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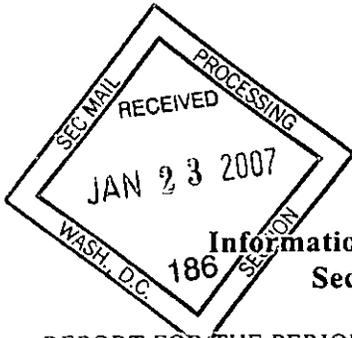


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OMB APPROVAL	
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Estimated average burden hours per response.....	12.00

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

SEC FILE NUMBER
B-16853



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 1/1/06 AND ENDING 12/31/06  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: IRVING LOCKER  
D/B/A ESICO CO.  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
15 W. 77 ST. # 29F  
(No. and Street)  
NEW YORK NY 10023  
(City) (State) (Zip Code)

OFFICIAL USE ONLY
FIRM I.D. NO.

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
IRVING LOCKER 212-874-7936  
(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

INEMER, IRA  
(Name - if individual, state last, first, middle name)  
570 SEVENTH AVE # 2103 NEW YORK NY 10018  
(Address) (City) (State) (Zip Code)

CHECK ONE:

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

**PROCESSED**

FEB 09 2007

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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)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

11/2/06

OATH OR AFFIRMATION

I, IRVING LOCKER, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of ESICO CO., as of DECEMBER 31, 20 06, 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:

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

**DAVID S. LOCKER**  
Notary Public, State of New York  
No. 01LO4970053  
Qualified in New York County  
Commission Expires July 30, 2010

Irving Locker  
Signature  
PROPRIETOR  
Title

David Locker  
Notary Public

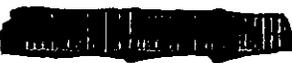
This report \*\* contains (check all applicable boxes):

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of 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).

Securities Investor Protection Corporation  
805 15th Street NW, Suite 800  
Washington, DC 20005-2215

Forwarding and Address Correction Requested



8-016853 NASD DEC

IRVING LOCKER  
d/b/a ESICO CO  
15 WEST 72ND STREET STE 29-F  
NEW YORK, NY 10023

Securities Investor Protection Corporation  
805 15th Street NW, Suite 800  
Washington, DC 20005-2215

Check appropriate boxes.

(i) its principal business, in the determination of SIPC, taking into account business of affiliated entities, is conducted outside the United States and its territories and possessions;\*

(ii) its business as a broker-dealer is expected to consist exclusively of:

(I) the distribution of shares of registered open end investment companies or unit investment trusts;

(II) the sale of variable annuities;

(III) the business of insurance;

(IV) the business of rendering investment advisory services to one or more registered investment companies or insurance company separate accounts;

(iii) it effects transactions in security futures products only;

Pursuant to the terms of this form (detailed below).

X Irving Locker 1/4/07  
Authorized Signature/Title Date

⑈00000003⑈ ⑆000016853⑆ 0000 2007⑈

Form SIPC-3

FY 2007

8-016853 NASD DEC

IRVING LOCKER  
d/b/a ESICO CO

**Certification of Exclusion From Membership.**

TO BE FILED BY A BROKER-DEALER WHO CLAIMS EXCLUSION FROM MEMBERSHIP IN THE SECURITIES INVESTOR PROTECTION CORPORATION ("SIPC") UNDER SECTION 78ccc(a)(2)(A)(ii) OF THE SECURITIES INVESTOR PROTECTION ACT OF 1970 ("SIPA").

The above broker-dealer certifies that during the year ending December 31, 2007 its business as a broker-dealer is expected to consist exclusively of one or more of the following (check appropriate boxes):

- (i) its principal business, in the determination of SIPC, taking into account business of affiliated entities, is conducted outside the United States and its territories and possessions;\*
- (ii) its business as a broker-dealer is expected to consist exclusively of:
  - (I) the distribution of shares of registered open end investment companies or unit investment trusts;
  - (II) the sale of variable annuities;
  - (III) the business of insurance;
  - (IV) the business of rendering investment advisory services to one or more registered investment companies or insurance company separate accounts;
- (iii) it effects transactions in security futures products only;

and that, therefore, under section 78ccc(a)(2)(A)(ii) of the SIPA it is excluded from membership in SIPC.

\*If you have any questions concerning the foreign exclusion provision please contact SIPC via telephone at 202-371-8300 or e-mail at asksipc@sipc.org to request a foreign exclusion questionnaire.

The following bylaw was adopted by the Board of Directors:

Interest on Assessments.

... If any broker or dealer has incorrectly filed a claim for exclusion from membership in the Corporation, such broker or dealer shall pay, in addition to all assessments due, interest at the rate of 20% per annum of the unpaid assessment for each day it has not been paid since the date on which it should have been paid.

In the event of any subsequent change in the business of the undersigned broker-dealer that would terminate such broker-dealer's exclusion from membership in SIPC pursuant to section 78ccc(a)(2)(A)(ii) of the SIPA, the undersigned broker-dealer will immediately give SIPC written notice thereof and make payment of all assessments thereafter required under Section 78ddd(c) of the SIPA.

Sign, date and return the top portion of this form no later than 30 days after the beginning of the year, using the enclosed return envelope.

Retain the bottom portion of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.

SIPC-3 2007

**INEMER & WOLF LLP**

CERTIFIED PUBLIC ACCOUNTANTS

570 SEVENTH AVENUE  
NEW YORK, N.Y. 10018  
(212) 730-7080  
FAX: (212) 944-1237

January 11, 2007

Securities & Exchange Commission  
26 Federal Plaza  
New York, NY 10007

Gentlemen:

We have audited the Statement of Financial Condition of Mr. Irving Locker D/B/A Esico Co. as of December 31, 2006 and the related statements of income, owners equity, and cash flows for the year then ended filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. These financial Statements are the responsibility of Mr. Locker. Our responsibility is to express an opinion on these Financial Statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. We believe that our audit provided a reasonable basis for our opinion.

In our opinion the Financial Statements present fairly, in all material respects, the financial position of Esico Co. as of December 31, 2006, and the results of its operations and of its cash flows for the year then ended, in conformity with generally accepted accounting standards.

Our audit was conducted for the purpose of forming an opinion on the basic Financial Statements taken as a whole. 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.

Here is the additional information you require:

(d) Statement of Changes in Financial Condition:

Cash Balance 1/1/06		\$15,128
Funds Received:		
Commission income	\$7,974	
Interest income	<u>364</u>	<u>8,338</u>
Total		23,466
Funds Disbursed:		
Operating expenses	5,157	
Investment in NASDAQ	<u>4,800</u>	<u>9,957</u>
Cash Balance 12/31/06		<u>13,509</u>

(h) Since Esico Co. deals only in Mutual Funds and has complied with the exemptive provisions under Rule 15c 3-3: this is not applicable.

(k) A reconciliation between the audited and unaudited Statement of Financial Condition.

(m) Esico Co. is exempt from S.I.P.C. Assessment Report since it deals only in Mutual Funds. A copy of Certification of Exclusion from membership is attached.

In planning and performing our audit of the financial statements and supplementary information of Irving Locker, D/B/A Esico Co. for the period beginning January 1, 2006 and ending 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 statement 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 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, verification 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 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 accordance with U.S. 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.

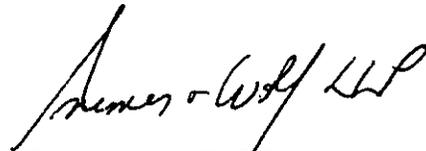
Our consideration of internal control would not necessarily disclose all matters in internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific 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 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 the information and use of management, the SEC, 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.

Very truly yours,

A handwritten signature in black ink, appearing to read "Inemer & Wolf LLP". The signature is written in a cursive, flowing style.

Inemer & Wolf LLP  
By Ira H. Inemer  
Certified Public Accountant  
NYS Certificate No. 22236

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

<b>OMB APPROVAL</b>	
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 type="checkbox"/> 16  | 2) Rule 17a-5(b) <input type="checkbox"/> 17 | 3) Rule 17a-11 <input type="checkbox"/> 18 |
| 4) Special request by designated examining authority <input checked="" type="checkbox"/> 19 | 5) Other <input type="checkbox"/> 26         |  |

NAME OF BROKER-DEALER

IRVING LOCKER

SEC FILE NO.

8-16853 14

DIBA ESICO CO.

FIRM I.D. NO.

1705 15

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

15 W. 72 ST. #29F

FOR PERIOD BEGINNING (MM/DD/YY)

1/1/06 24

(No. and Street)

AND ENDING (MM/DD/YY)

12/31/06 25

NEW YORK 21

NY 22

10003 23

(City)

(State)

(Zip Code)

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

IRVING LOCKER 30

(Area Code) — Telephone No.

212-874-7936 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 10 day of JANUARY 2007

Manual signatures of:

1) Irving Locker  
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. 78:f(a))

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# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT PART IIA

BROKER OR DEALER <i>ESICO CO.</i>	N3			100
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## STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING AND CERTAIN OTHER BROKERS OR DEALERS

as of (MM/DD/YY) <i>12/31/06</i>	99
SEC FILE NO. <i>8-16853</i>	98
Consolidated <input type="checkbox"/>	198
Unconsolidated <input checked="" type="checkbox"/>	199

	Allowable	Non-Allowable	Total
1. Cash .....	\$ <u>13509</u> 200		\$ <u>13509</u> 750
2. Receivables from brokers or dealers:			
A. Clearance account .....	295		
B. Other .....	300	550	810
3. Receivable from non-customers .....	355	600	830
4. Securities and spot commodities owned at market value:			
A. Exempted securities .....	418		
B. Debt securities .....	419		
C. Options .....	420		
D. Other securities .....	424		
E. Spot commodities .....	430		850
5. Securities and/or other investments not readily marketable:			
A. At cost \$ <u>130</u>			
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 \$ <u>150</u>	460	630	880
B. Other securities \$ <u>160</u>			
7. Secured demand notes: .....	470	640	890
Market value of collateral:			
A. Exempted securities \$ <u>170</u>			
B. Other securities \$ <u>180</u>			
8. Memberships in exchanges:			
A. Owned, at market \$ <u>190</u>			
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	680	920
11. Other assets .....	535	735	930
12. TOTAL ASSETS .....	\$ <u>13509</u> 540	\$ <u>740</u>	\$ <u>13509</u> 940

OMIT PENNIES

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER

*ESICO CO,*

as of *12/31/06*

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

#### LIABILITIES AND OWNERSHIP EQUITY

<u>Liabilities</u>	<u>A.I. Liabilities</u>	<u>Non-A.I. Liabilities</u>	<u>Total</u>
13. Bank loans payable .....	\$ <span style="border: 1px solid black; padding: 2px;">1045</span>	\$ <span style="border: 1px solid black; padding: 2px;">1255</span> <sup>13</sup>	\$ <span style="border: 1px solid black; padding: 2px;">1470</span>
14. Payable to brokers or dealers:			
A. Clearance account .....	<span style="border: 1px solid black; padding: 2px;">1114</span>	<span style="border: 1px solid black; padding: 2px;">1315</span>	<span style="border: 1px solid black; padding: 2px;">1560</span>
B. Other .....	<span style="border: 1px solid black; padding: 2px;">1115</span> <sup>10</sup>	<span style="border: 1px solid black; padding: 2px;">1305</span>	<span style="border: 1px solid black; padding: 2px;">1540</span>
15. Payable to non-customers .....	<span style="border: 1px solid black; padding: 2px;">1155</span>	<span style="border: 1px solid black; padding: 2px;">1355</span>	<span style="border: 1px solid black; padding: 2px;">1610</span>
16. Securities sold not yet purchased, at market value .....		<span style="border: 1px solid black; padding: 2px;">1360</span>	<span style="border: 1px solid black; padding: 2px;">1620</span>
17. Accounts payable, accrued liabilities, expenses and other .....	<span style="border: 1px solid black; padding: 2px;">1205</span>	<span style="border: 1px solid black; padding: 2px;">1385</span>	<span style="border: 1px solid black; padding: 2px;">1685</span>
18. Notes and mortgages payable:			
A. Unsecured .....	<span style="border: 1px solid black; padding: 2px;">1210</span>		<span style="border: 1px solid black; padding: 2px;">1690</span>
B. Secured .....	<span style="border: 1px solid black; padding: 2px;">1211</span> <sup>12</sup>	<span style="border: 1px solid black; padding: 2px;">1390</span> <sup>14</sup>	<span style="border: 1px solid black; padding: 2px;">1700</span>
19. E. Liabilities subordinated to claims of general creditors:			
A. Cash borrowings:			
1. from outsiders <sup>9</sup> \$ <span style="border: 1px solid black; padding: 2px;">970</span>		<span style="border: 1px solid black; padding: 2px;">1400</span>	<span style="border: 1px solid black; padding: 2px;">1710</span>
2. includes equity subordination (15c3-1(d)) of ... \$ <span style="border: 1px solid black; padding: 2px;">980</span>			
B. Securities borrowings, at market value from outsiders \$ <span style="border: 1px solid black; padding: 2px;">990</span>		<span style="border: 1px solid black; padding: 2px;">1410</span>	<span style="border: 1px solid black; padding: 2px;">1720</span>
C. Pursuant to secured demand note collateral agreements .....		<span style="border: 1px solid black; padding: 2px;">1420</span>	<span style="border: 1px solid black; padding: 2px;">1730</span>
1. from outsiders \$ <span style="border: 1px solid black; padding: 2px;">1000</span>			
2. includes equity subordination (15c3-1(d)) of ... \$ <span style="border: 1px solid black; padding: 2px;">1010</span>			
D. Exchange memberships contributed for use of company, at market value .....		<span style="border: 1px solid black; padding: 2px;">1430</span>	<span style="border: 1px solid black; padding: 2px;">1740</span>
E. Accounts and other borrowings not qualified for net capital purposes .....	<span style="border: 1px solid black; padding: 2px;">1220</span>	<span style="border: 1px solid black; padding: 2px;">1440</span>	<span style="border: 1px solid black; padding: 2px;">1750</span>
20. TOTAL LIABILITIES .....	\$ <span style="border: 1px solid black; padding: 2px;">0</span> <span style="border: 1px solid black; padding: 2px;">1230</span>	\$ <span style="border: 1px solid black; padding: 2px;">1450</span>	\$ <span style="border: 1px solid black; padding: 2px;">0</span> <span style="border: 1px solid black; padding: 2px;">1760</span>
<u>Ownership Equity</u>			
21. Sole Proprietorship .....			<sup>15</sup> \$ <span style="border: 1px solid black; padding: 2px;">13509</span> <span style="border: 1px solid black; padding: 2px;">1770</span>
22. Partnership (limited partners) .....	<sup>11</sup> (\$ <span style="border: 1px solid black; padding: 2px;">1020</span> )		<span style="border: 1px solid black; padding: 2px;">1780</span>
23. Corporation:			
A. Preferred stock .....			<span style="border: 1px solid black; padding: 2px;">1791</span>
B. Common stock .....			<span style="border: 1px solid black; padding: 2px;">1792</span>
C. Additional paid-in capital .....			<span style="border: 1px solid black; padding: 2px;">1793</span>
D. Retained earnings .....			<span style="border: 1px solid black; padding: 2px;">1794</span>
E. Total .....			<span style="border: 1px solid black; padding: 2px;">1795</span>
F. Less capital stock in treasury .....			<sup>16</sup> ( <span style="border: 1px solid black; padding: 2px;">1796</span> ) <span style="border: 1px solid black; padding: 2px;">1796</span>
24. TOTAL OWNERSHIP EQUITY .....			<sup>16</sup> \$ <span style="border: 1px solid black; padding: 2px;">13509</span> <span style="border: 1px solid black; padding: 2px;">1800</span>
25. TOTAL LIABILITIES AND OWNERSHIP EQUITY .....			\$ <span style="border: 1px solid black; padding: 2px;">13509</span> <span style="border: 1px solid black; padding: 2px;">1810</span>

OMIT PENNIES

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT PART IIA

BROKER OR DEALER

ESICO CO.

as of 12/31/06

## COMPUTATION OF NET CAPITAL

1. Total ownership equity from Statement of Financial Condition .....		\$ <u>13509</u>	3480
2. Deduct ownership equity not allowable for Net Capital .....			3490
3. Total ownership equity qualified for Net Capital .....			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 .....			3530
6. Deductions and/or charges:			
A. Total non-allowable assets from			
Statement of Financial Condition (Notes B and C) .....	\$		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) .....			3620
8. Net capital before haircuts on securities positions .....			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 .....			3734
D. Undue Concentration .....			3650
E. Other (List) .....			3736
10. Net Capital .....			3740
		\$ <u>13509</u>	3750

OMIT PENNIES

## FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT PART IIA

BROKER OR DEALER

ESICO CO.

as of 12/31/06

### COMPUTATION OF NET CAPITAL REQUIREMENT

**Part A**

11. Minimum net capital required (6 2/3% of line 19) .....	\$ <u>5000</u>	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) .....	\$ <u>5000</u>	3758
13. Net capital requirement (greater of line 11 or 12) .....	\$ <u>5000</u>	3760
14. Excess net capital (line 10 less 13) .....	\$ <u>8509</u>	3770
15. Excess net capital at 1000% (line 10 less 10% of line 19) .....	\$ <u>13509</u>	3780

### COMPUTATION OF AGGREGATE INDEBTEDNESS

16. Total A.I. liabilities from Statement of Financial Condition .....	\$ <u>0</u>	3790
17. Add:		
A. Drafts for immediate credit .....	21 \$ <u>3800</u>	
B. Market value of securities borrowed for which no equivalent value is paid or credited .....	\$ <u>3810</u>	
C. Other unrecorded amounts (List) .....	\$ <u>3820</u>	
18. Total aggregate indebtedness .....	\$ <u>0</u>	3840
19. Percentage of aggregate indebtedness to net capital (line 18 + by line 10) .....	% <u>0</u>	3850
20. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1(d) .....	% <u>0</u>	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 .....	\$ <u>3970</u>	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) .....	23 \$ <u>5000</u>	3880
23. Net capital requirement (greater of line 21 or 22) .....	\$ <u>5000</u>	3760
24. Excess capital (line 10 less 23) .....	\$ <u>8509</u>	3910
25. Net capital in excess of the greater of:		
A. 5% of combined aggregate debit items or \$120,000 .....	\$ <u>8509</u>	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 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

*ESICO CO.*

For the period (MMDDYY) from 11/1/06 [3932] to 12/31/06 [3933]  
 Number of months included in this statement 12 [3931]

### 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 .....		<i>2974</i>	3939
d. Total securities commissions .....		<i>2974</i>	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 .....		26	3955
5. Revenue from sale of investment company shares .....			3970
6. Commodities revenue .....			3990
7. Fees for account supervision, investment advisory and administrative services .....			3975
8. Other revenue .....			<i>364</i> 3995
9. Total revenue .....		\$	<i>8338</i> 4030

#### EXPENSES

10. Salaries and other employment costs for general partners and voting stockholder officers .....			4120
11. Other employee compensation and benefits .....			4115
12. Commissions paid to other broker-dealers .....			4140
13. Interest expense .....			4075
a. Includes interest on accounts subject to subordination agreements .....		4070	
14. Regulatory fees and expenses .....			<i>690</i> 4195
15. Other expenses .....			<i>4467</i> 4100
16. Total expenses .....		\$	<i>5157</i> 4200

#### NET INCOME

17. Income (loss) before Federal income taxes and items below (Item 9 less Item 16) .....		\$	<i>3181</i> 4210
18. Provision for Federal income taxes (for parent only) .....		21	4220
19. Equity in earnings (losses) of unconsolidated subsidiaries not included above .....			4222
a. After Federal income taxes of .....		4338	
20. Extraordinary gains (losses) .....			4224
a. After Federal income taxes of .....		4239	
21. Cumulative effect of changes in accounting principles .....			4225
22. Net income (loss) after Federal income taxes and extraordinary items .....		\$	<i>3181</i> 4230

#### MONTHLY INCOME

23. Income (current month only) before provision for Federal income taxes and extraordinary items .....		\$	<i>(2194)</i> 4211
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## FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT PART IIA

BROKER OR DEALER

ESICO CO.

For the period (MMDDYY) from 1/1/06 to 12/31/06

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

1. Balance, beginning of period .....		\$	61928	4240
A. Net income (loss) .....			2121	4250
B. Additions (Includes non-conforming capital of .....	\$			4260
C. Deductions (Includes non-conforming capital of .....	\$	51600		4270
			(51600)	4270
2. Balance, end of period (From item 1800) .....		\$	13509	4290

### STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED TO CLAIMS OF GENERAL CREDITORS

3. Balance, beginning of period .....		\$	0	4300
A. Increases .....			0	4310
B. Decreases .....			0	4320
4. Balance, end of period (From item 3520) .....		\$	0	4330

OMIT PENNIES

## FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT PART IIA

BROKER OR DEALER ESICO CO. as of 12/31/06

### 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 .....  | 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.<br>Name of clearing firm <sup>30</sup> <span style="float: right; border: 1px solid black; padding: 2px;">4335</span> ..... | 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	4600	4601	4602	4603	4604	4605
32	4610	4611	4612	4613	4614	4615
33	4620	4621	4622	4623	4624	4625
34	4630	4631	4632	4633	4634	4635
35	4640	4641	4642	4643	4644	4645
				Total \$ <sup>36</sup> <span style="border: 1px solid black; padding: 2px;">4699</span>		

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.

<b>WITHDRAWAL CODE:</b>	<b>DESCRIPTIONS</b>
1.	Equity Capital
2.	Subordinated Liabilities
3.	Accruals

END