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

SEC FILE NUMBER  
8- 66489

**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 JANUARY 1, 2006 AND ENDING DECEMBER 31, 2006  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER:

BISMARCK CAPITAL LLC

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

745 FIFTH AVENUE

OFFICIAL USE ONLY  
131634  
FIRM ID. NO.

(No. and Street)

NEW YORK

NEW YORK

10151-0099

(City)

(State)

(Zip Code)

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

BERNARD TURNER

212-269-8628

(Area Code - Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

**PROCESSED**

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

JOEL E. SAMMET & CO., LLP

B FEB 21 2007

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

THOMSON  
FINANCIAL  
10004

60 BROAD STREET

NEW YORK

NEW YORK

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

SECURITIES AND EXCHANGE COMMISSION  
RECEIVED  
FEB 05 2007  
BRANCH OF REGISTRATIONS  
AND  
EXAMINATIONS

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

OATH OR AFFIRMATION

I, Stanford Warshawsky, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Bismark Capital 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:

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

*Stanford Warshawsky*  
Signature  
PRESIDENT  
Title

*Bernard Turner*  
Notary Public

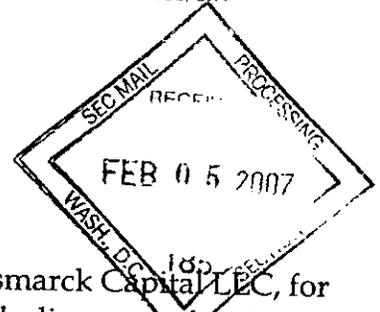
BERNARD TURNER  
Notary Public, State of New York  
No. 02TU9397700  
Qualified in New York County  
Commission Expires January 31, 2007

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 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.

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

Board of Directors  
Bismarck Capital LLC



In planning and performing our audit of the financial statements of Bismarck Capital LLC, for the year ended 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 the 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 compliance with such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g), in the following:

1. Making the periodic computations of aggregate indebtedness and net capital under rule 17a-3(a)(11) and the reserve required by rule 15c3-3(e)
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
3. The Company is exempt from making quarterly securities examinations and exempt from obtaining and maintaining physical possession because of the exemptions provided by SEC rule 15c-3(k)(2)(B) and Regulation 17a-13(a).

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 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.

Continued

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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.

#### RECOMMENDATIONS

NONE

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

*Jeal G. Sammut & Co., LLP*

New York, New York  
January 26, 2007

**BISMARCK CAPITAL LLC**  
**FOCUS REPORT - FORM X-17A-5**  
**PART II**  
**DECEMBER 31, 2006**

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA**

**BROKER OR DEALER BISMARCK CAPITAL LLC**

For the period (MMDDYY) from 01/01/06 3932 to 12/31/06 3933  
 Number of months included in this statement twelve 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	∇		3938
c. All other securities commissions			3939
d. Total securities commissions			3940
2. Gains or losses on firm securities trading accounts			
a. From market making in options on a national securities exchange			3945
b. From all other trading			3949
c. Total gain (loss)			3950
3. Gains or losses on firm securities investment accounts			3952
4. Profit (loss) from underwriting and selling groups	∇		3955
5. Revenue from sale of investment company shares			3970
6. Commodities revenue			3990
7. Fees for account supervision, investment advisory and administrative services			3975
8. Other revenue		330,977	3995
9. Total revenue	\$	330,977	4030

**EXPENSES**

10. Salaries and other employment costs for general partners and voting stockholder officers	\$		4120
11. Other employee compensation and benefits	∇	11,550	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		627	4195
15. Other expenses		240,310	4100
16. Total expenses	\$	252,487	4200

**NET INCOME**

17. Net income (loss) before Federal income taxes and items below (Item 9 less Item 16)	\$	78,490	4210
18. Provision for Federal income taxes (for parent only)	∇		4220
19. Equity in earnings (losses) of unconsolidated subsidiaries not included above			4222
a. After Federal income taxes of		4238	
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	\$	78,490	4230

**MONTHLY INCOME**

23. Income (current month only) before provision for Federal income taxes and extraordinary items	\$	(31,167)	4211
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**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA**

**BROKER OR DEALER BISMARCK CAPITAL LLC**

For the period (MMDDYY) from 01/01/06 to 12/31/06

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

1. Balance, beginning of period .....	\$	27,574	4240
A. Net income (loss) .....		78,490	4250
B. Additions (Includes non-conforming capital of .....	Y \$	4262	4260
C. Deductions (Includes non-conforming capital of .....	\$	4272	4270
		300,000	4260
2. Balance, end of period (From item 1800) .....	\$	406,064	4290

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

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

OMIT PENNIES

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA**

**BROKER OR DEALER BISMARCK CAPITAL LLC**

as of 12/31/06

**Exemptive Provision Under Rule 15c3-3**

25. If an exemption from Rule 15c3-3 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. Name of clearing firm 4335 ..... 4570
- D. (k) (3)—Exempted by order of the Commission ..... 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 to enter	Name of Lender or Contributor	Insider or Outsider? (In or Out)	Amount to be With- drawn (cash amount and/or Net Capital Value of Securities)	(MDDYY) Withdrawal or Maturity Date	Expect to Renew (yes or no)
▼ 22 4600	4601	4602	4603	4604	4605
▼ 22 4610	4611	4612	4613	4614	4615
▼ 22 4620	4621	4622	4623	4624	4625
▼ 22 4630	4631	4632	4633	4634	4635
▼ 24 4640	4641	4642	4643	4644	4645
▼ 27 4650	4651	4652	4653	4654	4655
▼ 31 4660	4661	4662	4663	4664	4665
▼ 39 4670	4671	4672	4673	4674	4675
▼ 48 4680	4681	4682	4683	4684	4685
▼ 41 4690	4691	4692	4693	4694	4695
TOTAL \$			4699		

OMIT PENNIES

Instructions: Detail listing must include the total of items maturing during the six month period following the report date, regardless of whether or not the capital contribution is expected to be renewed. The schedule must also include proposed capital withdrawals scheduled within the six month period following the report date including the proposed redemption of stock and payments of liabilities secured by fixed assets (which are considered allowable assets in the capital computation pursuant to Rule 15c3-1(c)(2)(iv)), which could be required by the lender on demand or in less than six months.

- WITHDRAWAL CODE: DESCRIPTION**
- 1. Equity Capital
  - 2. Subordinated Liabilities
  - 3. Accruals
  - 4. 15c3-1(c)(2)(iv) Liabilities

**BISMARCK CAPITAL LLC  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

Funds Were Provided By:	
Profit for the period	\$ 78,490
Additional paid in capital	300,000
Increase (decrease) in:	
Other receivables and prepaid expenses	(7,483)
Accrued expense and payable	<u>26,135</u>
Net increase (decrease) in cash	397,142
Cash - January 1, 2006	<u>37,499</u>
CASH - DECEMBER 31, 2006	<u>\$ 434,641</u>

**BISMARCK CAPITAL LLC  
RECONCILIATION OF NET CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2006**

Net capital per internal report \$396,064

**NET CAPITAL PER AUDITED REPORT** \$396,064

**NO MATERIAL DIFFERENCES EXISTED**

**BISMARCK CAPITAL LLC**  
**FOCUS REPORT - FORM X-17A-5**  
**PART I**  
**DECEMBER 31, 2006**

**FORM  
X-17A-5**

**FOCUS REPORT**

OMB No. 3235-0123  
(5-31-87)

(Financial and Operational Combined Uniform Single Report)

**PART IIA** 12

3/91

(Please read instructions before preparing Form.)

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

- 1) Rule 17a-5(a) 16      2) Rule 17a-5(b) 17      3) Rule 17a-11 18  
 4) Special request by designated examining authority 19      5) Other 26

NAME OF BROKER-DEALER

**BISMARCK CAPITAL LLC**

SEC FILE NO.

**8-66489** 14

FIRM ID. NO.

**131634** 15

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

**745 FIFTH AVENUE**

FOR PERIOD BEGINNING (MM/DD/YY)

**01/01/06** 24

(No. and Street)

AND ENDING (MM/DD/YY)

**12/31/06** 25

**NEW YORK** 21

**NEW YORK** 22

**10151-0099** 23

(City)

(State)

(Zip Code)

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

**BERNARD TURNER** 30

(Area Code)—Telephone No.

**212-269-8628** 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 2nd day of February 2007

Manual signatures of:

1) \_\_\_\_\_  
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:(a))

TO BE COMPLETED WITH THE ANNUAL AUDIT REPORT ONLY:

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report				
Name (If individual, state last, first, middle name)				
<b>JOEL E. SAMMET &amp; CO., LLP</b>				70
ADDRESS	Number and Street	City	State	Zip Code
	<b>60 BROAD STREET</b>	<b>NEW YORK</b>	<b>NEW YORK</b>	<b>10004</b>
	71	72	73	74

Check One

- Certified Public Accountant 75
- Public Accountant 76
- Accountant not resident in United States or any of its possessions 77

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DO NOT WRITE UNDER THIS LINE . . . FOR SEC USE ONLY

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



JOEL E. SAMMET, CPA (1925-1968)  
DAVID R. SAFER, CPA (RETIRED)  
BERNARD TURNER, CPA  
JEROME S. GRUBIN, CPA  
FRANKLIN M. JACOBSON, CPA  
STEVEN A. SOKOL, CPA

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Bismarck Capital LLC

We have audited the accompanying financial condition of Bismarck Capital LLC, at December 31, 2006, and the related statements of income, changes in stockholders' 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 Bismarck Capital LLC at December 31, 2006, and the results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Joel E. Sammet & Co., LLP*

New York, New York  
January 31, 2007

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA**

**BROKER OR DEALER**    **BISMARCK CAPITAL LLC**    **N 3**

100

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

as of (MM/DD/YY) **12/31/06**    99  
SEC FILE NO. **8-66489**    98  
Consolidated    198  
Unconsolidated     199

	ASSETS					
	Allowable	Non-Allowable	Total			
1. Cash	\$ 434,641	200	\$ 434,641	750		
2. Receivables from brokers or dealers:						
A. Clearance account		295				
B. Other		300	\$ 550	810		
3. Receivables 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	\$ 130					
B. At estimated fair value		440	610	860		
6. Securities borrowed under subordination agreements and partners' individual and capital securities accounts, at market value:						
A. Exempted securities	\$ 150					
B. Other securities	\$ 160					
7. Secured demand notes:		470	640	890		
market value of collateral:						
A. Exempted securities	\$ 170					
B. Other securities	\$ 180					
8. Memberships in exchanges:						
A. Owned, at market	\$ 190					
B. Owned, at cost			650			
C. Contributed for use of the company, at market value			660	900		
9. Investment in and receivables from affiliates, subsidiaries and associated partnerships		480	670	910		
10. Property, furniture, equipment, leasehold improvements and rights under lease agreements, at cost-net of accumulated depreciation and amortization		490	680	920		
11. Other assets		535	10,000	735	10,000	930
12. TOTAL ASSETS	\$ 434,641	540	\$ 10,000	740	\$ 444,641	940

OMIT PENNIES

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA**

**BROKER OR DEALER BISMARCK CAPITAL LLC**

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.....	\$ 1045	\$ 1255	\$ 1470
14. Payable to brokers or dealers:			
A. Clearance account.....	1114	1315	1560
B. Other.....	1115	1305	1540
15. Payable to non-customers.....	1155	1355	1610
16. Securities sold not yet purchased, at market value.....		1360	1620
17. Accounts payable, accrued liabilities, expenses and other.....	38,577	1205	38,577
18. Notes and mortgages payable:			
A. Unsecured.....	1210		1690
B. Secured.....	1211	1390	1700
19. Liabilities subordinated to claims of general creditors:			
A. Cash borrowings:			
1. from outsiders \$.....	970		
2. Includes equity subordination (15c3-1 (d)) of .... \$.....	980		
B. Securities borrowings, at market value:...			
from outsiders \$.....	990		
C. Pursuant to secured demand note collateral agreements:.....			
1. from outsider: \$.....	1000		
2. Includes equity subordination, (15c3-1 (d)) of .... \$.....	1010		
D. Exchange memberships contributed for use of company, at market value.....		1430	1740
E. Accounts and other borrowings not qualified for net capital purposes.....	1220	1440	1750
20. TOTAL LIABILITIES.....	\$ 38,577	\$ 1230	\$ 38,577

**Ownership Equity**

21. Sole proprietorship.....		\$ 1770	
22. Partnership (limited partners).....	\$ 1020		\$ 406,064
23. Corporation:			
A. Preferred stock.....			1791
B. Common stock.....			1792
C. Additional paid-in capital.....			1793
D. Retained earnings.....			1794
E. Total.....			406,064
F. Less capital stock in treasury.....			1796
24. TOTAL OWNERSHIP EQUITY.....		\$ 406,064	\$ 1800
25. TOTAL LIABILITIES AND OWNERSHIP EQUITY.....		\$ 444,641	\$ 1810

OMIT PENNIES

**FINANCIAL AND OPERATION COMBINED UNIFORM SINGLE REPORT  
PART IIA**

**BROKER OR DEALER**    **BISMARCK CAPITAL LLC**

as of 12/31/06

**COMPUTATION OF NET CAPITAL**

1. Total ownership equity from Statement of Financial Condition .....	\$	<b>406,064</b>	3480
2. Deduct ownership equity not allowable for Net Capital .....	▼		3490
3. Total ownership equity qualified for Net Capital .....		<b>406,064</b>	3500
4. Add:			3520
A. Liabilities subordinated to claims of general creditors allowable in computation of net capital .....			3525
B. Other (deductions) or allowable credits (List) .....	\$	<b>406,064</b>	3530
5. Total capital and allowable subordinated liabilities .....			
6. Deductions and/or charges:			
A. Total nonallowable assets from Statement of Financial Condition (Notes B and C) .....	▼	<b>10,000</b>	3540
B. Secured demand note deficiency .....			3590
C. Commodity futures contracts and spot commodities- proprietary capital charges .....		3600	
D. Other deductions and/or charges .....		3610	( 10,000 ) 3620
7. Other additions and/or allowable credits (List) .....			3630
8. Net capital before haircuts on securities positions .....	▼	<b>396,064</b>	3640
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 .....	\$	<b>396,064</b>	3750

OMIT PENNIE:

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA**

**BROKER OR DEALER**    **BISMARCK CAPITAL LLC**

as of 12/31/06

**COMPUTATION OF BASIC NET CAPITAL REQUIREMENT**

**Part A**

11. Minimum net capital required (6-2/3% of line 19)	\$	<u>2,572</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>5,000</u>	3758
13. Net capital requirement (greater of line 11 or 12)	\$	<u>5,000</u>	3760
14. Excess net capital (line 10 less 13)	\$	<u>391,064</u>	3770
15. Excess net capital at 1000% (line 10 less 10% of line 19)	\$	<u>392,206</u>	3780

**COMPUTATION OF AGGREGATE INDEBTEDNESS**

16. Total A.I. liabilities from Statement of Financial Condition	\$	<u>38,577</u>	3790
17. Add:			
A. Drafts for immediate credit	\$	<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>	3830
19. Total aggregate indebtedness	\$	<u>38,577</u>	3840
20. Percentage of aggregate indebtedness to net capital (line 19 ÷ by line 10)	%	<u>10</u>	3850
21. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1 (d)	%		3860

**COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT**

**Part B**

22. 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>3870</u>
23. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	\$	<u>3880</u>
24. Net capital requirement (greater of line 22 or 23)	\$	<u>3760</u>
25. Excess net capital (line 10 less 24)	\$	<u>3910</u>
26. Net capital in excess of: 5% of combined aggregate debit items or \$120,000	\$	<u>3920</u>

OMIT PENNIE

**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 2% 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.

**BISMARCK CAPITAL LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2006**

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- A. Bismarck Capital LLC is a broker/dealer registered with the National Association of Security Dealers. It does not hold any customer securities nor carry any customer accounts. All customer transactions, if any, are cleared through, and their securities and accounts are carried by, a member firm of the New York Stock Exchange and other major exchanges.
- B. The Company maintains its books on the accrued method of accounting for both income tax and financial reporting purposes.
- C. The Company is a single member LLC.

**NOTE 2      CUSTOMER PROTECTION**

The Company is exempt from the Customer Protection Act by virtue of the exemption provided for by SEC Rule 15c3-3(k)(2)(i).

**NOTE 3      REGULATORY REQUIREMENTS**

The Company is a registered broker-dealer, and accordingly is subject to the Uniform Net Capital Rule 15C3-1 of the Securities and Exchange Commission and the capital rules of the National Association of Securities Dealers. The Company has not elected to use the alternative net capital method. At December 31, 2006 net capital was \$396,064. The minimum required net capital was \$5,000 leaving an excess net capital of \$391,064.

**NOTE 4      CUSTODY AND SAFEKEEPING**

The Company is not required to conduct quarterly security counts because it is exempt therefrom by the provisions of Regulation 17a-13(a).

**NOTE 5      TAXATION**

The Company as a single member LLC, does not file any income tax returns.

See the Accompanying Independent Auditors' Report.