

SECURI



SION

07001476

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	February 28, 2010
Estimated average burden hours per response.....	12.00

mm
3/1

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

SEC FILE NUMBER
8- 48898

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 01/01/06 AND ENDING 12/31/06
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: **WestPark Capital, Inc.**

OFFICIAL USE ONLY
FIRM I.D. NO.

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

1900 Avenue of the Stars, Suite 310

(No. and Street)

Los Angeles

(City)

CA

(State)

90067

(Zip Code)

PROCESSED

MAR 08 2007

**THOMSON
FINANCIAL**

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Anthony C. Pintsopoulos (310) 843-9300

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Spicer Jeffries LLP

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

5251 S Quebec St, Suite 200

(Address)

Greenwood Village

(City)

CO

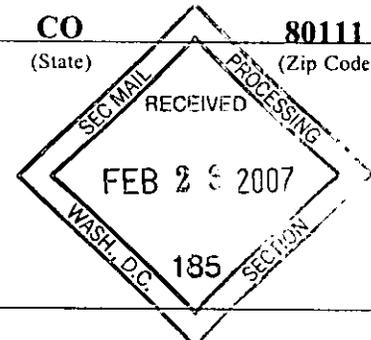
(State)

80111

(Zip Code)

CHECK ONE:

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



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)

SEC 1410 (06-02)

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

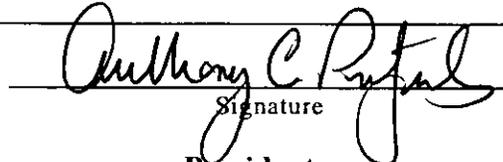
BPB
3/8

OATH OR AFFIRMATION

I, Anthony C. Pintsopoulos, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of WestPark Capital, 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:

NOTARY PUBLIC-STATE OF FLORIDA
Bryan McLean
Commission # DD483867
Expires: OCT. 19, 2009
Bonded Thru Atlantic Bonding Co., Inc.


Notary Public


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 of Partners' or Sole Proprietors' Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital (including reconciliation of X-17A-5 Part II filing with this Rule 17a-5(d) report, if applicable).
- (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.
- (o) Independent Auditors' Report on Internal Accounting Control.

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

WESTPARK CAPITAL, INC.

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	3
Statement of Financial Condition	4
Statement of Operations	5
Statement of Changes in Shareholder's Equity	6
Statement of Cash Flows	7
Notes to Financial Statements	8 – 10
Supplementary Schedules:	
Computation of Net Capital Pursuant to Uniform Net Capital Rule 15c3-1	11
Reconciliation of the Computation of Net Capital Pursuant To Uniform Net Capital Rule 15C-3-1 Included in the Company's Corresponding Unaudited Form X-17A-5 Part II Filing With The Computation Included in the Report Pursuant to Rule 17A-5(d)	12
Independent Auditors' Report on Internal Accounting Control Required by SEC Rule 17a-5	13 – 14



SPICER JEFFRIES LLP

CERTIFIED PUBLIC ACCOUNTANTS

5251 SOUTH QUEBEC STREET • SUITE 200

GREENWOOD VILLAGE, COLORADO 80111

TELEPHONE: (303) 753-1959

FAX: (303) 753-0538

www.spicerjeffries.com

INDEPENDENT AUDITORS' REPORT

The Board of Directors
WestPark Capital, Inc.

We have audited the accompanying statement of financial condition of WestPark Capital, Inc. as of December 31, 2006, and the related statements of operations, changes in shareholder's equity and cash flows for the year then ended. 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 WestPark Capital, Inc. as of 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.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The information contained in the supplemental schedules listed in the accompanying index are presented for purposes of additional analysis and are not required for a fair presentation of the financial statements, but is supplementary information required by Rule 17a-5 of the Securities and Exchange Commission. Such information has been subjected to the auditing procedures applied in our audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Spicer Jeffries LLP

Greenwood Village, Colorado
February 15, 2007

msi Legal & Accounting
Network Worldwide

Spicer Jeffries is a member of MSI, a network of independent professional firms.

WESTPARK CAPITAL, INC.

STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2006

ASSETS

Cash	\$	1,118,865
Deposit with clearing broker		20,791
Accounts receivable:		
Clearing broker		209,340
Related parties (Note 3)		193,666
Other		84,788
Securities owned, at market value		365,068
Other assets		<u>2,169</u>
	\$	<u>1,994,687</u>

LIABILITIES AND SHAREHOLDER'S EQUITY

LIABILITIES:

Commissions payable	\$	118,994
Accounts payable and accrued expenses		120,893
Income taxes payable (Note 4)		<u>238,873</u>

Total liabilities 478,760

CONTINGENCIES (Note 5)

SHAREHOLDER'S EQUITY (Note 2):

Preferred stock, no par value; 20,000 shares authorized; none issued		-
Common stock, no par value; 1,000,000 shares authorized; 8,800 shares issued and outstanding		1,309,091
Retained earning		<u>206,836</u>

Total shareholder's equity 1,515,927

\$ 1,994,687

The accompanying notes are an integral part of this statement.

WESTPARK CAPITAL, INC.

STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2006

REVENUE:

Commissions	\$ 3,303,832
Investment banking fees	1,700,077
Trading gain	372,759
Clearing fees, net	136,265
Other	<u>177,647</u>

Total revenue 5,690,580

EXPENSES:

Commissions, salaries, and benefits	4,124,321
General and administrative expenses	358,194
Consulting fees (Note 3)	250,000
Other	<u>88,463</u>

Total expenses 4,820,978

NET INCOME BEFORE INCOME TAXES 869,602

INCOME TAXES (Note 4) 227,696

NET INCOME \$ 641,906

The accompanying notes are an integral part of this statement.

WESTPARK CAPITAL, INC.

**STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY
YEAR ENDED DECEMBER 31, 2006**

	<u>Common Stock</u>	<u>Retained</u>	<u>Total</u>	
	<u>Shares</u>	<u>Earnings</u>	<u>Shareholder's</u>	
	<u>Amount</u>	<u>(Deficit)</u>	<u>Equity</u>	
BALANCES, December 31, 2005	8,800	\$ 1,309,091	\$ (272,700)	\$ 1,036,391
Capital distributions			(162,370)	(162,370)
Net income	-	-	641,906	641,906
BALANCES, December 31, 2006	<u>8,800</u>	<u>\$ 1,309,091</u>	<u>\$ 206,836</u>	<u>\$ 1,515,927</u>

The accompanying notes are an integral part of this statement.

WESTPARK CAPITAL, INC.

STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2006

CASH FLOW FROM OPERATING ACTIVITIES:

Net income	\$	641,906
Adjustments to reconcile net income to net cash provided by operating activities:		
Increase in receivable from clearing broker		(62,954)
Increase in deposit with clearing broker		(682)
Increase in receivable from related parties		(79,174)
Increase in other receivables		(13,574)
Decrease in securities owned, at market value		271,116
Increase in other assets		(609)
Increase in income taxes payable		238,873
Increase in commissions payable		59,012
Increase in accounts payable and accrued expenses		<u>38,300</u>

Net cash provided by operating activities 1,092,214

CASH FLOWS FROM FINANCING ACTIVITIES:

Capital distributions		<u>(162,370)</u>
-----------------------	--	------------------

NET INCREASE IN CASH 929,844

CASH, BEGINNING OF YEAR 189,021

CASH, END OF YEAR \$ 1,118,865

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash paid during the year for interest	\$	<u>3,434</u>
--	----	--------------

WESTPARK CAPITAL, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Business

WestPark Capital, Inc. (the "Company") is a Colorado corporation formed on October 17, 1995. The Company currently operates as a registered broker-dealer with the Securities and Exchange Commission. The Company is a wholly owned subsidiary of WestPark Holdings, LLC ("Parent").

Securities owned by the Company (substantially common stock) are recorded at market value and related changes in market value are reflected in income. The Company records securities transactions and related revenue and expenses on a trade date basis.

The Company, under Rule 15c3-3(k)(2)(ii) is exempt from the reserve and possession or requirements of Rule 15c3-3 of the Securities and Exchange Commission. The Company does not carry or clear customer accounts. Accordingly, all customer transactions are executed and cleared on behalf of the Company by its clearing broker on a fully disclosed basis. The Company's agreement with its clearing broker provides that as clearing broker, that firm will make and keep such records of the transactions effected and cleared in the customer accounts as are customarily made and kept by a clearing broker pursuant to the requirements of Rules 17a-3 and 17a-4 of the Securities and Exchange Act of 1934, as amended (the "Act"). It also performs all services customarily incident thereto, including the preparation and distribution of customer's confirmations and statements and maintenance margin requirements under the Act and the rules of the Self Regulatory Organizations of which the Company is a member.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers money market funds with maturity of three months or less to be cash equivalents.

Financial Instruments

The carrying amounts of cash, deposit and receivable from clearing broker, accounts receivable, other assets, commissions payable and accounts payable are carried at amounts that approximate fair value due to the short-term nature of those instruments. Securities owned are valued at the December 31, 2006 quoted market price.

WESTPARK CAPITAL, INC.

NOTES TO FINANCIAL STATEMENTS
(concluded)

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (concluded)**

Income Taxes

The Company accounts for income taxes in accordance with Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes". Under the asset and liability method of Statement 109, deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled.

NOTE 2 - NET CAPITAL REQUIREMENTS

Pursuant to the net capital provisions of Rule 15c3-1 of the Act, the Company is required to maintain a minimum net capital, as defined under such provisions. At December 31, 2006, the Company had net capital and net capital requirements of \$1,126,948 and \$100,000, respectively. The Company's net capital ratio (aggregate indebtedness to net capital) was 0.42 to 1. According to Rule 15c3-1, the Company's net capital ratio shall not exceed 15 to 1.

NOTE 3 - RELATED PARTY TRANSACTIONS

Included in accounts receivable from related parties at December 31, 2006 is \$193,666 due from the Company's parent and an entity related to its parent. In addition, during the year ended December 31, 2006, the Company paid \$250,000 in consulting fees to the sole member of its parent.

NOTE 4 - INCOME TAXES

The Company's income tax fiscal year end is June 30, 2006, at which time it had a net operating loss carryforward of approximately \$415,000, of which approximately \$335,000 expires in 2020, \$64,000 in 2021 with the remainder expiring in 2022 and 2024. For the six months ended December 31, 2006, the Company used this carryforward to offset its estimated taxable income as of December 31, 2006. The utilization of this net operating loss carryforward reduced the Company's estimated income taxes by approximately \$160,000. For the period ending June 30, 2006, the valuation allowance decreased by approximately \$3000. Net income for financial reporting purposes differs from income for income tax purposes due to temporary differences relating to unrealized losses.

WESTPARK CAPITAL, INC.

NOTES TO FINANCIAL STATEMENTS

(concluded)

NOTE 5 - FINANCIAL INSTRUMENTS, OFF-BALANCE SHEET RISK AND CONTINGENCIES

In the normal course of business, the Company's activities through its clearing broker involve the execution, settlement, and financing of various client's securities transactions. These activities may expose the Company to off-balance sheet risk. In the event a client fails to satisfy its obligations, the Company may be required to purchase or sell financial instruments at prevailing market prices in order to fulfill the obligation.

The Company owns securities that are valued at the December 31, 2006 quoted market price. The Company may incur a loss if the market value decreases subsequent to December 31, 2006.

The Company bears the risk of financial failure by its clearing broker. If the clearing broker should cease doing business, the amounts due from this clearing broker could be subject to forfeiture.

In addition, the Company has cash on deposit with another broker-dealer and financial institutions which is subject to loss should these financial institutions cease operations.

SUPPLEMENTARY INFORMATION

WESTPARK CAPITAL, INC.

COMPUTATION OF NET CAPITAL
PURSUANT TO UNIFORM NET CAPITAL RULE 15c3-1
DECEMBER 31, 2006

CREDIT:

Shareholder's equity \$ 1,515,927

DEBITS:

Receivable from related parties 193,666

Other receivables 84,788

Non-marketable securities 5,966

Other assets 2,169

Total debits 286,589

Net capital before haircuts on securities positions 1,229,338

Haircuts on securities positions and money market funds, includes
undue concentration charge of \$28,937 102,390

NET CAPITAL 1,126,948

Minimum requirements of 6-2/3% of aggregate indebtedness of
\$478,760 or \$100,000, whichever is greater 100,000

Excess net capital \$ 1,026,948

AGGREGATE INDEBTEDNESS:

Commissions payable \$ 118,994

Accounts payable 120,893

Income taxes payable 238,873

TOTAL AGGREGATE INDEBTEDNESS \$ 478,760

RATIO OF AGGREGATE INDEBTEDNESS TO NET CAPITAL .42 to 1

See the accompanying Independent Auditors' Report.

WESTPARK CAPITAL, INC.

RECONCILIATION OF THE COMPUTATION OF NET CAPITAL
PURSUANT TO UNIFORM NET CAPITAL RULE 15c3-1 INCLUDED IN THE COMPANY'S
CORRESPONDING UNAUDITED FORM X-17A-5 PART II FILING WITH THE
COMPUTATION INCLUDED IN THE REPORT PURSUANT TO RULE 17A-5(D)
DECEMBER 31, 2006

NET CAPITAL PER COMPANY'S UNAUDITED FORM X-17A-5 PART II FILING	\$	1,390,506
Adjustments:		
Increase in income tax provision		(238,873)
Increase in haircuts		<u>(24,685)</u>
NET CAPITAL PER REPORT PURSUANT TO RULE 17A-5(d)	\$	<u>1,126,948</u>

See the accompanying Independent Auditors' Report.



SPICER JEFFRIES LLP

CERTIFIED PUBLIC ACCOUNTANTS

5251 SOUTH QUEBEC STREET • SUITE 200

GREENWOOD VILLAGE, COLORADO 80111

TELEPHONE: (303) 753-1959

FAX: (303) 753-0338

www.spicerjeffries.com

INDEPENDENT AUDITORS' REPORT ON INTERNAL ACCOUNTING CONTROL REQUIRED BY SEC RULE 17a-5

The Board of Directors
WestPark Capital, Inc.

In planning and performing our audit of the financial statements and supplementary schedule of WestPark Capital, Inc. (the "Company") for the year ended December 31, 2006, we considered its internal control structure, including procedures 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 structure.

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 (including tests of compliance with such practices and procedures) followed by WestPark Capital, Inc. that we considered relevant to the objectives stated in Rule 17a-5(g), (i) in making the periodic computations of aggregate indebtedness and net capital under Rule 17a-3(a)(11) and the procedures for determining compliance with the exemptive provisions of Rule 15c3-3; and (ii) for safeguarding the occasional receipt of securities and cash until promptly transmitted to the Company's clearing brokers. We did not review the practices and procedures followed by the Company in making the quarterly securities examinations, counts, verifications and comparisons, and the recordation of differences required by Rule 17a-13 or 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, because the Company does not carry security accounts for customers or perform custodial functions relating to customer securities.

The management of the Company is responsible for establishing and maintaining an internal control structure 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 SEC's above-mentioned objectives. Two of the objectives of an internal control structure 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 accounting principles generally accepted in the United States of America. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in any internal control structure 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 that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate. This report recognizes that it is not practicable in an organization the size of WestPark Capital, Inc. to achieve all the divisions of duties and cross-checks generally included in a system of internal accounting control and that alternatively greater reliance must be placed on surveillance by management.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure 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 structure elements does not reduce to a relatively low level the risk that errors 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 the internal control structure, including procedures 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.

In addition, our review indicated that WestPark Capital, Inc. was in compliance with the conditions of exemption from Rule 15c3-3 pursuant to paragraph k(2)(ii) as of December 31, 2006, and no facts came to our attention to indicate that such conditions had not been complied with during the year.

This report is intended solely for the information and use of the Board of Directors, management, the Securities and Exchange Commission, the National Association of Securities Dealers, Inc., 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.

Spicer Jeffries LLP

Greenwood Village, Colorado
February 15, 2007

END