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

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SECURITIES AND EXCHANGE COMMISSION  
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AND  
EXAMINATIONS  
04

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

SEC FILE NUMBER  
8-13336

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 8/1/05 AND ENDING 7/31/06  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: J. D. Andrews Company

OFFICIAL USE ONLY  
FIRM I.D. NO.

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

Radnor Station Building 2, Suite 300, 290 King of Prussia Road  
(No. and Street)

Radnor, PA 19087  
(City) (State) (Zip Code)

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

Jack J. Grinspan (610) 341-9940  
(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Cunningham, Porter and Phillips  
(Name - if individual, state last, first, middle name)

1077 Rydal Road, Suite 200, Rydal, PA 19046  
(Address) (City) (State) (Zip Code)

CHECK ONE:

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

**PROCESSED**

APR 20 2007

**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)

OATH OR AFFIRMATION

I, Jack J. Grinspan, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of J. D. Andrews Company, as of July 31, 2007, 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:

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

*Jack J. Grinspan*  
Signature  
PRESIDENT  
Title

*Laurie Goldstein*  
Notary Public

COMMONWEALTH OF PENNSYLVANIA  
Notarial Seal  
Laurie Goldstein, Notary Public  
Lower Merion Twp., Montgomery County  
My Commission Expires Dec. 23, 2008  
Member, Pennsylvania Association of Notaries

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.

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



Cunningham,  
Porter and Phillips

Certified Public Accountants

SUITE 200 · 1077 RYDAL RD. · RYDAL, PA 19046-1793 · TEL: (215) 572-7400 · FAX (215) 572-7448

INDEPENDENT AUDITOR'S REPORT

Board of Directors and Stockholders  
J. D. Andrews Co.

We have audited the accompanying statement of financial condition of J. D. Andrews Co. (an S Corporation) as of July 31, 2006 and the related statements of income and comprehensive income, changes in stockholders' equity and cash flows for the year then ended. 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 J. D. Andrews Co. as of July 31, 2006, and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained on page 9 is presented for the purpose 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 Act of 1934. Such information has been subjected to the auditing procedures applied in our 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.

*Cunningham, Porter & Phillips*

CUNNINGHAM, PORTER AND PHILLIPS  
Certified Public Accountants

August 22, 2006

J. D. ANDREWS CO.

STATEMENT OF FINANCIAL CONDITION

JULY 31, 2006

ASSETS

Cash in Bank	\$ 20,551	
Commissions Receivable	4,321	
Investment in Marketable Securities, at Market Value	32,128	
Prepaid Taxes	482	
Prepaid Expenses	1,429	
Furniture and Equipment, at cost, less accumulated depreciation of \$7,586	<u>1,416</u>	
<u>TOTAL ASSETS</u>		<u>\$ 60,327</u>

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

J. D. ANDREWS CO.

STATEMENT OF FINANCIAL CONDITION

JULY 31, 2006

LIABILITIES AND STOCKHOLDERS' EQUITY

LIABILITIES

Commissions Payable	\$ 13,480
Taxes Payable	1,067
Accrued Expenses	<u>618</u>

TOTAL LIABILITIES \$ 15,165

STOCKHOLDERS' EQUITY

Common Stock - 400 Shares Authorized and Issued, 100 Shares Outstanding; Par Value \$100	40,000
Contributed Capital	1,000
Retained Earnings	32,669
Less: Treasury Stock - 300 Shares at Cost	(33,502)
Net Unrealized Gain (Loss) on Marketable Securities	<u>4,995</u>

TOTAL STOCKHOLDERS' EQUITY 45,162

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY \$ 60,327

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

J. D. ANDREWS CO.

STATEMENT OF INCOME AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED JULY 31, 2006

REVENUES

Mutual Funds Commissions	\$ 161,297
Insurance Commissions	1,672
Dividends	<u>1,526</u>

TOTAL REVENUES \$ 164,495

EXPENSES

Commissions - Mutual Funds	113,396
Commissions - Insurance	573
Rent	18,773
Salaries	12,670
Insurance	5,309
Telephone	2,243
Professional Fees	6,542
Office Expenses	3,372
Dues and Fees	2,309
Taxes	2,665
Depreciation	466
Other Expenses	<u>94</u>

TOTAL EXPENSES 168,412

NET INCOME (LOSS) BEFORE CORPORATE INCOME TAXES (3,917)

PROVISION FOR CORPORATE INCOME TAXES 0

NET INCOME (LOSS) TRANSFERRED TO RETAINED EARNINGS (3,917)

OTHER COMPREHENSIVE INCOME (LOSS)

Unrealized Gain (Loss) on Marketable Securities 1,500

COMPREHENSIVE INCOME (LOSS) \$ (2,417)

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

J. D. ANDREWS CO.

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE YEAR ENDED JULY 31, 2006

	<u>Common Stock</u>	<u>Additional Paid-In Capital</u>	<u>Retained Earnings</u>	<u>Treasury Stock</u>	<u>Accumulated Other Comprehensive Income</u>	<u>Total</u>
Balance at August 1, 2005	\$ 40,000	\$ 1,000	\$ 36,586	\$ (18,064)	\$ 3,495	\$ 63,017
Net Income (Loss)			(3,917)			(3,917)
Purchase of Treasury Stock				(15,438)		(15,438)
Unrealized Gain (Loss) on Marketable Securities					1,500	1,500
Balance at July 31, 2006	<u>\$ 40,000</u>	<u>\$ 1,000</u>	<u>\$ 32,669</u>	<u>\$ (33,502)</u>	<u>\$ 4,995</u>	<u>\$ 45,162</u>

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

J. D. ANDREWS CO.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JULY 31, 2006

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income (Loss)	\$ (3,917)
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided By (Used By) Operating Activities:	
Depreciation	466
(Increase) Decrease In:	
Commissions Receivable	2,181
Prepaid Taxes	2,274
Prepaid Expenses	1,493
Increase (Decrease) In:	
Commissions Payable	2,148
Taxes Payable	24
Accrued Expenses	<u>(1,664)</u>

NET CASH PROVIDED BY (USED BY) OPERATING ACTIVITIES \$ 3,005

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Investments	(40,026)
Sale of Investments	<u>34,188</u>

NET CASH PROVIDED BY (USED BY) INVESTING ACTIVITIES (5,838)

CASH FLOWS FROM FINANCING ACTIVITIES

Purchase of Treasury Stock	<u>(15,438)</u>
----------------------------	-----------------

NET INCREASE (DECREASE) IN CASH (18,271)

CASH AT AUGUST 1, 2005 38,822

CASH AT JULY 31, 2006 \$ 20,551

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

SUPPLEMENTARY INFORMATION

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

J. D. Andrews Co. (Company) was incorporated on May 31, 1967, as a registered broker-dealer, and sells exclusively mutual funds and insurance products.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash and cash equivalents are defined as demand deposits with financial institutions.

Furniture, Fixtures and Equipment

Furniture, fixtures and equipment are stated at cost. Expenditures for maintenance and repairs are charged against operations. Renewals and betterments that materially extend the life of the assets are capitalized.

Depreciation is computed using both straight-line and accelerated methods over the estimated useful lives of the related assets. The estimated useful lives of the depreciable assets are:

Furniture and Fixtures	7 Years
Equipment	5 Years

The Company has elected to expense the cost of new depreciable property under Section 179 of the Internal Revenue Code. This convention is not in accordance with generally accepted accounting principles. The effect of this departure is not material to the financial statements taken as a whole.

When properties are retired or sold, the asset values and related reserves are eliminated from the accounts and any resultant gain or loss is included in earnings.

Marketable Securities

The Company classifies marketable securities, which consists of investments in marketable equity securities and a mutual fund, as "available for sale". Under this classification, investments are stated at fair value. The fair value for mutual funds has been determined by the fund. The unrealized gain or (loss) in the fair market value in relation to cost are accounted for as a separate item in the shareholder's equity section of the balance sheet.

Cost	\$27,133
Unrealized Gain	<u>4,995</u>
Fair Value	<u>\$32,128</u>

Use of Estimates

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

NOTES TO FINANCIAL STATEMENTS

2. COMMISSIONS RECEIVABLE

Commissions receivable consist of amounts due from mutual funds sales due within 30 days.

3. INCOME TAXES

The Company has elected by unanimous consent of its stockholders to be taxed under the provisions of subchapter S of the Internal Revenue Code and the Pennsylvania State Revenue Code. Under those provisions, the Company does not pay federal or state corporate income taxes on its taxable income. Instead, the stockholders are liable for individual federal and state income taxes on their respective share of the Company's taxable income.

4. NET CAPITAL

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. At July 31, 2006, the Company had net capital of \$39,599, which was \$34,599 in excess of its required net capital of \$5,000. The Company's net capital ratio was .38 to 1.

The Company has at all times during the past year been in compliance with the requirements of Rule 15c3-1.

The Company has available at its office a copy of its most recent annual report Form X-17a-5 Focus Report – Part IIA audited and certified by independent public accountants to be examined or copied.

5. OPERATING LEASE COMMITMENTS

The Company entered into a lease agreement with an initial two-year term for office facilities commencing October 1, 2001, and ending September 30, 2003, with options to renew annually.

The Company entered into a lease agreement with a three-year term for new office facilities commencing September 1, 2006, and ending August 31, 2010, renewing annually at the existing rental rate plus three percent.

The future minimum lease payments are as follows for the years ending July 31:

2007	\$11,487
2008	11,307
2009	11,645
2010	<u>973</u>
	<u>\$35,412</u>

6. RELATED PARTY TRANSACTIONS

As of July 31, 2006, commissions due to stockholders equaled \$4,215. Total commissions paid to stockholders for the year ended July 31, 2006, equaled \$66,310.

7. EXEMPTIVE PROVISIONS

The Company has a limited business; it sells exclusively mutual funds and insurance products, and is exempt from SEC Rule 15c3-3 under section K-1.

J. D. ANDREWS CO.

SUPPLEMENTARY INFORMATION

NET CAPITAL COMPUTATION

JULY 31, 2006

<u>STOCKHOLDERS' EQUITY</u>		\$ 45,162
<u>DEDUCT: NON-ALLOWABLE ASSETS</u>		
12B-1 Fees Receivable	\$ 515	
Prepaid Taxes	482	
Prepaid Expenses	1,429	
Office Equipment - Net of Accumulated Depreciation	<u>1,416</u>	
<u>TOTAL NON-ALLOWABLE ASSETS</u>		<u>3,842</u>
<u>NET CAPITAL BEFORE HAIRCUT ON SECURITIES POSITION</u>		41,320
<u>HAIRCUT</u>		<u>1,721</u>
<u>NET CAPITAL</u>		39,599
<u>MINIMUM NET CAPITAL REQUIREMENT</u>		<u>5,000</u>
<u>EXCESS NET CAPITAL</u>		<u>\$ 34,599</u>

Statement Pursuant to Paragraph (d)(4) of Rule 17A-5

There are no material differences between this computation of net capital pursuant to Rule 15c3-1 and the corresponding computation prepared and included in the Company's unaudited Part II FOCUS Report filing as of the same date.

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

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	October 31, 2005
Estimated average burden hours per response.....	12.00

# Form X-17A-5

# FOCUS REPORT

(Financial and Operational Combined Uniform Single Report)

## PART IIA 12

*(Please read instructions before preparing Form.)*

This report is being filed pursuant to (Check Applicable Block(s)):

- |  |  |  |
|--|--|--|
| 1) Rule 17a-5(a) <input checked="" type="checkbox"/> <span style="border: 1px solid black; padding: 2px;">16</span>                          | 2) Rule 17a-5(b) <input type="checkbox"/> <span style="border: 1px solid black; padding: 2px;">17</span> | 3) Rule 17a-11 <input type="checkbox"/> <span style="border: 1px solid black; padding: 2px;">18</span> |
| 4) Special request by designated examining authority <input type="checkbox"/> <span style="border: 1px solid black; padding: 2px;">19</span> | 5) Other <input type="checkbox"/> <span style="border: 1px solid black; padding: 2px;">26</span>         |  |

NAME OF BROKER-DEALER

SEC FILE NO.

J. D. Andrews Company 13

8-13336 14

ADDRESS OF PRINCIPAL PLACE OF BUSINESS (Do Not Use P.O. Box No.)

FIRM I.D. NO.

290 King of Prussia Road  
Radnor Station Building 2, Suite 300 20  
(No. and Street)

451 15

FOR PERIOD BEGINNING (MM/DD/YY)

Radnor, 21 PA 22 19087 23

08-01-05 24

AND ENDING (MM/DD/YY)

(City) (State) (Zip Code)

07-31-06 25

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

(Area Code) — Telephone No.

Jack J. Grinspan 30

(610) 341-9940 31

NAME(S) OF SUBSIDIARIES OR AFFILIATES CONSOLIDATED IN THIS REPORT:

OFFICIAL USE

32 33

34 35

36 37

38 39

DOES RESPONDENT CARRY ITS OWN CUSTOMER ACCOUNTS? YES  40 NO  41

CHECK HERE IF RESPONDENT IS FILING AN AUDITED REPORT  42

**EXECUTION:**

The registrant/broker or dealer submitting this Form and its attachments and the person(s) by whom it is executed represent hereby that all information contained therein is true, correct and complete. It is understood that all required items, statements, and schedules are considered integral parts of this Form and that the submission of any amendment represents that all unamended items, statements and schedules remain true, correct and complete as previously submitted.

Dated the 26 day of SEPT 2006

Manual signatures of:

1) Jack J. Grinspan  
Principal Executive Officer or Managing Partner

2) \_\_\_\_\_  
Principal Financial Officer or Partner

3) \_\_\_\_\_  
Principal Operations Officer or Partner

**ATTENTION** — Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C. 78f(a))

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 control number.

**TO BE COMPLETED WITH THE ANNUAL AUDIT REPORT ONLY:**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report

NAME (If individual, state last, first, middle name)

Cunningham, Porter and Phillips

70

ADDRESS

1077 Rydal Road, Suite 200

71

Rydal,

72

PA

73

19046

74

Number and Street

City

State

Zip Code

CHECK ONE

Certified Public Accountant

75

Public Accountant

76

Accountant not resident in United States  
or any of its possessions

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FOR SEC USE

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WORK LOCATION	REPORT DATE MM/DD/YY	DOC. SEQ. NO.	CARD				
50	51	52	53				

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT PART IIA

BROKER OR DEALER

J. D. Andrews Company

N 3

100

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

as of (MM/DD/YY) 7/31/06 99  
 SEC FILE NO. 8-13336 98  
 Consolidated 198  
 Unconsolidated 199

	Allowable		Non-Allowable		Total
1. Cash .....	\$ 20,551	200			\$ 20,551 750
2. Receivables from brokers or dealers:					
A. Clearance account .....		295			
B. Other .....		300		550	810
3. Receivable from non-customers .....	3,806	355	515	600	4,321 830
4. Securities and spot commodities owned at market value:					
A. Exempted securities .....		418			
B. Debt securities .....		419			
C. Options .....		420			
D. Other securities .....	32,128	424			
E. Spot commodities .....		430			32,128 850
5. Securities and/or other investments not readily marketable:					
A. At cost \$ .....		130			
B. At estimated fair value .....		440		610	860
6. Securities borrowed under subordination agreements and partners' individual and capital securities accounts, at market value:					
A. Exempted securities \$ .....		460		630	880
B. Other securities \$ .....		150			
C. Other securities \$ .....		160			
7. Secured demand notes: .....		470		640	890
Market value of collateral:					
A. Exempted securities \$ .....		170			
B. Other securities \$ .....		180			
8. Memberships in exchanges:					
A. Owned, at market \$ .....		190			
B. Owned, at cost .....				650	
C. Contributed for use of the company, at market value .....				660	900
9. Investment in and receivables from affiliates, subsidiaries and associated partnerships .....		480		670	910
10. Property, furniture, equipment, leasehold improvements and rights under lease agreements, at cost-net of accumulated depreciation and amortization .....		490	1,416	680	1,416 920
11. Other assets .....		535	1,911	735	1,911 930
12. TOTAL ASSETS .....	\$ 56,485	540	\$ 3,842	740	\$ 60,327 940

OMIT PENNIES

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER

J. D. Andrews Company

as of 1/31/06

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

#### LIABILITIES AND OWNERSHIP EQUITY

Liabilities	A.I. Liabilities	Non-A.I. Liabilities	Total
13. Bank loans payable .....	\$ 1045	\$ 1255 <sup>13</sup>	\$ 1470
14. Payable to brokers or dealers:			
A. Clearance account .....	1114	1315	1560
B. Other .....	1115 <sup>10</sup>	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 .....	15,165	1205	15,165
18. Notes and mortgages payable:			
A. Unsecured .....	1210		1690
B. Secured .....	1211 <sup>12</sup>	1390 <sup>14</sup>	1700
19. E. Liabilities subordinated to claims of general creditors:			
A. Cash borrowings: .....		1400	1710
1. from outsiders <sup>9</sup> , \$ .....	970		
2. includes equity subordination (15c3-1(d)) of ... \$ .....	980		
B. Securities borrowings, at market value from outsiders \$ .....	990	1410	1720
C. Pursuant to secured demand note collateral agreements .....		1420	1730
1. from outsiders \$ .....	1000		
2. includes equity subordination (15c3-1(d)) of ... \$ .....	1010		
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 .....	\$ 15,165	\$ 1450	\$ 15,165
<u>Ownership Equity</u>			
21. Sole Proprietorship .....			1770 <sup>15</sup>
22. Partnership (limited partners) .....	1020 <sup>11</sup>		1780
23. Corporation:			
A. Preferred stock .....			1791
B. Common stock .....		40,000	1792
C. Additional paid-in capital .....		1,000	1793
D. Retained earnings .....		37,664	1794
E. Total .....		78,664	1795
F. Less capital stock in treasury .....		(33,502) <sup>16</sup>	1796
24. TOTAL OWNERSHIP EQUITY .....		\$ 45,162	1800
25. TOTAL LIABILITIES AND OWNERSHIP EQUITY .....		\$ 60,327	1810

OMIT PENNIES

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER

J. D. Andrews Company

as of 07/31/06

### COMPUTATION OF NET CAPITAL

1. Total ownership equity from Statement of Financial Condition .....	\$	45,162		3480
2. Deduct ownership equity not allowable for Net Capital .....			19	3490
3. Total ownership equity qualified for Net Capital .....		45,162		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 .....	\$	45,162		3530
6. Deductions and/or charges:				
A. Total non-allowable assets from				
Statement of Financial Condition (Notes B and C) .....	17	\$ 3,842		3540
B. Secured demand note delinquency .....				3590
C. Commodity futures contracts and spot commodities – proprietary capital charges .....				3600
D. Other deductions and/or charges .....				3610
7. Other additions and/or allowable credits (List) .....			( 3,842 )	3620
8. Net capital before haircuts on securities positions .....	18			3630
9. Haircuts on securities (computed, where applicable, pursuant to 15c3-1(f)):				
A. Contractual securities commitments .....		\$		3660
B. Subordinated securities borrowings .....				3670
C. Trading and investment securities:				
1. Exempted securities .....				3735
2. Debt securities .....				3733
3. Options .....				3730
4. Other securities .....		1,721		3734
D. Undue Concentration .....				3650
E. Other (List) .....				3736
10. Net Capital .....	20		\$ ( 1,721 )	3740
		\$		39,599
				3750

OMIT PENNIES

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER

J. D. Andrews Company

as of 07/31/06

### COMPUTATION OF NET CAPITAL REQUIREMENT

**Part A**

11. Minimum net capital required (6 $\frac{2}{3}$ % of line 19) .....	\$ 1,011	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) .....	\$ 34,599	3770
15. Excess net capital at 1000% (line 10 less 10% of line 19) .....	\$ 38,082	3780

### COMPUTATION OF AGGREGATE INDEBTEDNESS

16. Total A.I. liabilities from Statement of Financial Condition .....	\$ 15,165	3790
17. Add:		
A. Drafts for immediate credit .....	\$ 3800	
B. Market value of securities borrowed for which no equivalent value is paid or credited .....	\$ 3810	
C. Other unrecorded amounts (List) .....	\$ 3820	3830
18. Total aggregate indebtedness .....	\$ 15,165	3840
19. Percentage of aggregate indebtedness to net capital (line 18 ÷ by line 10) .....	%	3850
20. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1(d) .....	%	3860

### COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT

**Part B**

21. 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 .....	\$	3970
22. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A) .....	\$ 3880	3980
23. Net capital requirement (greater of line 21 or 22) .....	\$	3960
24. Excess capital (line 10 less 23) .....	\$	3910
25. Net capital in excess of the greater of:		
A. 5% of combined aggregate debit items or \$120,000 .....	\$	3920

**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 $\frac{2}{3}$ % of aggregate indebtedness or 4% 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.

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER	J. D. Andrews Company
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For the period (MMDDYY) from <sup>24</sup>08 01 05 <sup>3932</sup> to 07 31 06 <sup>3933</sup>  
 Number of months included in this statement 12 <sup>3931</sup>

### STATEMENT OF 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 .....			3955
5. Revenue from sale of investment company shares .....	26	161,297	3970
6. Commodities revenue .....			3990
7. Fees for account supervision, investment advisory and administrative services .....			3975
8. Other revenue .....		4,698	3995
9. Total revenue .....	\$	165,995	4030

#### EXPENSES

10. Salaries and other employment costs for general partners and voting stockholder officers .....			
11. Other employee compensation and benefits .....		20,143	4120
12. Commissions paid to other broker-dealers .....		110,641	4115
13. Interest expense .....			4140
a. Includes interest on accounts subject to subordination agreements .....		4070	4075
14. Regulatory fees and expenses .....			4195
15. Other expenses .....		37,629	4100
16. Total expenses .....	\$	168,413	4200

#### NET INCOME

17. Income (loss) before Federal income taxes and items below (Item 9 less Item 16) .....			
18. Provision for Federal income taxes (for parent only) .....	\$	- 2,418	4210
19. Equity in earnings (losses) of unconsolidated subsidiaries not included above .....	28		4220
a. After Federal income taxes of .....		4338	4222
20. Extraordinary gains (losses) .....			4224
a. After Federal income taxes of .....		4239	4225
21. Cumulative effect of changes in accounting principles .....			4225
22. Net income (loss) after Federal income taxes and extraordinary items .....	\$	- 2,418	4230

#### MONTHLY INCOME

23. Income (current month only) before provision for Federal income taxes and extraordinary items .....			
	\$	- 17,208	4211

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT PART IIA

BROKER OR DEALER

J. D. Andrews Company

For the period (MMDDYY) from 080105 to 073106

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

1. Balance, beginning of period .....	\$ 63,018	4240
A. Net income (loss) .....	- 2,418	4250
B. Additions (Includes non-conforming capital of .....	\$ 4262	4260
C. Deductions (Includes non-conforming capital of .....	\$ 4272	4270
	15,438	4270
2. Balance, end of period (From item 1800) .....	\$ 45,162	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

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT PART IIA

BROKER OR DEALER J. D. Andrews Company as of 07/31/06

### EXEMPTIVE PROVISION UNDER RULE 15c3-3

24. If an exemption from Rule 15c3-1 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 ..... X 4550
- B. (k)(2)(A) — "Special Account for the Exclusive Benefit of customers" maintained ..... 4560
- C. (k)(2)(B) — All customer transactions cleared through another broker-dealer on a fully disclosed basis.  
Name of clearing firm<sup>30</sup> ..... 4335 4570
- D. (k)(3) — Exempted by order of the Commission (include copy of letter) ..... 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)	Name of Lender or Contributor	Insider or Outsider? (In or Out)	Amount to be Withdrawn (cash amount and/or Net Capital Value of Securities)	(MMDDYY) Withdrawal or Maturity Date	Expect to Renew (Yes or No)
31 1	4600 Jack J. Grinspan	4601 In	4602 15,000	4603 10/2/06	4604 No
32	4610	4611	4612	4613	4614
33	4620	4621	4622	4623	4624
34	4630	4631	4632	4633	4634
35	4640	4641	4642	4643	4644
Total \$ <sup>36</sup>			15,000	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 anticipated accruals which would cause a reduction of Net Capital. These anticipated accruals would include amounts of bonuses, partners' drawing accounts, taxes, and interest on capital, voluntary contributions to pension or profit sharing plans, etc., which have not been deducted in the computation of Net Capital, but which you anticipate will be paid within the next six months.

WITHDRAWAL CODE:	DESCRIPTIONS
1.	Equity Capital
2.	Subordinated Liabilities
3.	Accruals

END