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

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**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: E. Magnus Oppenheim & Co., Inc.  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
551 Fifth Avenue

OFFICIAL USE ONLY  
FIRM I.D. NO.

(No. and Street)  
New York New York 10176  
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
E Magnus Oppenheim 212-983-1818  
(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Joseph Amundsen, CPA  
(Name - if individual, state last, first, middle name)  
67 Wall Street, #2200 New York New York 10005  
(Address) (City) (State) (Zip Code)

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

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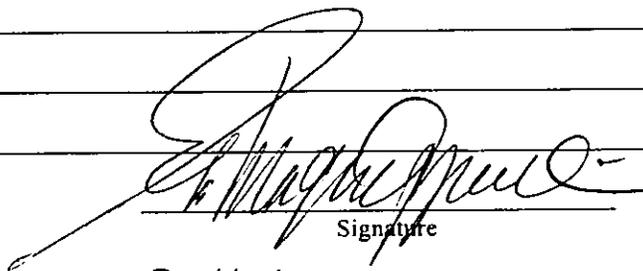
\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

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OATH OR AFFIRMATION

I, E. Magnus Oppenheim, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of E. Magnus Oppenheim & Co., Inc., 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:

**MARIA KARIOTIS, E**  
Notary Public, State of New York  
No. 01KA6153523  
Qualified in County of Queens  
Commission Expires 10/02/10

  
Signature

President

Title

  
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 15c3-3 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).

Joseph Amundsen  
Certified Public Accountant  
67 Wall Street  
New York, NY 10005  
212/709-8250

Independent Auditor's Report

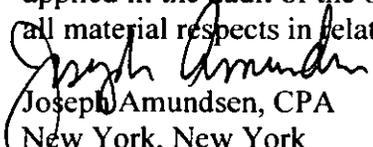
The Shareholder  
E. Magnus Oppenheim & Co., Inc.

I have audited the accompanying statement of financial condition of E. Magnus Oppenheim & Co., Inc. as of December 31, 2006, and the related statements of income, changes in stockholder's 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 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. 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 E. Magnus Oppenheim & Co., Inc. 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.

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedules I 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 and Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

  
Joseph Amundsen, CPA  
New York, New York  
February 12, 2007

E. Magnus Oppenheim & Co., Inc

Statement of Financial Condition

December 31, 2006

ASSETS

|                            |                |
|----------------------------|----------------|
| Cash and Cash Equivalents  | \$ 136,793     |
| Commissions Receivable     | 28,789         |
| Advisory Fees Receivable   | 102,681        |
| Investments in Partnership | 175,549        |
| Other Investment           | 30,790         |
| Other Assets               | 21,163         |
|                            | <u>495,765</u> |

LIABILITIES AND STOCKHOLDER'S EQUITY

Liabilities:

|                                       |              |
|---------------------------------------|--------------|
| Accounts Payable and Accrued Expenses | 10,600       |
| Corporation Taxes Payable             | <u>5,400</u> |
|                                       | 16,000       |

Stockholder's Equity:

|   |                |                   |
|---|----------------|-------------------|
| Common Stock - \$ 1 Par Value; 200 shs<br>authorized; 50 shs issued and outstanding | \$ 50          |                   |
| Retained Earnings   | <u>479,715</u> | <u>479,765</u>    |
|   |                | <u>\$ 495,765</u> |

See Accompanying Notes to Financial Statements.

E. Magnus Oppenheim & Co., Inc

Statement of Income

for the Year Ended

December 31, 2006

|  |  |                          |
|--|--|--------------------------|
| Income:                                  |  |                          |
| Commissions                              |  | \$ 122,981               |
| Advisory Fees                            |  | 504,904                  |
| Gain on Investments                      |  | 27,162                   |
| Interest and Dividends                   |  | 6,933                    |
| Other Income                             |  | <u>16,668</u>            |
|  |  | <u>678,648</u>           |
| Expenses:                                |  |                          |
| Officer's Compensation                   |  | 130,302                  |
| Employee Compensation                    |  | 172,496                  |
| Payroll Taxes                            |  | 62,973                   |
| Insurance                                |  | 30,191                   |
| Promotional Expenses                     |  | 12,660                   |
| Rent                                     |  | 46,508                   |
| Professional Fees                        |  | 37,406                   |
| Office                                   |  | 14,032                   |
| Custodial Fees                           |  | 15,746                   |
| Other Expenses                           |  | 20,769                   |
|  |  | <u>543,083</u>           |
| Income Before Provision For Income Taxes |  | 135,565                  |
| Provision for taxes                      |  | <u>5,400</u>             |
| Net Income                               |  | <u><u>\$ 130,165</u></u> |

See Accompanying Notes to Financial Statements.

E. Magnus Oppenheim & Co., Inc  
Statement of Changes in Stockholder's Equity  
for the Year Ended December 31, 2006

|                             | <u>Common<br/>Stock</u> | <u>Retained<br/>Earnings</u> | <u>Total</u>      |
|-----------------------------|-------------------------|------------------------------|-------------------|
| Balance - Beginning of Year | \$ 50                   | \$ 438,312                   | \$ 438,362        |
| Net Income                  |                         | 130,165                      | 130,165           |
| Distribution                |                         | (88,762)                     | (88,762)          |
| Balance - End of Year       | <u>\$ 50</u>            | <u>\$ 479,715</u>            | <u>\$ 479,765</u> |

See Accompanying Notes to Financial Statements.

E. Magnus Oppenheim & Co., Inc

Statement of Cash Flows

for the Year Ended December 31, 2006

|  |                          |
|--|--------------------------|
| Cash Flows From Operating Activities:                                      |                          |
| Net Income   | \$ 130,165               |
| Adjustments to reconcile net income to net cash<br>provided by operations: |                          |
| (Increase) Decrease in Assets:   |                          |
| Commissions Receivable   | (26,144)                 |
| Advisory Fees Receivable   | (14,719)                 |
| Other Assets   | (15,019)                 |
| Increase (decrease) in Liabilities:  |                          |
| Accounts Payable and Accrued Expenses                                      | <u>(10,500)</u>          |
| Net Cash From Operating Activities:  | 63,783                   |
| Cash Flows From Investing Activities:                                      |                          |
| Unrealized Income From Partnership Investment                              | 40,791                   |
| Unrealized Income From Other Investment                                    | (17,190)                 |
| Cash Flows From Financing Activities:                                      |                          |
| Shareholders distributions   | <u>(88,762)</u>          |
| Net (Decrease) In Cash   | (1,378)                  |
| Cash and Cash Equivalents - Beginning of Year                              | 138,171                  |
| Cash and Cash Equivalents - End of Year                                    | <u><u>\$ 136,793</u></u> |
| Supplemental Disclosures of Cash Flow Information:                         |                          |
| Cash Paid During Year For:   |                          |
| Interest   | <u><u>-</u></u>          |
| Taxes  | <u><u>\$ 1,547</u></u>   |

See Accompanying Notes to Financial Statements.

E. Magnus Oppenheim & Co., Inc.

Notes to Financial Statements

For the Year Ended December 31, 2006

1. Significant Accounting Policies

E. Magnus Oppenheim & Co., Inc., (the Company) is a New York Corporation conducting business as an investment advisors and a securities broker dealer, registered with the Securities and Exchange Commission and is a member of the National Association of Securities Dealers.

The Company prepares its financial statements on the accrual basis of accounting. Principal transactions and commission revenues and expenses from customer transactions are recorded on a settlement date basis.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. Related Party Transactions

The Company leases office space from an affiliated company, E. M. Oppenheim, Inc. for an annual rent in 2006 of \$44,060.

The Company charges a management fee to an affiliated fund under the terms of an investment advisory agreement. For the year ended December 31, 2006 the Company earned \$195,279 from the fund.

3. Other Investment

The Company has invested \$85,000 in an associated partnership, E.M.O. Sterling Return LT Fund LP. As of December 31, 2006 the value of the investment was \$175,549. The unrealized income or loss each year is included in the statement of income.

4. Net Capital Requirement

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 was in compliance with these regulations.

## 5. Contingent Liabilities

The Company is a party to an NASD arbitration involving the wording of its internet web site. While admitting no violation of securities laws, The Company recognizes that it may fined, in management's determination, of no more that \$10,000.

E. Magnus Oppenheim & Co., Inc.  
Computation of Net Capital Under 15c3-1 of the  
Securities and Exchange Commission

December 31, 2006

Schedule 1

|   |              |                       |
|---|--------------|-----------------------|
| Total Shareholders' Equity                        |              | \$ 479,765            |
| Less: Unallowable Assets                          |              |                       |
| Advisory Fees Receivable                          | \$ 102,681   |                       |
| Investment in Partnership                         | 175,550      |                       |
| Other Assets                                      | <u>6,144</u> | <u>284,375</u>        |
| Net Capital Before Haircuts on Security Positions |              | 195,390               |
| Less: Haircut (2% money market)                   |              | 1,115                 |
| NASDAQ (15% common stock)                         |              | 4,619                 |
| Net Capital                                       |              | 189,656               |
| Minimum Net Capital required                      |              | <u>(5,000)</u>        |
| Excess net capital                                |              | <u><u>184,656</u></u> |
| Aggregate indebtedness                            |              | \$ 16,000             |
| Ratio AI to NC                                    |              | 8%                    |

RECONCILIATION WITH COMPANY'S NET CAPITAL COMPUTATION

There is no material difference between the net capital computation as reported on E. Magnus Oppenheim & Co., Inc. FOCUS report - PartIIA as of December 31, 2006.

E. Magnus Oppenheim & Co., Inc.  
Computation for Determination of the Reserve Requirements  
And Information Relating to Possession or Control Requirements  
For Brokers and Dealers Pursuant to Rule 15c3-3  
For the Year Ended December 31, 2006

The Company does not effect transactions for anyone defined as a customer under Rule 15c3-3. Accordingly, there are no items to report under the requirements of this Rule.

Joseph Amundsen  
Certified Public Accountant  
67 Wall Street, #2211  
New York, New York 10005  
212/709-8250  
212/943-2300(fax)  
exbaker@juno.com

Independent Auditor's Report of Internal  
Accounting Control Required by SEC Rule 17a-5

To the Shareholder of  
E. Magnus Oppenheim & Co., Inc.

In planning and performing my audit of the financial statements of E. Magnus Oppenheim & Co., Inc., (the Company), for the year ended December 31, 2006, I considered its internal control, including its and 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.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), I have made a study of the practices and procedures that I considered relevant to the objectives stated in rule 17a-5(g), in the following:

1. Making the periodic computations of aggregate indebtedness (AI) 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.

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

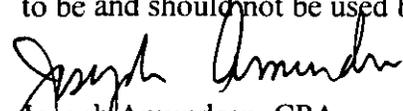
and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use of disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraphs.

Because of the 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.

My 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, I noted no matters involving internal control, including control activities for safeguarding securities, that I consider to be material weaknesses as defined above.

I 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 my study, I 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 management, the SEC, NASD, and other regulatory agencies that rely on rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered broker dealers, and is not intended to be and should not be used by anyone other than these specified parties.

  
Joseph Amundsen, CPA  
New York, New York  
February 12, 2007

END