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

SEC FILE NUMBER

67075

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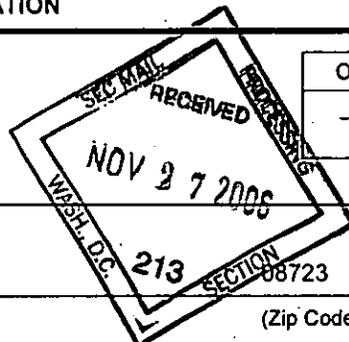
Information Required of Brokers and Dealers Pursuant to Section 17 of the Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 10/01/05 AND ENDING 09/30/06
MM/DD/YYYY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: TMR Bayhead Securities, LLC

ADDRESS OF PRINCIPLE PLACE OF BUSINESS: (Do not use P.O. Box No.)
29 Hulse Landing



OFFICIAL USE ONLY

FIRM I.D. NO.

(No. and Street)

Brick NJ

(City) (State)

(Zip Code)

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

Todd Roberts 212-731-2275

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Larry D. Liberfarb, P.C.

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

11 Vanderbilt Avenue Norwood MA 02062

(Address) (City) (State) (Zip Code)

CHECK ONE:

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

PROCESSED

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THOMSON FINANCIAL

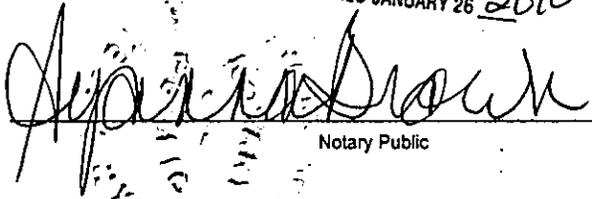
*Claims for exemption from the requirements that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17-a-8(e)(2)

SEC 1410 (05-01) Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

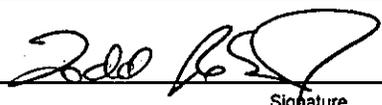
OATH OR AFFIRMATION

I, Todd Roberts, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of TMR Bayhead Securities, LLC, as of September 30, 20 06, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principle officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

AYANNA BROWN
NOTARY PUBLIC, STATE OF NEW YORK
NO. 01BR5079746
QUALIFIED IN KINGS COUNTY
COMMISSION EXPIRES JANUARY 26 2010



Notary Public



Signature

Member

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 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 15c2-3.
- (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).

**TMR BAYHEAD SECURITIES, LLC
FINANCIAL STATEMENTS
SEPTEMBER 30, 2006**

LARRY D. LIBERFARB, P.C.

CERTIFIED PUBLIC ACCOUNTANTS
AND FINANCIAL ADVISORS

11 Vanderbilt Avenue, Suite 220, Norwood, Massachusetts 02062
Tel. (781) 255-8800 Fax (781) 255-9217
E-Mail: Info@Liberfarb.com

Independent Auditor's Report

To the Sole Member of
TMR Bayhead Securities, LLC

We have audited the accompanying statement of financial condition of TMR Bayhead Securities, LLC as of September 30, 2006 and the related statements of income, changes in member's 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 TMR Bayhead Securities, LLC as of September 30, 2006, and the results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.


Norwood, Massachusetts
October 16, 2006

TMR BAYHEAD SECURITIES, LLC
STATEMENT OF FINANCIAL CONDITION

SEPTEMBER 30, 2006

ASSETS

Cash	\$ 47,247
Note receivable	75,000
Other assets	<u>662</u>
	<u>\$ 122,909</u>

LIABILITIES AND MEMBER'S EQUITY

Liabilities:	
Accounts payable, accrued expenses, and other liabilities	\$ 11,763
Member's equity:	
Capital	<u>111,146</u>
	<u>\$ 122,909</u>

The accompanying notes are an integral part of these financial statements.

TMR BAYHEAD SECURITIES, LLC

STATEMENT OF INCOME

FOR THE YEAR ENDED SEPTEMBER 30, 2006

Revenues:		
Placement fees		\$ 325,000
Expenses:		
Employee compensation and benefits		250,000
Other expenses		<u>28,604</u>
		<u>278,604</u>
Net income		<u>\$ 46,396</u>

The accompanying notes are an integral part of these financial statements.

TMR BAYHEAD SECURITIES, LLC
STATEMENT OF CHANGES IN MEMBER'S EQUITY
FOR THE YEAR ENDED SEPTEMBER 30, 2006

Balance at October 1, 2005	\$ 64,750
Net income	<u>46,396</u>
Balance at September 30, 2006	<u>\$ 111,146</u>

The accompanying notes are an integral part of these financial statements.

TMR BAYHEAD SECURITIES, LLC

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 2006

Cash flows provided by operating activities:

Net income	\$ 46,396
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	-
(Increase) Decrease in operating assets	
Increase in Note receivable	(75,000)
Increase in Other assets	(662)
Increase (Decrease) in operating liabilities	
Increase in Accounts payable, accrued expenses	<u>11,763</u>
Total adjustments	<u>(63,899)</u>

Net cash provided by operating activities (17,503)

Cash flows used for investing activities:

None -

Cash flows used for financing activities:

None -

Decrease in cash (17,503)

Cash at beginning of the year 64,750

Cash at end of the year \$ 47,247

Supplemental disclosures of cash flow information:

Cash paid during the year for:

Interest	\$ 0
Income taxes	\$ 0

Disclosure of accounting policy:

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

The accompanying notes are an integral part of these financial statements.

TMR BAYHEAD SECURITIES, LLC

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2006

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Business:

The Company is a broker-dealer registered with the Securities and Exchange Commission (SEC), and is a member of the National Association of Securities Dealers, Inc. (NASD).

Investment Banking and Consulting

Fees are earned from securities offerings in which the Company acts as an agent on private placement of debt and equity securities, merger-and-acquisition advice, and as a business consultant. Fees are recorded when the income from the service is reasonably determinable.

Income Taxes

Taxable income (or losses) are passed through to the sole member of the company, and not taxed at the company level. Therefore, no provision or liability for federal or state income taxes are required in these financial statements.

Use of Estimates

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 amounts reported in these financial statements and accompanying notes. Actual results could differ from those estimates.

NOTE 2 – NOTE RECEIVABLE

As part of a placement deal the Company is entitled to an additional \$75,000 in deferred and contingent placement fees. The fees are to be paid by the collection of a note receivable originally owed to a client. The notes repayment is contingent upon the client meeting certain performance and profitability goals. The note is due in 2007. There is no stated interest rate on the note unless it goes into default.

NOTE 3 - NET CAPITAL

As a broker-dealer, the Company is subject to the Securities and Exchange Commission's regulations and operating guidelines, which requires the Company to maintain a specified amount of net capital, as defined, and a ratio of aggregate indebtedness to net capital, as derived, not exceeding 15 to 1. The Company's net capital, as computed under Rule 15c3-1, was \$35,484 at September 30, 2006, which exceeds required net capital of \$5,000 by \$30,484. The ratio of aggregated indebtedness to net capital at September 30, 2006 was .33 to 1.

TMR BAYHEAD SECURITIES, LLC

SUPPLEMENTARY SCHEDULES

SEPTEMBER 30, 2006

LARRY D. LIBERFARB, P.C.

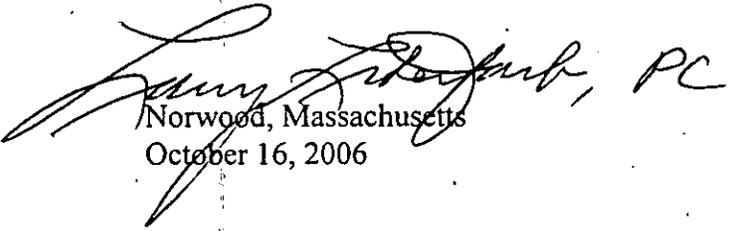
CERTIFIED PUBLIC ACCOUNTANTS
AND FINANCIAL ADVISORS

11 Vanderbilt Avenue, Suite 220, Norwood, Massachusetts 02062
Tel. (781) 255-8800 Fax (781) 255-9217
E-Mail: Info@Liberfarb.com

Independent Auditor's Report on Supplementary Information Required by Rule 17a-5 of the Securities and Exchange Commission

To the Sole Member of
TMR Bayhead Securities, LLC

We have audited the accompanying financial statements of TMR Bayhead Securities, LLC as of and for the year ended September 30, 2006, and have issued our report thereon dated October 16, 2006. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedules I and II 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 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.



Norwood, Massachusetts
October 16, 2006

SCHEDULE I

TMR BAYHEAD SECURITIES, LLC

COMPUTATION OF AGGREGATE INDEBTEDNESS AND NET CAPITAL PURSUANT TO RULE 15c3-1

SEPTEMBER 30, 2006

Aggregate Indebtedness	
Accounts payable and accrued expenses	<u>\$ 11,763</u>
Net Capital	
Total Member's Equity	\$ 111,146
Adjustments To Net Capital	
Note receivable	(75,000)
Other assets	<u>(662)</u>
	<u>(75,662)</u>
Net Capital, as defined	<u>\$ 35,484</u>
Net Capital Requirement	\$ 5,000
Net Capital In Excess of Requirement	\$ 30,484
Ratio Of Aggregate Indebtedness To Net Capital	33.15%
Reconciliation with the Company's computation of net capital:	
Net capital as reported in the Company's Part IIA (unaudited)	
Focus Report	\$ 37,234
Net audit adjustments	73,912
Increase in non-allowables and haircuts	<u>(75,662)</u>
Net capital per above	<u>\$ 35,484</u>

SCHEDULE II

TMR BAYHEAD SECURITIES, LLC

**COMPUTATION FOR DETERMINATION OF
RESERVE REQUIREMENTS FOR BROKER/DEALER UNDER
RULE 15c3-3 OF THE SECURITIES EXCHANGE ACT OF 1934**

SEPTEMBER 30, 2006

TMR Bayhead Securities, LLC is exempt from the reserve requirements of Rule 15c3-3 as its transactions are limited, such that they do not handle customer funds or securities, accordingly, the computation for determination of reserve requirements pursuant to Rule 15c3-3 and information relating to the possession or control requirement pursuant to Rule 15c3-3 are not applicable.

LARRY D. LIBERFARB, P.C.

CERTIFIED PUBLIC ACCOUNTANTS
AND FINANCIAL ADVISORS

11 Vanderbilt Avenue, Suite 220, Norwood, Massachusetts 02062
Tel. (781) 255-8800 Fax (781) 255-9217
E-Mail: Info@Liberfarb.com

Independent Auditors' Report on Internal Control Structure Required by SEC Rule 17a-5

To the Sole Member of
TMR Bayhead Securities, LLC

In planning and performing our audit of the financial statements and supplemental schedules of TMR Bayhead Securities, LLC (the Company), for the year ended September 30, 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 the Company 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 the Company does not carry security accounts for customers or perform custodial functions relating to customers securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications and comparisons
2. Recordation of differences required by Rule 17a-13
3. 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
4. Obtaining and maintaining physical possession or control of all fully paid and excess margin securities of customers as required by rule 15c3-3.

The management of the Company 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 management's authorization and recorded properly to permit preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objective of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations on internal control or the practices and procedures referred to above, errors or fraud may occur and not be detected. Also, projections 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 design or operation of the specific internal control components does not reduce to a relatively low level the risk that errors 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 weakness 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 the Company's practices and procedures were adequate at September 30, 2006, to meet the SEC's objectives.

This report is intended solely for the information and use of management, the SEC, the National Association of Securities Dealers, Inc. 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 is not intended to be and should not be used by anyone other than these specified parties.


Larry D. Liberfarb, PC
Norwood, Massachusetts
October 16, 2006