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

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

SEC FILE NUMBER
8 - 67130

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 11/30/05 AND ENDING 12/31/06
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:
Patriot Charter, LLC

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
1120 W. Campbell Road, Suite 103

OFFICIAL USE ONLY
FIRM ID. NO.

Richardson Texas 75080
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

PROCESSED

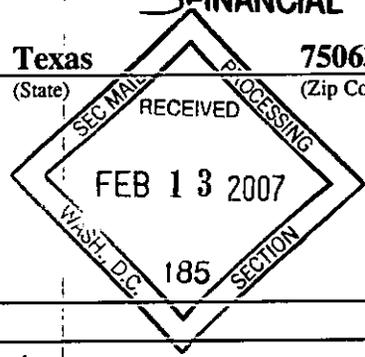
INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

MAR 02 2007

Phillip V. George, PLLC
(Name - if individual, state last, first, middle name)

THOMSON FINANCIAL

2300 Honey Locust Drive Irving Texas 75063
(Address) (City) (State) (Zip Code)



CHECK ONE:

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

FOR OFFICIAL USE ONLY

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

SEC 1410 (06-02)

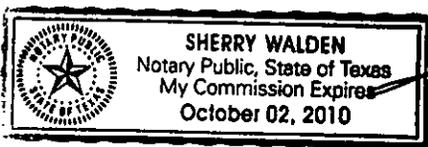
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AB 3/11

OATH OR AFFIRMATION

I, James C. Allen, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Patriot Charter, LLC, as of December 31, 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:

NONE



Signature: [Handwritten Signature]
Title: CEO, PRESIDENT

Sherry Walden
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 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 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 the internal control as required by SEC rule 17a-5.

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

PATRIOT CHARTER LLC

FINANCIAL REPORT

DECEMBER 31, 2006

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INDEPENDENT AUDITOR'S REPORT

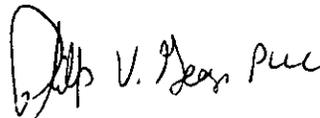
Members
Patriot Charter LLC

We have audited the accompanying statement of financial condition of Patriot Charter LLC dba The Patriot Group Securities as of December 31, 2006, and the related statements of income, changes in member's equity, and cash flows for the period from November 30, 2005 (effective date of SEC registration) to December 31, 2006, 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 Patriot Charter LLC as of December 31, 2006, and the results of its operations and its cash flows for the period from November 30, 2005 (effective date of SEC registration) to December 31, 2006, 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 in Schedule I 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 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.



PHILLIP V. GEORGE, PLLC

Irving, Texas
February 1, 2007

PATRIOT CHARTER LLC
Statement of Financial Condition
December 31, 2006

ASSETS

Cash	\$ 25,256
Certificate of deposit	6,292
Advances to employees	1,438
Prepaid expenses	<u>3,154</u>

TOTAL ASSETS

\$ 36,140

LIABILITIES AND MEMBER'S EQUITY

Liabilities

Accounts payable and accrued expenses	<u>\$ 14,016</u>
Member's Equity	<u>22,124</u>

TOTAL LIABILITIES AND MEMBER'S EQUITY

\$ 36,140

PATRIOT CHARTER LLC
Statement of Income
Period from November 30, 2005 (Effective Date of SEC Registration)
to December 31, 2006

Revenue	
Private placement revenue	\$ 409,630
Interest income	<u>361</u>
TOTAL REVENUE	<u>409,991</u>
Expenses	
Compensation and related costs	334,575
Communications	613
Regulatory fees	22,633
Occupancy and equipment	22,600
Professional fees	7,640
Promotion	22,819
Other expenses	<u>2,287</u>
TOTAL EXPENSES	<u>413,167</u>
NET LOSS	<u><u>\$ (3,176)</u></u>

PATRIOT CHARTER LLC
Statement of Changes in Member's Equity
Period from November 30, 2005 (Effective Date of SEC Registration)
to December 31, 2006

Member's equity, November 30, 2005 (effective date of SEC registration)	\$ -
Member's contributions	25,300
Net loss since inception	<u>(3,176)</u>
Member's equity, December 31, 2006	<u>\$ 22,124</u>

PATRIOT CHARTER LLC
Statement of Cash Flows
Period from November 30, 2005 (Effective Date of SEC Registration)
to December 31, 2006

Cash flows from operating activities:	
Net loss	\$ (3,176)
Adjustments to reconcile net loss to net cash used in operating activities:	
Change in assets and liabilities	
Increase in certificate of deposit	(6,292)
Increases in advances to employees	(1,438)
Increase in prepaid expenses	(3,154)
Increase in accounts payable and accrued expenses	<u>14,016</u>
 Net cash used in operating activities	 <u>(44)</u>
 Cash flows from financing activities:	
Member's contributions	<u>25,300</u>
 Net increase in cash	 25,256
Cash at beginning of period	<u>0</u>
 CASH AT END OF PERIOD	 <u><u>\$ 25,256</u></u>

Supplemental Disclosures of Cash Flow Information:

There was no cash paid during the period for interest or income taxes.

PATRIOT CHARTER LLC
Notes to Financial Statements

Note 1 - Nature of Business and Summary of Significant Accounting Policies

Nature of Business:

Patriot Charter LLC dba The Patriot Group Securities (Company) was incorporated in October 2002 as a Texas corporation. The Company's registration with the Securities and Exchange Commission (SEC) as a broker/dealer in securities became effective November 30, 2005. The Company is a member of the National Association of Securities Dealers, Inc. (NASD).

The Company's securities business consists of the sale of interests in oil and gas related private placement offerings of related parties only on a best effort subscription basis. The Company's customers are high net worth individuals located throughout the United States and Canada.

Significant Accounting Policies:

Basis of Accounting

The Company operates under the provisions of Paragraph (k)(2)(i) of Rule 15c3-3 of the SEC and, accordingly, is exempt from the remaining provisions of that Rule. Essentially, the requirements of Paragraph (k)(2)(i) provide that the Company limit its business to the selling of direct participation programs and maintain a special account for the exclusive benefit of its customers.

Use of 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.

Private Placement Revenue

The Company recognizes revenue on the sale of interests in private placement offerings in the period in which customer subscriptions to such offerings are funded.

Advertising Costs

The Company expenses advertising production costs as they are incurred and advertising communication costs the first time the advertising takes place.

PATRIOT CHARTER LLC
Notes to Financial Statements

Note 1 - Nature of Business and Summary of Significant Accounting Policies (continued)

Income Taxes

The Company has elected to be taxed as a corporation for federal income tax purposes.

Note 2 - Net Capital Requirements

The Company is subject to the SEC uniform net capital rule (Rule 15c3-1), which requires the maintenance of a minimum amount of net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 8 to 1 during the first year of operations and 15 to 1 thereafter. Rule 15c3-1 also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1. At December 31, 2006, the Company had net capital and net capital requirements of \$17,532 and \$5,000, respectively. The Company's net capital ratio was .80 to 1.

Note 3 - Income Taxes

The Company has a current year tax loss; therefore, there is no provision for current income taxes. The Company has a net operating loss carry forward of approximately \$3,000 available to offset future taxable income, which expires in 2026. The net operating loss carry forward creates a deferred tax asset of approximately \$500; however, the entire amount has been offset by valuation allowance, therefore, there is no deferred tax asset recognized in the accompanying statement of financial condition.

Note 4 - Related Party Transactions/ Concentration of Revenue

The Company earned all of its revenue from the sale of interests in private placement offerings of related parties.

One of the Company's registered representatives generated approximately 58% of the Company's revenue for the year ended December 31, 2006.

The Company entered into a services/management agreement effective February 2006 with a related party under which the related party will provide the Company with office space, marketing support, research analysis, and compliance services. The agreement is effective for an initial one year term and automatically renews for successive one year terms unless terminated by either party upon 90 days written notice prior to the anniversary date of the agreement. The agreement calls for rent payments of \$2,000 per month. The amount incurred under this agreement totaled \$22,500 for the period ended December 31, 2006 and is reflected in the accompanying income statement as occupancy and equipment costs.

Schedule I

PATRIOT CHARTER LLC
Computation of Net Capital and Aggregate Indebtedness
Pursuant to Rule 15c3-1
December 31, 2006

Total member's equity qualified for net capital	<u>\$ 22,124</u>
Deductions and/or charges	
Non-allowable assets:	
Advances to employees	1,438
Prepaid expenses	<u>3,154</u>
Total deductions and/or charges	<u>4,592</u>
Net Capital	<u><u>\$ 17,532</u></u>
Aggregate indebtedness	
Accounts payable and accrued expenses	<u>\$ 14,016</u>
Total aggregate indebtedness	<u><u>\$ 14,016</u></u>
Computation of basic net capital requirement	
Minimum net capital required (greater of \$5,000 or 6 2/3% of aggregate indebtedness)	<u>\$ 5,000</u>
Net capital in excess of minimum requirement	<u><u>\$ 12,532</u></u>
Ratio of aggregate indebtedness to net capital	<u><u>.80 to 1</u></u>

Note: The above computation does not differ from the computation of net capital under Rule 15c3-1 as of December 31, 2006 as filed by Patriot Charter LLC on Form X-17A-5. Accordingly, no reconciliation is deemed necessary.

**INDEPENDENT AUDITOR'S REPORT
ON INTERNAL CONTROL**

Members
Patriot Charter LLC

In planning and performing our audit of the financial statements and supplemental schedule of Patriot Charter LLC (the Company) for the period from November 20, 2005 (effective date of SEC registration) to December 31, 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 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 securities accounts for customers or perform custodial functions relating to customer 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.

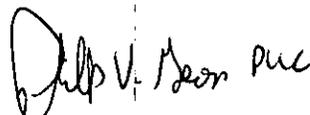
The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs 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 accordance with 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 the Company's practices and procedures were adequate at December 31, 2006 to meet the SEC's objectives.

This report is intended solely for use of the Board of Directors, 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.



PHILLIP V. GEORGE, PLLC

Irving, Texas
February 1, 2007