(45,000)	
Inventory Haircut, net	<u>103,000</u>	
Total audit adjustments		<u>144,000</u>
 NET CAPITAL		 <u><u>\$ 1,224,000</u></u>

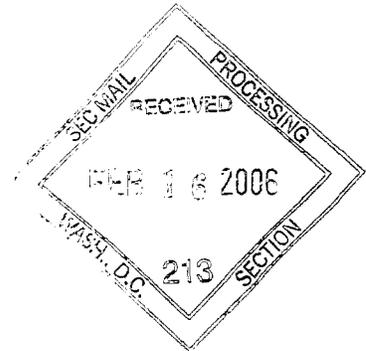
Marcum & Kliegman LLP

Certified Public Accountants & Consultants

A Limited Liability Partnership Consisting of Professional Corporations

February 14, 2006

Ms. Dianne DuSault
Supervisor of Examiners
National Association of Securities Dealers
601 Union Street, Suite 1616
Seattle, WA 98101



Re: National Securities Corporation

Dear Ms. DuSault:

We are the auditors for National Securities Corporation and are responding to your letter dated January 18, 2006. We've attached the reconciliation of the original focus report to the September 30, 2005 audited financial statements in accordance with SEC Rule 17a-5(d)(4). Feel free to contact us if you have any further questions.

Very truly yours,

Marcum & Kliegman LLP

A handwritten signature in cursive script that reads 'Mitchell Watt'.

Mitchell Watt, CPA
Partner

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