

kg  
9/19



06050346

SE

Washington, D.C. 20549

MISSION

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

AD  
9/16

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

**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 07/01/05 AND ENDING 06/30/06  
MM/DD/YY MM/DD/YY

SEC FILE NUMBER  
 8-33674  
 RECEIVED  
 AUG 25 2006  
 SECTION

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER:  
**COHMAD SECURITIES CORPORATION**

**OFFICIAL USE ONLY**

FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
**885 THIRD AVENUE, 18<sup>TH</sup> FLOOR**

(No. and Street)

**NEW YORK**  
 (City)

**NY**  
 (State)

**10022**  
 (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
**MARCIA B. COHN** **(212) 230-2480**  
 (Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*  
**KAUFMANN, GALLUCCI & GRUMER LLP**

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

**80 BROAD STREET, SUITE 1901**  
 (Address)

**NEW YORK**  
 (City)

**NY**  
 (State)

**10004**  
 (Zip Code)

**CHECK ONE:**

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

PROCESSED

SEP 11 2006

**FOR OFFICIAL USE ONLY**

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)

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 OMS control number.

PA  
9/8

OATH OR AFFIRMATION

I, MARCIA B. COHN, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of COHMAD SECURITIES CORPORATION, as of JUNE 30, 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:

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

ROSALIE BUCCELLATO  
NOTARY PUBLIC, STATE OF NEW YORK  
No. 01BU6067387  
QUALIFIED IN NASSAU COUNTY  
MY COMMISSION EXPIRES DEC. 10, 2009

M. B. Cohn  
Signature

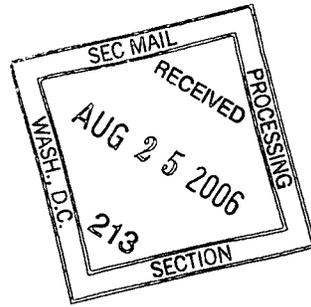
PRESIDENT & CFO  
Title

Rosalie Buccellato  
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 Cash Flows.
- (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.
- (o) Independent auditor's report on internal control.

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



**COHMAD SECURITIES CORPORATION**

**REPORT ON STATEMENT OF  
FINANCIAL CONDITION**

**AS OF JUNE 30, 2006**

## INDEX

	<u>Page</u>
Independent Auditor's Report	1
Statement of financial condition	2
Notes to financial statement	3-4



**KAUFMANN,  
GALLUCCI &  
GRUMER LLP**

CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

To The Board of Directors and Shareholders of Cohmad Securities Corporation:

We have audited the accompanying statement of financial condition of Cohmad Securities Corporation (the "Company") as of June 30, 2006 that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America as established by the Auditing Standards Board of the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement as well as 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 statement referred to above presents fairly, in all material respects, the financial position of Cohmad Securities Corporation as of June 30, 2006 in conformity with accounting principles generally accepted in the United States of America.

July 25, 2006

*Kaufmann Gallucci & Grumer LLP*

**COHMAD SECURITIES CORPORATION**  
**STATEMENT OF FINANCIAL CONDITION**  
**JUNE 30, 2006**

ASSETS

Cash	\$ 22,600
Receivable from clearing organization	2,715,300
Securities owned:	
Marketable, at market value	1,022,065
Furniture and equipment, net of accumulated depreciation of \$29,538	1,870
Prepaid expenses and other assets	<u>19,038</u>
 TOTAL ASSETS	 <u>\$ 3,780,873</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Accounts payable and accrued expenses	\$ 1,462,270
Dividends declared	<u>10,000</u>
 TOTAL LIABILITIES	 <u>1,472,270</u>
 Commitments	
Shareholders' equity:	
Common stock - no par value; authorized, 200 shares; issued and outstanding, 100 shares	500,000
Retained earnings	<u>1,808,603</u>
 TOTAL SHAREHOLDERS' EQUITY	 <u>2,308,603</u>
 TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	 <u>\$ 3,780,873</u>

The accompanying notes are an integral part of this financial statement.

**COHMAD SECURITIES CORPORATION**  
**NOTES TO FINANCIAL STATEMENT**  
**JUNE 30, 2006**

**NOTE 1 - ORGANIZATION AND NATURE OF BUSINESS**

Cohmad Securities Corporation (the "Company"), incorporated under the laws of the State of New York, is a registered broker-dealer with the Securities and Exchange Commission. The Company is also a member of the National Association of Securities Dealers, Inc.

The Company conducts business primarily with other broker-dealers that are located in the New York City metropolitan area on behalf of its customers and for its own proprietary accounts.

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES**

The Company records commission revenue and expense on a settlement date basis, generally the third business day following the transaction date. Revenues and expenses would not be materially different if reported on a trade date basis. Securities owned, consisting primarily of government, equity and municipal securities, are stated at quoted market values.

Depreciation was computed using the straight-line method over the estimated useful lives of the assets.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of June 30, 2006, and the reported amounts of revenues and expenses during the year then ended. Actual results could differ from those estimates.

**NOTE 3 - BROKERAGE ACTIVITIES**

The Company clears all securities transactions through another broker-dealer on a fully disclosed basis. The agreement between the Company and its clearing broker provides that the Company is obligated to assume any exposure related to nonperformance by its customers. The Company seeks to control the risk associated with nonperformance by monitoring all customer activity and reviewing information it receives from its clearing broker on a daily basis.

**NOTE 4 - INCOME TAXES**

For income tax purposes, the shareholders have elected that the Company be treated as an "S" corporation under Subchapter S of the Internal Revenue Code. Accordingly, no provision has been made for Federal income taxes since the net income or loss of the Company is to be included in the tax returns of the individual shareholders. The provision for income taxes represents primarily

**COHMAD SECURITIES CORPORATION**  
**NOTES TO FINANCIAL STATEMENT**  
**JUNE 30, 2006**

**NOTE 4 - CONTINUED**

State and local taxes for the year ended June 30, 2006. The Company files its tax returns on a calendar year basis.

**NOTE 5 - RELATED PARTY TRANSACTIONS AND REVENUES**

The Company provides brokerage services to an entity owned by a minority shareholder of the Company for which it received fees totaling \$6,812,342, which was approximately 91% of the Company's net revenues for the year ended June 30, 2006. The Company shares office space and equipment with this entity for which the Company paid approximately \$106,000. The Company also reimbursed the entity for certain general and administrative expenses incurred on behalf of the Company in the amount of approximately \$29,000.

**NOTE 6 - CONCENTRATION OF CREDIT RISK**

The Company's cash and securities owned that are held in accounts at its clearing broker are subject to the credit risk of the clearing broker.

**NOTE 7 - REGULATORY REQUIREMENTS**

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c3-1), which requires that Net Capital, as defined be at least the greater of \$100,000 or one fifteenth of aggregate indebtedness, as defined. Net capital and aggregate indebtedness change from day to day, but as of June 30, 2006, the Company had net capital of approximately \$2,236,000 which exceeded requirements by approximately \$2,136,000. The Company's net capital ratio was .66 to 1.