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

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 01/01/2006 AND ENDING 12/31/2006  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Peraza Capital and Investment, LLC

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

111 Second Avenue Northeast, Suite 705

(No. and Street)

Saint Petersburg

FL

33704

(City)

(State)

(Zip Code)

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

Sam Lewis

(727) 821-4067

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Brian W. Anson, CPA

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

18425 Burbank Blvd., Suite 606, Tarzana

CA

91356

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

**PROCESSED**

**MAR 09 2007**

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THOMSON  
FINANCIAL

\*Claims for an exemption from the requirement that the annual report be audited 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 17a-5(e)(2)

SEC 1410 (06-02)

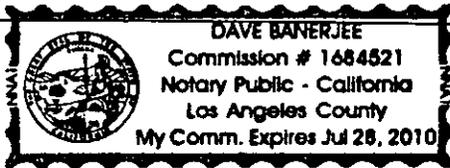
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OATH OR AFFIRMATION

I, Sam Lewis, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Peraza Capital and Investment, 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



*[Handwritten Signature]*

Notary Public

*[Handwritten Signature]*

Sam Lewis

Signature

President

Title

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

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Changes in Financial Condition.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole 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 15c3-3 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).

**BRIAN W. ANSON**

*Certified Public Accountant*

18425 Burbank Blvd., Suite 606, Tarzana, CA 91356 • Tel. (818) 401-8800 • Fax (818) 401-8818

## **INDEPENDENT AUDITOR'S REPORT**

Board of Members  
Peraza Capital and Investment, LLC  
Saint Petersburg, Florida

I have audited the accompanying statement of financial condition of Peraza Capital and Investment, LLC 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. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Peraza Capital and Investment, LLC as of December 31, 2006 and the results of its operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained on Schedule I-III is presented for purposes of additional analysis and is not required as part of the basic financial statements, but is supplementary information required by Rule 17a-5 of the Securities and Exchange Act of 1934. Such information has been subject to the auditing procedures applied in my audit of the basic financial statements and, in my opinion, is fairly stated in all material respect in relating to the basic financial statements taken as a whole.

This opinion is intended solely for the information and use of the board of directors, the Securities and Exchange Commission, and other regulatory agencies which 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.



Brian W. Anson  
Certified Public Accountant  
Tarzana, California  
February 12, 2007

PERAZA CAPITAL AND INVESTMENT, LLC

Statement of Financial Condition  
December 31, 2006

ASSETS

Cash	\$ 4,860
Accounts receivable	187,967
Deposit with clearing organizations	50,109
Deposit sub-clearing	25,000
Securities owned	4,845
Total assets	<u>\$ 272,781</u>

LIABILITIES AND MEMBERS' EQUITY

Liabilities

Accounts payable	<u>\$ 11,652</u>
Total liabilities	<u>11,652</u>

Members' equity	<u>261,129</u>
Total liabilities and members' equity	<u>\$ 272,781</u>

PERAZA CAPITAL AND INVESTMENT, LLC

Statement of Income  
For the year ended December 31, 2006

REVENUES:

Commission income	\$ 733,200
Gain on trading	356,795
Interest	102,617
Other income	<u>1,434</u>
Total revenues	<u>1,194,046</u>

EXPENSES:

Clearing fees	76,610
Commissions	562,980
Management fees	96,500
Office expense	148,607
Professional fees	45,737
Other expenses	94,930
Total expenses	<u>1,025,364</u>

NET INCOME

\$ 168,682

PERAZA CAPITAL AND INVESTMENT, LLC

Statement of Members' Equity  
For the year ended December 31, 2006

	Members' Equity	Net Income	Total Members' Equity
Beginning balance January 1, 2006	\$75,647		\$75,647
Capital contribution	16,800		16,800
Net income		168,682	168,682
Ending balance December 31, 2006	\$92,447	\$168,682	\$ 261,129

The accompanying notes are an integral part of these financial statements

PERAZA CAPITAL AND INVESTMENT, LLC

Statement of Cash Flows  
For the year ended December 31, 2006

CASH FLOWS FROM OPERATING ACTIVITIES:

Net income	\$ 168,682
Adjustments to reconcile net income to net cash used in operating activities:	
(Increase) decrease in:	
Accounts receivable	108,676
Deposit with clearing organizations	(109)
Securities owned	773
Increase (decrease) in:	
Accounts payable	952
Due to brokers	(294,863)
	<u>(184,571)</u>
Total adjustments	<u>(15,889)</u>
Net cash used in operating activities	<u>(15,889)</u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Capital contribution	<u>16,800</u>
Net cash provided by financing activities	<u>16,800</u>
Increase in cash	911
Cash at beginning of year	3,949
Cash at end of year	<u>\$ 4,860</u>
Supplemental cash flow disclosures	
Cash paid during the year for:	
Income taxes	\$ -
Interest	\$ -

PERAZA CAPITAL AND INVESTMENT, LLC  
Notes to Financial Statements  
December 31, 2006

Note 1: GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

Peraza Capital and Investment, LLC (the "Company") is a broker-dealer registered with the Securities and Exchange Commission (SEC) and is a member of the National Association of Securities Dealers (NASD). The Company was approved by the NASD to conduct business as a broker-dealer effective May 22, 2002. The Company is wholly owned by SMP Capital Holdings, Inc. ("Parent").

Summary of significant accounting policies:

Basis of presentation

The financial statements are prepared on the accrual basis of accounting. The Company is engaged in a single line of business as a securities broker-dealer, which comprises several classes of services, including principal transactions, agency transactions and investment advisory.

Securities transactions

Securities transactions in regular-way trades are recorded on the trade date, as if they had settled. Profit and loss arising from all securities transactions entered into for the account and risk of the Company are recorded on a trade date basis. Customers' securities transactions are reported on a settlement date basis with related commission income and expenses reported on a trade date basis.

Amounts receivable and payable for securities transactions that have not reached their contractual settlement date are recorded net on the statement of financial condition.

Marketable securities are valued at market value, and securities not readily marketable are valued at fair value as determined by management.

Resale and repurchase agreements

Transactions involving purchases of securities under agreements to resell (reverse repurchase agreements or reverse repos) or sales of securities under agreements to repurchase (repurchase agreements or repos) are accounted for as collateralized financings except where the Company does not have an agreement to sell (or purchase) the same or substantially the same securities before maturity at a fixed or determinable price. It is the policy of the Company and subsidiaries to obtain possession of collateral with a market value equal to or in excess of the principal amount loaned under resale agreements. Collateral is valued daily, and the Company may require counterparties to deposit additional collateral or return collateral pledge when appropriate.

PERAZA CAPITAL AND INVESTMENT, LLC  
Notes to Financial Statements  
December 31, 2006

Note 1: GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
CONTINUED:

Securities-lending activities

Securities borrowed and securities loaned transactions are generally reported as collateralized financing except where letters of credit or other securities are used as collateral. Securities-borrowed transactions require the Company to deposit cash, letters of credit, or other collateral with the lender. With respect to securities loaned, the Company receives collateral in the form of cash or other collateral in an amount generally in excess of the market value of securities loaned. The Company monitors the market value of securities borrowed and loaned on a daily basis, with additional collateral obtained or refunded as necessary.

Collateral

The Company continues to report assets in has pledged as collateral in secured borrowing and other arrangements when the secured party cannot sell or pledge the assets.

Commissions

Commissions and related clearing expenses are recorded on a trade-date basis as securities transaction occur.

Income taxes

The accompanying financial statements do not reflect any tax provision, as the Company is a Limited Liability Company.

Statements of cash flows

For purposes of the Statement of Cash Flows, the Company has defined cash equivalents as highly investment, with original maturities of less than ninety days that are not held for sale in the ordinary course of business.

PERAZA CAPITAL AND INVESTMENT, LLC  
Notes to Financial Statements  
December 31, 2006

**Note 2: RECEIVABLE FROM AND PAYABLE TO BROKER-DEALERS AND CLEARING ORGANIZATIONS:**

The Company clears all of its customer transactions through another broker-dealer on a fully disclosed basis. Amounts receivable from and clearing organizations at December 31, 2006, was \$187,967.

**Note 3: CONCENTRATIONS OF CREDIT RISK:**

The Company engages in various trading and brokerage activities in which counterparties primarily include broker-dealers, banks, 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 of the counterparty or issuer of the instrument. It is the Company's policy to review, as necessary, the standing of each counterparty.

**Note 4: COMMITMENTS AND CONTINGENT LIABILITIES:**

The Company has a management agreement with the Parent that expires December 31, 2007 and provides for a monthly fee payable to the Parent of \$15,000.00. Under the terms of the agreement, the Parent paid and managed all expenses related to the daily operations of the Company. The Company is directly liable only for annual audit fees, registration fees; costs related to the Company's fidelity bond and payroll costs. If the management fee caused the Company to violate the provisions of the net capital rule as discussed in Note 5, then under the terms of the management, the Parent would waive the monthly fee as necessary.

**Note 5: NET CAPITAL REQUIREMENTS:**

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 December 31, 2006, the Company had net capital of \$235,871, which was \$230,871 in excess of its required net capital of \$5,000. The Company's aggregate indebtedness \$(11,652) to net capital at December 31, 2006 was approximately 0.05 to 1.

PERAZA CAPITAL AND INVESTMENT, LLC

Statement of Net Capital  
 Schedule I  
 For the year ended December 31, 2006

	<u>Focus 12/31/2006</u>	<u>Audit 12/31/2006</u>	<u>Change</u>
Members' equity, December 31, 2006	\$261,129	\$261,129	0
Subtract - Non allowable assets:			
Deposit sub-clearing	25,000	25,000	0
Total Capital	<u>236,129</u>	<u>236,129</u>	0
Haircuts:	258	258	0
NET CAPITAL	<u>235,871</u>	<u>235,871</u>	0
Minimum net capital	5,000	5,000	0
Excess net capital	<u>\$230,871</u>	<u>\$230,871</u>	0
Aggregate indebtedness	11,652	11,652	0
Ratio of aggregate indebtedness to net capit	0.05%	0.05%	

The were no noted differences between the audit and focus filed for December 31, 2006.

PERAZA CAPITAL AND INVESTMENT, LLC

December 31, 2006

Schedule II  
Determination of Reserve Requirements  
Under Rule 15c3-3 of the Securities and Exchange Commission

The Company is exempt from the Reserve Requirements of computation according to the provision of Rule 15c3-3 (k)(2)(i).

Schedule III  
Information Relating to Possession or Control  
Requirements Under Rule 15c3-3

The Company is exempt from the Rule 15c3-3 as it relates to Possession and Control requirements under the (k)(2)(i) exemptive provision.

**BRIAN W. ANSON**

*Certified Public Accountant*

18425 Burbank Blvd., Suite 606, Tarzana, CA 91356 • Tel. (818) 401-8800 • Fax (818) 401-8818

**INDEPENDENT AUDITOR'S REPORT ON  
INTERNAL CONTROL STRUCTURE  
REQUIRED BY SEC RULE 17A-5**

Board of Members,  
Peraza Capital and Investment, LLC  
Saint Petersburg, Florida

In planning and performing my audit of the financial statements of Peraza Capital and Investment, LLC for the year ended December 31, 2006, I considered its internal control structure, including control activities for safeguarding securities, in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control structure.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission, I have made a study of the practices and procedures including tests of such practices and procedures followed by Peraza Capital and Investment, LLC including test of compliance with such practices and procedures that I considered relevant to objectives stated in Rule 17a-5(g), (1) 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, I did not review the practices and procedures followed by the Company in any of the following: (i) in making the quarterly securities examinations, counts, verifications and comparisons, (ii) recordation of differences required by Rule 17a-13, or (iii) in complying with the requirements for prompt payment for securities of Section 8 of Regulation T of the Board of Governors of the Federal Reserve System.

The management of the Company is responsible for establishing and maintaining an 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 internal control structure policies and procedures 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 Commission's above mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable, but not absolute, assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit preparation of financial statements in conformity with generally accepted accounting principles. Rule 17-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Board of Members,  
Peraza Capital and Investment, LLC  
Page Two

Because of inherent limitations in internal control or the practices and procedures referred to above, errors or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

My consideration of the internal control structure would not necessarily disclose all matters in the 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, I noted no matters involving the internal control structure, including control activities for safeguarding securities, which I consider to be material weaknesses as defined above.

In addition, my consideration of the internal control structure indicated that the Company was in compliance with the conditions of the exemption under Paragraph (k) (2) (i) of Rule 15c3-3, and no facts came to my attention indicating that such conditions had not been complied with during the period. The scope of my engagement did not include the Anti Money Laundering provision of the U.S. Patriot Act.

I understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the Commission to be adequate for its purpose 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 my study, I believe that the Company's practices and procedures were adequate at December 31, 2006 to meet the Commission's objectives.

This report is intended solely for the information and use of the board of directors, the Securities and Exchange Commission, and other regulatory agencies which 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.



Brian W. Anson  
Certified Public Accountant  
Tarzana, California  
February 12, 2007

*END*