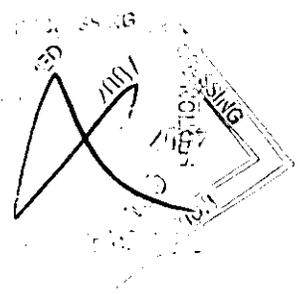


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SE WASHINGTON SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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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 January 1, 2006 AND ENDING December 31, 2006  
MM/DD/YY MM/DD/YY

## A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Whitney Securities, L.L.C.

OFFICIAL USE ONLY  
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
228 St. Charles Ave, Suite 200  
(No. and Street)

New Orleans LA 70130  
(City) (State) (Zip Code)

NAMD AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
David J. Palozzola (504) 586-3454  
(Area Code - Telephone Number)

## B. ACCOUNTANT IDENTIFICATION

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

PROCESSED  
MAR 07 2007

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

639 Loyola Ave New Orleans LA 70113  
(Address) (City) (State) (Zip Code)

THOMSON  
FINANCIAL

CHECK ONE:

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

SECURITIES AND EXCHANGE COMMISSION  
RECEIVED  
FEB 23 2007  
BRANCH OF REGISTRATIONS  
AND  
EXAMINATIONS

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)

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OATH OF AFFIRMATION

I, David J. Palozzola, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Whitney Securities, L.L.C., 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, excepts as follows:

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

[Signature]  
Signature

PRESIDENT  
Title

[Signature]  
Notary Public # 39591

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

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

**Whitney Securities, L.L.C.**

**Financial Statements and Supplementary  
Information**

**December 31, 2006**

**(Pursuant to Section 17 of the Securities Exchange Act of 1934 and  
Rule 17a-5)**

# Whitney Securities, L.L.C.

## Index

December 31, 2006

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**Report of Independent Auditors**

To the Board of Directors of  
Whitney Securities, L.L.C.

In our opinion, the accompanying statement of financial condition, and the related statements of income, changes in member capital, and cash flows present fairly, in all material respects, the financial position of Whitney Securities, L.L.C. at 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. 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 of these statements in accordance with auditing standards generally accepted in the United States of America, which 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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Supplementary 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.

*PricewaterhouseCoopers LLP*

February 9, 2007

**Whitney Securities, L.L.C.**  
**Statement of Financial Condition**  
**December 31, 2006**

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<b>Assets</b>	
Cash and cash equivalents	\$ 372,925
Money market investments, at fair value	3,199,322
Receivables from brokers, dealers and clearing organizations	174,367
Other assets	18,462
Total assets	<u>\$3,765,076</u>
<b>Liabilities and Member Capital</b>	
<b>Liabilities</b>	
Accounts payable and accrued expenses	\$ 170,983
Total liabilities	<u>170,983</u>
<b>Member capital</b>	
Member contribution	350,000
Retained earnings	3,244,093
Total member capital	<u>3,594,093</u>
Total liabilities and member capital	<u>\$3,765,076</u>

The accompanying notes are an integral part of these financial statements.

**Whitney Securities, L.L.C.**  
**Statement of Income**  
**Year Ended December 31, 2006**

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**Income**

Commissions on securities transactions	\$2,477,154
Income from sales of investment company shares	1,296,837
Commissions on annuity transactions	82,863
Commissions on educational savings plans	14,907
Interest and dividends	119,898
<b>Total income</b>	<b><u>3,991,659</u></b>

**Expense**

Employee compensation and benefits	1,886,131
Processing services	395,777
Intercompany management fees	84,456
Professional services	40,167
Occupancy	28,272
Telecommunication	19,780
Licenses and regulatory fees	24,297
Other operating expense	127,503
<b>Total expense</b>	<b><u>2,606,383</u></b>
<b>Net income</b>	<b><u>\$1,385,276</u></b>

The accompanying notes are an integral part of these financial statements.

**Whitney Securities, L.L.C.**  
**Statement of Changes in Member Capital**  
**Year Ended December 31, 2006**

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	<b>Member Contribution</b>	<b>Retained Earnings</b>	<b>Total Member Capital</b>
<b>Balance at December 31, 2005</b>	\$ 350,000	\$ 1,858,817	\$ 2,208,817
Net income and comprehensive income	-	<u>1,385,276</u>	<u>1,385,276</u>
<b>Balance at December 31, 2006</b>	<u>\$ 350,000</u>	<u>\$ 3,244,093</u>	<u>\$ 3,594,093</u>

The accompanying notes are an integral part of these financial statements.

**Whitney Securities, L.L.C.**  
**Statement of Cash Flows**  
**Year Ended December 31, 2006**

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<b>Operating activities</b>	
Net income	\$ 1,385,276
Adjustments to reconcile net income to net cash provided by operating activities	
Increase in receivables from brokers, dealers and clearing organizations	(22,654)
Increase in other assets	(4,912)
Increase in accounts payable and accrued expenses	7,043
Net cash provided by operating activities	<u>1,364,753</u>
<b>Investing activities</b>	
Purchases of money market investments	<u>(1,137,510)</u>
Net cash used for investing activities	<u>(1,137,510)</u>
Increase in cash and cash equivalents	227,243
<b>Cash and cash equivalents</b>	
Beginning of period	<u>145,682</u>
End of period	<u>\$ 372,925</u>

The accompanying notes are an integral part of these financial statements.

**Whitney Securities, L.L.C.**  
**Notes to Financial Statements**  
**December 31, 2006**

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**1. Organization and Nature of Business**

Whitney Securities, L.L.C., a Louisiana limited liability corporation (the Company), was organized on September 21, 1999. The Company began operating as a registered broker-dealer under the Securities Exchange Act of 1934 on March 1, 2000 and is a member of the National Association of Securities Dealers (NASD). The Company's sole member is Whitney National Bank (the Bank). The Bank is a wholly owned subsidiary of Whitney Holding Corporation, a Louisiana bank holding company.

The Company is an introducing broker-dealer offering a range of investment products and limited investment advice to retail customers in accordance with NASD and Office of the Comptroller of Currency regulations. The Company accepts customer orders but clears transactions through another brokerage firm (clearing organization) on a fully disclosed basis. The clearing organization processes and settles the customer transactions for the Company. The commissions and other fees earned from the transactions are divided between the Company and the clearing organization in accordance with contractual terms.

**2. Summary of Significant Accounting Policies**

The accounting and reporting policies of the Company conform with accounting principles generally accepted in the United States of America and with general practices followed by brokers and dealers in securities. The principles and policies followed by the Company, and the methods of applying those principles and policies, which materially affect the determination of financial position, results of operations and cash flows are summarized below and in the following notes:

**Use of Estimates**

Preparing financial statements and related notes in accordance with accounting principles generally accepted in the United States of America involves making estimates that impact the amounts reported. Actual results may prove different from those estimated.

**Cash and Cash Equivalents**

The Company considers all cash held, excluding money market investments, as cash and cash equivalents.

**Income from Broker-Dealer Activity**

Commission income is generated on a transaction basis and recognized on a settlement basis.

**Income Taxes**

The Company is a single member limited liability company for Federal and, where applicable, state income tax reporting purposes. Income from the Company is treated as taxable income of the member. Accordingly, there are no tax provisions or current or deferred tax assets or liabilities reflected in the accompanying financial statements.

**Money Market Investments**

Money market investments are stated at fair value based on quoted market prices.

**Whitney Securities, L.L.C.**  
**Notes to Financial Statements**  
**December 31, 2006**

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**Receivables from Brokers, Dealers and Clearing Organizations**

The Company is required to maintain a deposit with the licensed broker-dealer which acts as its clearing organization. This amount is included in receivables from brokers, dealers and clearing organizations in the Company's balance sheet. The amount on deposit was \$59,595 at December 31, 2006.

**3. Related Party Transactions**

The Company has entered into a service agreement with the Bank, under which the Bank provides substantially all of the support for its operations, including human resources, office facilities, communications and computer technology and support. Payments to the Bank under this agreement cover (a) the direct cost of Bank employees dedicated to Company sales and support activities and an appropriate allocation of the Bank's expense of providing health, retirement and other benefits to these employees; (b) the fair rental value of office space provided in the Bank's facilities; (c) a negotiated management fee; and (d) other miscellaneous direct or allocated costs. The Company paid the Bank \$1,998,859 under this agreement in 2006.

Included in accounts payable and accrued expenses at December 31, 2006, is \$60,000 related to accrued employee compensation and benefits payable to the Bank under this agreement.

**4. Regulatory Requirements**

As a registered broker-dealer, the Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c3-1). The Company is required to maintain net capital at the greater of \$250,000 or 6-2/3% of aggregate indebtedness. The following compares the Company's net capital as of December 31, 2006 to the maintenance required:

Net capital	\$ 3,223,948
Less: Required net capital	<u>250,000</u>
Excess net capital	<u>\$ 2,973,948</u>

The Company operates the majority of its business under the provisions of paragraph (k)(2)(ii) of Rule 15c3-3 of the Securities Exchange Act of 1934 as a fully-disclosed introducing broker and, accordingly, customer accounts are carried on the books of the clearing organization. However, the Company routinely solicits the receipt of customer funds to deliver the funds directly to the customer or clearing organization, as appropriate, and accordingly is considered a fully computing broker-dealer and is subject to the provisions of Rule 15c3-3. Refer to Schedule II and Schedule III.

**5. Contingencies**

The Company is at times party to legal proceedings arising in the normal course of business. After review with legal counsel, the Company's management believes that there are no pending or threatened actions the resolution of which could have a material effect on the Company's financial condition, income, or cash flows.

**Whitney Securities, L.L.C.**  
**Computation of Net Capital Under Rule 15c3-1**  
**of the Securities and Exchange Commission**  
**December 31, 2006**

**Schedule I**

<b>Net Capital</b>	
Total member's capital	\$3,594,093
Deduct member's equity not allowable for net capital	-
Total member's equity qualified for net capital	<u>3,594,093</u>
Deductions and/or charges	
Nonallowable assets	<u>306,159</u>
Total deductions and/or charges	<u>306,159</u>
Net capital before haircuts on securities positions	3,287,934
Haircuts on securities	<u>63,986</u>
Net capital	<u>\$3,223,948</u>
<b>Aggregate Indebtedness</b>	
Items included in the statement of financial condition	
Accounts payable and accrued expenses	\$ 170,983
Items not included in the statement of financial condition	
Total aggregate indebtedness	<u>\$ 170,983</u>
<b>Computation of Basis net Capital Requirement</b>	
Net capital	\$3,223,948
Less: Minimum dollar net capital requirement - greater of \$250,000 or 6-2/3% of aggregate indebtedness	<u>250,000</u>
Excess net capital	<u>\$2,973,948</u>

Note: There are no differences between the above computation and the unaudited computation included in the Part II filing of Whitney Securities, L.L.C. as of December 31, 2006.

**Whitney Securities, L.L.C.**

**Computation for Determination of Reserve Requirements under Rule 15c3-3  
of the Securities and Exchange Commission**

**December 31, 2006**

**Schedule II**

Credit balances - free credit balances and other balances in customer's security accounts	\$	-
Debit balances		-
Excess of total credits over total debits	\$	-
Required deposit (105% of excess of total credits over total debits)	\$	-
Amount held on deposit in "Reserve Bank Accounts" including value of qualified securities, at December 31, 2006	\$	-

Note: There are no differences between the above computation and the unaudited computation included in the Part II filing of Whitney Securities, L.L.C. as of December 31, 2006.

**Whitney Securities, L.L.C.**  
**Information Relating to Possession or Control Requirement**  
**Pursuant to Rule 15c3-3 of the Securities and Exchange Commission**  
**December 31, 2006**

**Schedule III**

- 
1. Customers' fully paid securities and excess margin securities not in the respondent's possession or control as of the report date (for which instructions to reduce to possession or control had been issued as of the report date but for which the required action was not taken by respondent, within the time frames specified under Rule 15c3-3).
    - A. Number of items \$ -
  
  2. Customers' fully paid securities and excess margin securities for which instructions to reduce to possession or control had not been issued as of the report date, excluding items arising from "temporary lags which result from normal business operations" as permitted under Rule 15c3-3.
    - A. Number of items \$ -

**Report of Independent Auditors on Internal Control Required  
By SEC Rule 17a-5 – Broker/Dealer**

To the Board of Directors of  
Whitney Securities, L.L.C:

In planning and performing our audit of the financial statements of Whitney Securities, L.L.C. (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 (internal control) 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 (the “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 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. Making the quarterly securities examinations, counts, verifications, and comparisons, and the recordation of differences required by Rule 17a-13;
3. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System; and
4. Obtaining and maintaining physical possession or control of all fully paid and excess margin securities of customers as required by Rule 15c3-3;

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 control 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 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, errors or fraud may occur and not be detected. Also, projection of any evaluation of internal control to future periods is subject to the risk that controls may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities for safeguarding securities that we consider to be material weaknesses, as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2006 to meet the SEC's objectives.

This report is intended solely for 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.

*PricewaterhouseCoopers LLP*

February 9, 2007

*END*