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

SEC FILE NUMBER
8- 47862

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 01/01/06 AND ENDING 12/31/06 MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Ramat Securities, Ltd.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

23811 Chagrin Boulevard, Suite 200

(No. and Street)

Beachwood

Ohio

44122

(City)

(State)

(Zip Code)

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

David Zlatin

(216) 595-0987

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

PROCESSED

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

MAR 06 2007

Cohen Fund Audit Services, Ltd. fka Cohen McCurdy, Ltd.

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

THOMSON FINANCIAL

800 Westpoint Parkway, Suite 1100

Westlake

44145

(Address)

(City)

Ohio

(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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Handwritten signature and date: 3/15/07

OATH OR AFFIRMATION

I, David Zlatin, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Ramat Securities, Ltd., 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:

[Signature]
Signature
C.O.O.
Title

[Signature]
Notary Public



JEFFREY C SUHAY
Notary Public
In and for the State of Ohio
My Commission Expires
November 12, 2011

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 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).

RAMAT SECURITIES, LTD.

DECEMBER 31, 2006

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Cohen Fund Audit Services, Ltd. 440.835.8500
800 Westpoint Pkwy., Suite 1100 440.835.1093 fax
Westlake, OH 44145-1524

www.cohenfund.com

MEMBERS
RAMAT SECURITIES, LTD.

Independent Auditors' Report

We have audited the accompanying statement of financial condition of Ramat Securities, Ltd. as of December 31, 2006, and the related statements of operations, changes in members' 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 Ramat Securities, Ltd. as of December 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 in Schedules I, II, and III 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.

Cohen Fund Audit Services, Ltd

February 12, 2007
Westlake, Ohio



Registered with the Public Company Accounting Oversight Board



STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2006

ASSETS

Cash and cash equivalents	\$ 302,341
Dividends receivable	1,380,000
Interest receivable	248,829
Marketable securities owned at fair market value	73,730,434
Furniture and equipment – At cost – Less accumulated depreciation of \$26,238	<u>1,330</u>
	<u>\$ 75,662,934</u>

LIABILITIES AND MEMBERS' EQUITY

LIABILITIES

Payable to clearing broker	\$ 36,886,363
Interest payable	42,303
Securities sold but not yet purchased, at market value	3,980,781
Loan payable – Mortgage-backed securities	<u>14,069,000</u>
	54,978,447

COMMITMENT

MEMBERS' EQUITY

	<u>20,684,487</u>
	<u>\$ 75,662,934</u>

The accompanying notes are an integral part of these statements.

STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2006

REVENUES

Trading loss - Net	\$ (8,379,603)
Interest and dividend income	7,079,810
Other income	<u>317,354</u>
	<u>(982,439)</u>

EXPENSES

Interest	3,425,107
Dividend expense	315,766
Clearing charges and communications	357,447
Professional fees	45,036
Depreciation	1,537
Other operating expenses	<u>65,924</u>
	<u>4,210,817</u>

NET LOSS

\$ (5,193,256)

The accompanying notes are an integral part of these statements.

STATEMENT OF CHANGES IN MEMBERS' EQUITY

YEAR ENDED DECEMBER 31, 2006

BALANCE – JANUARY 1, 2006	\$ 26,477,743
DISTRIBUTIONS	(600,000)
NET LOSS	<u>(5,193,256)</u>
BALANCE – DECEMBER 31, 2006	<u>\$ 20,684,487</u>

The accompanying notes are an integral part of these statements.

STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2006

CASH FLOW PROVIDED FROM OPERATING ACTIVITIES	
Net loss	\$ (5,193,256)
Adjustments to reconcile net loss to net cash provided from operating activities	
Depreciation	1,537
Increase (decrease) in cash resulting from changes in operating assets and liabilities	
Dividends receivable	(536,058)
Interest receivable	179,701
Notes receivable	594,304
Securities owned - Net	5,338,412
Payable to clearing broker	6,280,381
Repayments on loan payable - Net	(3,099,004)
Securities sold but not yet purchased - Net	<u>(2,838,745)</u>
Net cash provided from operating activities	<u>727,272</u>
CASH FLOW USED IN FINANCING ACTIVITY	
Distributions to members	<u>(600,000)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	127,272
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>175,069</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 302,341</u>
SUPPLEMENTAL CASH FLOW DISCLOSURE	
Interest paid	<u>\$ 3,602,509</u>

The accompanying notes are an integral part of these statements.

NOTES TO THE FINANCIAL STATEMENTS

1. ORGANIZATION

Ramat Securities, Ltd. (the Company) was formed as a limited liability company under the laws of the State of Ohio on November 22, 1994. The Company shall continue for thirty (30) years unless sooner terminated in accordance with its operating agreement. The Company is registered with the Securities and Exchange Commission (SEC) in the states of Ohio, Florida, Arizona, California, Connecticut, Illinois, New Jersey, New York, Pennsylvania, and Texas and is a member of the National Association of Securities Dealers, Inc. (NASD), as a broker-dealer. The Company is involved in the trading of fixed income securities, equity securities, options, and mortgage-backed securities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

At times during the year, the Company may maintain cash accounts with financial institutions in excess of the Federal Deposit Insurance Corporation insurance. The Company considers financial instruments with a maturity of less than 90 days to be cash equivalents.

Marketable Securities Owned

Securities and commodities transactions are recorded on a trade-date basis as securities transactions occur. Marketable securities are valued at market value. The resulting difference between cost and market is included in statement of operations.

Other securities traded in the over-the-counter markets and securities where no market value can be determined shall be assigned such fair value as the members determine in good faith reflects its fair market value. The resulting gains or losses are reflected in the statement of operations.

Premiums and unrealized gains and losses for purchased option contracts are recognized gross in the accompanying statement of financial condition.

In September 2006, FASB issued Statement on Financial Accounting Standards (SFAS) No. 157, *Fair Value Measurements*. This standard establishes a single authoritative definition of fair value, sets out a framework for measuring fair value and requires additional disclosure about fair value measurements. SFAS 157 applies to fair value measurements already required or permitted by existing standards. SFAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007.

The changes to current generally accepted accounting principles from the application of this Statement relate to the definition of fair value, the methods used to measure fair value, and the expanded disclosure about fair value measurements. Management is currently evaluating the impact the adoption of SFAS 157 will have on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Concentration of Credit Risk

The Company is engaged in various trading and brokerage activities in which counterparties primarily include broker dealers and other financial institutions. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counterparty.

In addition, the Company has sold securities that it does not currently own, and will, therefore, be obligated to purchase said securities at a future date. The Company has recorded these obligations in the financial statements at market values of the related securities and will incur a loss if the market value of the securities increases subsequent to December 31, 2006.

Depreciation

Furniture and equipment are stated at cost less accumulated depreciation. Depreciation is provided on a straight-line basis over five to seven years.

Income Taxes

The Company has elected to be treated as a partnership as defined by the Internal Revenue Code. As a result, there is no provision for income taxes in the accompanying financial statements. The members of the Company are to include their respective share of profits and losses of the Company in their individual and corporate tax returns.

Accounting 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 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.

3. SECURITIES OWNED AND SECURITIES SOLD BUT NOT YET PURCHASED

At December 31, 2006, marketable securities owned and securities sold, but not yet purchased, consist of trading securities at quoted market values, as illustrated below:

	<u>Owned</u>	<u>Sold But Not Yet Purchased</u>
Mortgage-backed securities	\$ 14,751,802	
Corporate bonds	12,031,425	
Corporate stocks	46,079,733	\$ 3,980,781
Options, warrants, and other	867,474	
	<u>\$ 73,730,434</u>	<u>\$ 3,980,781</u>

NOTES TO THE FINANCIAL STATEMENTS

3. SECURITIES OWNED AND SECURITIES SOLD BUT NOT YET PURCHASED (Continued)

The Company owned mortgage-backed securities valued at \$14,751,802 as of December 31, 2006, which earned interest during 2006 at a rate of approximately 5.6%. These securities were pledged under reverse repo financing with their clearing broker presented as loan payable – mortgage backed securities on the statement of financial condition totaling \$14,069,000. Interest is charged at various rates between 5% to 5.35%, and the loans mature within six months.

4. PAYABLE TO CLEARING BROKER

The payable to clearing broker is for the Company's transactions and is collateralized by all securities owned by the Company.

5. NET CAPITAL REQUIREMENTS OF RULE 15c3-1

Pursuant to the net capital provisions of Rule 15c3-1 of the Securities Exchange Act of 1934, the Company is required to maintain a minimum net capital balance, as defined, under such provisions.

The Company's minimum capital requirement is the greater of \$100,000 or 6 ⅔% of aggregate indebtedness, as defined, under Securities and Exchange Commission Rule 15c3-1(a)(1), as it does not maintain customer accounts. Net capital may fluctuate on a daily basis. At December 31, 2006, the Company had net capital of \$6,326,335, which was \$6,226,335 in excess of its required net capital of \$100,000.

In addition to the minimum net capital provisions, Rule 15c3-1 requires that the Company maintain a ratio of aggregate indebtedness, as defined, to net capital, of not more than 15 to 1. At December 31, 2006, the ratio was 0 to 1.

6. LEASES

The Company leases the property used for its business location through June 30, 2007, for \$2,779 per month. Total future minimum lease commitments \$16,674.

SCHEDULE I - COMPUTATION OF NET CAPITAL
AND RECONCILIATION OF THE COMPUTATION OF NET CAPITAL
PURSUANT TO RULE 15c3-1 OF THE
SECURITIES AND EXCHANGE COMMISSION

DECEMBER 31, 2006

NET CAPITAL		
Total members' equity from statement of financial condition		\$ 20,684,487
Less: Non-allowable assets		
Furniture and equipment - Net		<u>(1,330)</u>
NET CAPITAL BEFORE HAIRCUTS ON SECURITIES		20,683,157
Trading securities	\$ 8,717,656	
Options	424,850	
Mortgage-backed securities	782,559	
Undue concentrations	<u>4,431,757</u>	<u>(14,356,822)</u>
NET CAPITAL		<u>\$ 6,326,335</u>
AGGREGATE INDEBTEDNESS:		<u>\$ -</u>
COMPUTATION OF NET CAPITAL REQUIREMENTS:		
Greater of net minimum capital requirements of \$100,000 or 6 2/3% of total aggregate indebtedness		<u>\$ 100,000</u>
EXCESS NET CAPITAL		<u>\$ 6,226,335</u>
RATIO OF AGGREGATE INDEBTEDNESS TO NET CAPITAL		<u>0 to 1</u>

A reconciliation of the computation of net capital under Rule 15c3-1 as included in the Company's unaudited Form X-17a-5 as of December 31, 2006 filed with the Securities and Exchange Commission and the amount included in the above computation follows:

Net capital, as reported in Company's Form X-17a-5, Part IIA	\$ 6,444,137
Additional haircuts on securities	<u>(117,802)</u>
Net capital, as reported above	<u>\$ 6,326,335</u>

SCHEDULES II AND III – COMPUTATION FOR
DETERMINATION OF RESERVE REQUIREMENTS AND
INFORMATION RELATING TO POSSESSION OR CONTROL
REQUIREMENTS PURSUANT TO RULE 15c3-3 OF THE
SECURITIES AND EXCHANGE COMMISSION

DECEMBER 31, 2006

The Company is not required to present the schedules "Computation for Determination of Reserve Requirements Under Rule 15c3-3" and "Information for Possession or Control Requirements Under Rule 15c3-3" as it meets the exemptive provisions of Rule 15c3-3, under Section (k)(2)(ii) of the Rule.



Cohen Fund Audit Services, Ltd.
800 Westpoint Pkwy., Suite 1100
Westlake, OH 44145-1524

440.835.8500
440.835.1093 fax

www.cohenfund.com

MEMBERS
RAMAT SECURITIES, LTD.

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

In planning and performing our audit of the financial statements and supplemental schedules of Ramat Securities, Ltd. (the Company) as of and for the year ended December 31, 2006, in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's 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 consideration of control activities for safeguarding securities. This study included 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 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 and recordation of differences required by Rule 17a-13
2. 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 the preparation of financial statements in conformity 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.

END