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SECURITIES AND EXCHANGE COMMISSION
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**ANNUAL AUDITED REPORT
FORM X-17A-5
PART III**

SEC FILE NUMBER
8-66587

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities and 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:

Mufson Howe Hunter & Partners LLC

OFFICIAL USE ONLY

FIRM ID. NO.

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

1717 Arch Street, Suite 3230

(No. and Street)

Philadelphia

(City)

PA

(State)

19103

(Zip Code)

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

Joseph A. Romeo, CPA

(215) 569-2113

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Briggs, Bunting & Dougherty, LLP

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

Two Penn Center Plaza, Suite 820

(Address)

Philadelphia

(City)

PA

(State)

19102-1732

(Zip Code)

CHECK ONE:

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

PROCESSED

OCT 05 2006

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**THOMSON
FINANCIAL**

*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).

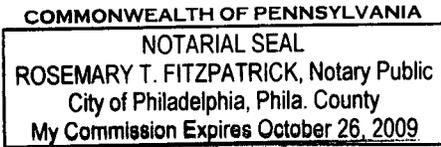
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SEC 1410 (06-02)

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OATH OR AFFIRMATION

I, Mr. James T. Hunter, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Mufson Howe Hunter & Partners LLC, 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:



James T. Hunter
Signature
Partner
Title

Rosemary T. Fitzpatrick
Notary Public

3/24/2006

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 Proprietor's 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 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).

MUFSON HOWE HUNTER & PARTNERS LLC

ANNUAL AUDITED REPORT

FORM X-17A-5

YEAR ENDED DECEMBER 31, 2005

**BRIGGS
BUNTING &
DOUGHERTY, LLP**

Certified Public Accountants and Business Advisors

INDEPENDENT AUDITOR'S REPORT

**To the Members
Mufson Howe Hunter & Partners LLC
Philadelphia, Pennsylvania**

We have audited the accompanying statement of financial condition of Mufson Howe Hunter & Partners LLC (a Delaware Limited Liability Corporation) as of December 31, 2005, and the related statements of income, changes in ownership 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 MHHP's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. 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 Mufson Howe Hunter & Partners LLC as of December 31, 2005, and the results of its operations and its cash flows for the year then ended, in conformity with U.S. generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Pages 3, 4, and 7 is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 of the Securities Exchange Commission. 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.

Briggs, Bunting & Dougherty, LLP

**Philadelphia, Pennsylvania
March 8, 2006**

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART IIA**

BROKER OR DEALER **Mufson Howe Hunter & Partners LLC**

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**STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING AND
CERTAIN OTHER BROKERS OR DEALERS**

as of (MM/DD/YY) 12/31/05 **99**
 SEC FILE NO. 8-66587 **98**
 Consolidated **198**
 Unconsolidated **199**

ASSETS

Allowable

Non-Allowable

Total

1. Cash.....	\$	67,926	200		\$	67,926	750
2. Receivables from brokers or dealers:							
A. Clearance account.....			295				
B. Other			300	\$	13,000	550	810
3. Receivables from non-customers			355			600	830
4. Securities and spot commodities owned, at market value:							
A. Exempted securities.....			418				
B. Debt securities			419				
C. Options.....			420				
D. Other securities.....			424				
E. Spot commodities			430				850
5. Securities and/or other investments not readily marketable:							
A. At cost ² \$							
B. At estimated fair value			440			610	860
6. Securities borrowed under subordination agreements and partners' individual and capital securities accounts, at market value:			460			630	880
A. Exempted securities \$							
B. Other securities \$							
7. Secured demand notes			470			640	890
market value of collateral:							
A. Exempted securities \$							
B. Other securities \$							
8. Memberships in exchanges:							
A. Owned, at market \$						650	
B. Owned, at cost							
C. Contributed for use of the company, at market value.....						660	900
9. Investments in and receivables from affiliates, subsidiaries and associates partnerships			480			670	910
10. Property, furniture, equipment, leasehold improvements and rights under lease agreements, at cost-net of accumulated depreciation and amortization			490			680	920
11. Other assets			535		5,584	735	930
12. TOTAL ASSETS	\$	67,926	540	\$	18,584	740	86,510
							940

OMIT PENNIE

See accompanying notes

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART IIA

BROKER OR DEALER **Mufson Howe Hunter & Partners LLC**

as of 12/31/05

STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING AND
CERTAIN OTHER BROKERS OR DEALERS

LIABILITIES AND OWNERSHIP EQUITY

<u>Liabilities</u>	<u>A.I. Liabilities</u>	<u>Non-A.I. Liabilities</u>	<u>Total</u>
13. Bank loans payable	\$ 1045	\$ 1255 ¹³	\$ 1470
14. Payable to brokers or dealers:			
A. Clearance account	▼ 1114	1315	1560
B. Other	10 1115	1305	1540
15. Payable to non-customers	1155	1355	1610
16. Securities sold not yet purchased, at market value		1360	1620
17. Accounts payable, accrued liabilities, expenses and other	38,880 1205	1385	38,880 1685
18. Notes and mortgages payable:			
A. Unsecured	1210	▼ 1390	▼ 1690
B. Secured	1211	12 1390	14 1700
19. Liabilities subordinated to claims of general creditors:			
A. Cash borrowings		1400	1710
1. from outsiders ⁹ \$			
2. Includes equity subordination (15c3-1(d)) of..... \$			
B. Securities borrowings, at market value		1410	1720
from outsiders \$			
C. Pursuant to secured demand note collateral agreements		1420	1730
1. from outsiders \$			
2. Includes equity subordination (15c3-1(d)) of..... \$			
D. Exchange memberships contributed for use of company, at market value		1430	1740
E. Accounts and other borrowings not qualified for net capital purposes	1220	1440	1750
20. TOTAL LIABILITIES	\$ 38,880 1230	\$ 1450	\$ 38,880 1760

Ownership Equity

21. Sole proprietorship		▼ 1770	15 \$ 1770
22. Partnership (limited partners	▼ 1020		\$ 47,630 1780
23. Corporation:			
A. Preferred stock		1791	1791
B. Common stock		1792	1792
C. Additional paid-in capital		1793	1793
D. Retained earnings		1794	1794
E. Total		1795	1795
F. Less capital stock in treasury		▼ ()	16 () 1796
24. TOTAL OWNERSHIP EQUITY		\$ 47,630	\$ 1800
25. TOTAL LIABILITIES AND OWNERSHIP EQUITY		\$ 86,510	\$ 1810

OMIT PENNIE

See accompanying notes

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART IIA

BROKER OR DEALER Mufson Howe Hunter & Partners LLC

as of 12/31/05

COMPUTATION OF NET CAPITAL

1.	Total ownership equity from Statement of Financial Condition	\$ 47,630	3480
2.	Deduct ownership equity not allowable for Net Capital	()	3490
3.	Total ownership equity qualified for Net Capital	47,630	3500
4.	Add:		
	A. Liabilities subordinated to claims of general creditors allowable in computation of net capital	-	3520
	B. Other (deductions) or allowable credits (List)	-	3525
5.	Total capital and allowable subordinated liabilities	\$ 47,630	3530
6.	Deductions and/or charges:		
	A. Total nonallowable assets from Statement of Financial Condition (Notes B and C) \$	18,584	3540
	B. Secured demand note deficiency	-	3590
	C. Commodity futures contracts and spot commodities-proprietary capital charges	-	3600
	D. Other deductions and/or charges	-	3610
		(18,584)	3620
7.	Other additions and/or allowable credits (List)	-	3630
8.	Net capital before haircuts on securities positions	\$ 29,046	3640
9.	Haircuts on securities (computed, where applicable, pursuant to 15c3-1 (f)):		
	A. Contractual securities commitments	\$ 3660	3660
	B. Subordinated securities borrowings	3670	3670
	C. Trading and investment securities:		
	1. Exempted securities	3735	3735
	2. Debt securities	3733	3733
	3. Options	3730	3730
	4. Other securities	3734	3734
	D. Undue Concentration	3650	3650
	E. Other (List)	3736	3736
		()	3740
10.	Net Capital	\$ 29,046	3750

OMIT PENNIES

There was no difference between the audited and unaudited calculation of net capital pursuant to Rule 15c3-1.

See accompanying notes

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART IIA

BROKER OR DEALER **Mufson Howe Hunter & Partners LLC**

as of 12/31/05

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Part A

11. Minimum net capital required (6-2/3% of line 19).....	\$ 4,860	3756
12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A).....	\$ 5,000	3758
13. Net capital requirement (greater of line 11 or 12).....	\$ 5,000	3760
14. Excess net capital (line 10 less 13).....	\$ 24,046	3770
15. Excess net capital at 100% (line 10 less 10% of line 19).....	22 \$ 25,158	3780

COMPUTATION OF AGGREGATE INDEBTEDNESS

16. Total A.1. liabilities from Statement of Financial Condition.....	\$ 38,880	3790
17. Add:		
A. Drafts for immediate credit.....	21 \$ -	3800
B. Market value of securities borrowed for which no equivalent value is paid or credited.....	\$ -	3810
C. Other unrecorded amounts (List).....	\$ -	3820
19. Total aggregate indebtedness.....	\$ 38,880	3840
20. Percentage of aggregate indebtedness to net capital (line 19 \div by line 10).....	%	134
21. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1 (d).....	%	3760

COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT

Part B

22. 2% of combined aggregate debit items as shown in Formula for Reserve Requirements pursuant to Rule 15c3-3 prepared as of the date of the net capital computation including both brokers or dealers and consolidated subsidiaries' debits.....	\$	3870
23. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A).....	23 \$	3880
24. Net capital requirement (greater of line 22 or 23).....	\$	3760
25. Excess net capital (line 10 less 24).....	\$	3910
26. Net capital in excess of: 5% of combined aggregate debit items or \$120,000.....	\$	3920

OMIT PENNIE

NOTES:

- (A) The minimum net capital requirement should be computed by adding the minimum dollar net capital requirement of the reporting broker dealer and, for each subsidiary to be consolidated, the greater of:
 1. Minimum dollar net capital requirement, or
 2. 6-2/3% of aggregate indebtedness or 2% of aggregate debits if alternative method is used.
- (B) Do not deduct the value of securities borrowed under subordination agreements or secured demand note covered by subordination agreements not in satisfactory form and the market values of memberships in exchanges contributed for use of company (contra to item 1740) and partners' securities which were included in non-allowable assets.
- (C) For reports filed pursuant to paragraph (d) of Rule 17a-5, respondent should provide a list of material non-allowable assets.

See accompanying notes

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART IIA

BROKER OR DEALER Mufson Howe Hunter & Partners LLC

For the period (MMDDYY) from [▼]24 01/01/05 **3932** to 12/31/05 **3933**
Number of months included in this statement 12 **3931**

COMPUTATION OF NET INCOME (LOSS)

REVENUE

1.	Commissions:			
	a. Commissions on transactions in exchange listed equity securities executed on an exchange.....	\$		3935
	b. Commissions on listed option transactions.....	25		3938
	c. All other securities commissions.....			3939
	d. Total securities commissions.....			3940
2.	Gains or losses on firm securities trading accounts			
	a. From market making in options on a national securities exchange.....			3945
	b. From all other trading.....			3949
	c. Total gain (loss).....			3950
3.	Gains or losses on firm securities investment accounts.....			3952
4.	Profit (loss) from underwriting and selling groups.....	26		3955
5.	Revenue from sale of investment company shares.....			3970
6.	Commodities revenue.....			3990
7.	Fees for account supervision, investment advisory and administrative services.....		818,855	3975
8.	Other revenue.....			3995
9.	Total revenue.....		818,855	4030

EXPENSES

10.	Salaries and other employment costs for general partners and voting stockholder officers.....			
		\$		4120
11.	Other employee compensation and benefits.....	27	344,875	4115
12.	Commissions paid to other broker-dealers.....			4140
13.	Interest expense.....			4075
	a. Includes interest on accounts subject to subordination agreements.....		4070	
14.	Regulatory fees and expenses.....		2,445	4195
15.	Other expenses.....		388,745	4100
16.	Total expenses.....		\$ 736,065	4200

NET INCOME

17.	Net income (loss) before Federal income taxes and items below (Item 9 less Item 16).....			
		\$	82,790	4210
18.	Provision for Federal income taxes (for parent only).....	28	-	4220
19.	Equity in earnings (losses) of unconsolidated subsidiaries not included above.....		-	4222
	a. After Federal income taxes of.....		4238	
20.	Extraordinary gains (losses).....		-	4224
	a. After Federal income taxes of.....		4239	
21.	Cumulative effect of changes in accounting principles.....		-	4225
22.	Net income (loss) after Federal income taxes and extraordinary items.....		\$ 82,790	4230

MONTHLY INCOME

23.	Income (current month only) before provision for Federal income taxes and extraordinary items.....			
		\$	(68,140)	4211

See accompanying notes

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART IIA

BROKER OR DEALER Mufson Howe Hunter & Partners LLC

For the period (MMDDYY) from 01/01/05 to 12/31/05

STATEMENT OF CHANGES IN OWNERSHIP EQUITY
(SOLE PROPRIETORSHIP, PARTNERSHIP OR CORPORATION)

1. Balance, beginning of period	\$	57,596		4240
A. Net income (loss)		82,790		4250
B. Additions (includes non-conforming capital of	▼			
29		4262)	4260
C. Deductions (includes non-conforming capital of				
29		4272)	4270
2. Balance, end of period (From item 1800)	\$	47,630		4290

STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED
TO CLAIMS OF GENERAL CREDITORS

3. Balance, beginning of period	\$			4300
A. Increases				4310
B. Decreases				4320
4. Balance, end of period (From item 3520)	\$			4330

OMIT PENNIES

See accompanying notes

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART IIA**

BROKER OR DEALER Mufson Howe Hunter & Partners LLC

as of 12/31/05

Exemptive Provision Under Rule 15c3-3

25. If an exemption from Rule 15c3-3 is claimed, identify below the section upon which such exemption is based (check one only)

- A. (k) (1)—\$2,500 capital category as per Rule 15c3-1 4550
- B. (k) (2)(A)—"Special Account for the Exclusive Benefit of customers" maintained X 4560
- C. (k) (2)(B)—All customer transactions cleared through another broker-dealer on a fully disclosed basis. Name of clearing firm ³¹ 4335 4570
- D. (k) (3)—Exempted by order of the Commission 4580

Ownership Equity and Subordinated Liabilities maturing or proposed to be withdrawn within the next six months and accruals, (as defined below), which have not been deducted in the computation of Net Capital.

Type of Proposed withdrawal or Accrual See below for code to enter	Name of Lender or Contributor	Insider or Outsider? (In or Out)	Amount to be With- drawn (cash amount and/or Net Capital Value of Securities)	(MMDDYY) Withdrawal or Maturity Date	Expect to Renew (yes or no)	
32	4600	4601	4602	4603	4604	4605
33	4610	4611	4612	4613	4614	4615
34	4620	4621	4622	4623	4624	4625
35	4630	4631	4632	4633	4634	4635
36	4640	4641	4642	4643	4644	4645
37	4650	4651	4652	4653	4654	4655
38	4660	4661	4662	4663	4664	4665
39	4670	4671	4672	4673	4674	4675
40	4680	4681	4682	4683	4684	4685
41	4690	4691	4692	4693	4694	4695
			TOTAL \$ ⁴² 0	4699		

OMIT PENNIES

Instructions: Detail listing must include the total of items maturing during the six month period following the report date, regardless of whether or not the capital contribution is expected to be renewed. The schedule must also include proposed capital withdrawals scheduled within the six month period following the report date including the proposed redemption of stock and payments of liabilities secured by fixed assets (which are considered allowable assets in the capital computation pursuant to Rule 15c3-1(c)(2)(iv)), which could be required by the lender on demand or in less than six months.

WITHDRAWAL CODE:	DESCRIPTION
1.	Equity Capital
2.	Subordinated Liabilities
3.	Accruals
4.	15c3-1(c)(2)(iv) Liabilities

See accompanying notes

MUFSON HOWE HUNTER & PARTNERS, LLC

STATEMENT OF CASH FLOWS

Year ended December 31, 2005

CASH FLOWS FROM OPERATING ACTIVITIES

Net income	\$ 82,790
Adjustments to reconcile net income to net cash provided by (used for) operating activities	
(Increase) decrease in	
Fees receivable	(13,000)
Other assets	(5,584)
Increase (decrease) in	
Accounts payable and accrued expenses	<u>27,790</u>
Net cash provided by operating activities	91,996

CASH FLOWS FROM INVESTING ACTIVITIES

Net capital withdrawal	<u>(92,756)</u>
Net decrease in cash	(760)

CASH

Beginning of year	<u>68,686</u>
End of year	<u>\$ 67,926</u>

See accompanying notes

NOTES TO FINANCIAL STATEMENTS

December 31, 2005

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Mufson Howe Hunter & Partners LLC ("**MHHP**") is a wholly-owned subsidiary of Mufson Howe Hunter & Company LLC ("**MHHC**"). MHHP is a broker-dealer registered with the Securities and Exchange Commission and is a member of the National Association of Securities Dealers, Inc. (NASD).

MHHP provides investment banking services to its clients located mainly in the Mid-Atlantic region of the United States. These services include raising capital, providing consulting services for merger and acquisition transactions and providing strategic advice to growth companies and companies in transition.

Accounting 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentration of Credit Risk

Financial instruments which potentially subject MHHP to concentrations of credit risk consist principally of cash and receivables. MHHP deposits its cash with its bank, which is a high credit, quality financial institution. At times, these deposits may be in excess of the FDIC insurance limit. Receivables are substantially from clients in the Mid-Atlantic region of the United States. MHHP does not require collateral to support accounts receivable.

Fees Receivable

Fees receivable are stated at the amount management expects to collect from outstanding balances at year-end. Management estimates that losses, if any, on outstanding balances will be immaterial, based on its assessment of the financial condition and relationships with its clients.

Revenue Recognition

Investment banking and other financial advisory fees generally consist of retainers and success fees. Retainers are recognized as revenue in accordance with the terms of the engagement and success fees are recognized as revenue predominantly when the transaction is completed or closed. Expenses associated with such transactions are recognized as incurred.

Advertising Costs

Advertising costs are generally charged to operations in the year incurred and amounted to \$3,677 in 2005.

NOTES TO FINANCIAL STATEMENTS

December 31, 2005

Income Taxes

MHHP is a limited liability company and a wholly-owned subsidiary of MMHC which is also a limited liability company. For both federal and state tax purposes, LLC's are taxed as partnerships. All income taxes on net earnings are payable by the members of the LLC and, accordingly, no provision for income taxes is required.

(2) COMMITMENTS

At present, MMHC is a holding company and all business is conducted through MHHP. Consequently, MHHP and MMHC have agreed that MHHP is responsible for substantially all of the operating expenses incurred by either entity. MMHC entered into a non-cancelable operating lease for the offices of MMHC and MHHP. This lease expires in July 2012 and requires MMHC to pay monthly its proportionate share of the operating expenses of the building. The future minimum rent payments under this lease are as follows: \$120,365 in 2006; \$123,423 in 2007; \$126,481 in 2008; \$129,540 in 2009; \$132,598 in 2010; and \$216,577 thereafter. MMHC and MHHP entered into a rent allocation agreement whereby MHHP has agreed to make all required payments of the aforementioned lease. This agreement is a one-year agreement which renews automatically at the beginning of each year unless amended by mutual consent of the parties.

MHHC has also entered into three operating leases for office equipment which expire through October 2008. MHHP has agreed to assume 100% of the costs associated with these leases. Base lease and usage expenses in connection with these leases was \$52,456 for the year ended December 31, 2005. The future minimum lease payments in connection with these leases are as follows: \$19,212 in 2006; \$13,212 in 2007; and \$11,010 in 2008.

Furthermore, MHHC has entered into three licensing agreements for database access which expire through December 2006. MHHP has agreed to pay all costs associated with these agreements. The expense associated with these agreements was \$66,241 for the year ended December 31, 2005. The guaranteed payments due under these agreements are \$59,576 due in 2006.

(3) REGULATORY REQUIREMENTS

MHHP is exempt from the provisions of Rule 15c3-3 of the Securities Exchange Act of 1934 (reserve requirement for broker/dealers) in that MHHP does not hold funds or securities for customers.

Pursuant to the net capital provisions of Rule 15c3-1 of the Securities Exchange Act of 1934, MHHP is required to maintain a minimum net capital, as defined, equal to the greater of \$5,000 or 12.5% of aggregate indebtedness. Net capital and the related net capital ratio may fluctuate on a daily basis. At December 31, 2005, MHHP had net capital of \$29,046, which was \$24,046 in excess of its required net capital of \$5,000.

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
ON INTERNAL CONTROL REQUIRED BY SEC RULE 17a-5**

**To the Members
Mufson Howe Hunter & Partners LLC
Philadelphia, Pennsylvania**

In planning and performing our audit of the financial statements and supplemental schedules of Mufson Howe Hunter & Partners LLC ("**MHHP**"), for the year ended December 31, 2005, 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 Exchange Commission ("**SEC**"), we have made a study of the practices and procedures followed by MHHP including tests of such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of rule 15c3-3. Because MHHP does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the MHHP in any of the following:

1. Making quarterly securities examinations, counts, verifications and comparisons and recordation of differences required by rule 17a-13
2. Obtaining and maintaining physical possession or control of all fully paid and excess margin securities of customers as required by Rule 15c3-3
3. Complying with the requirements for prompt payment for securities under Section 8 of the Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System

The management of MHHP 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 MHHP has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with U.S. generally accepted accounting principles. Rule 17a-5(g) lists additional objectives 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 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 MHHP's practices and procedures were adequate at December 31, 2005, to meet the SEC's objectives.

This report is intended solely for the use of the Directors, management, the SEC and other regulatory agencies that rely on rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and should not be used by anyone other than these specified parties.

Briggs, Bunting & Dougherty, LLP

Philadelphia, Pennsylvania
March 8, 2006