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

CM

SEC FILE NUMBER
8-46167

**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

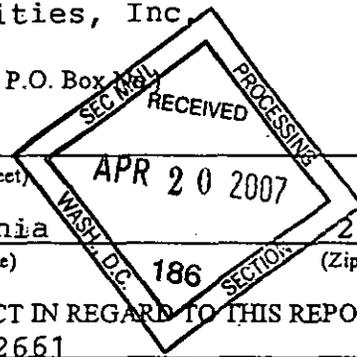
NAME OF BROKER-DEALER: First Allied Securities, Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box)

1227 Mall Drive
(No. and Street)

Richmond Virginia 23235
(City) (State) (Zip Code)



NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Gregg S. Glaser (804) 378-2661
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

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

300 Arboretum Place, Suite 520 Richmond VA 23236
(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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THOMSON FINANCIAL

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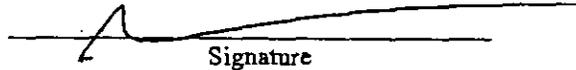
*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

Handwritten initials/signature

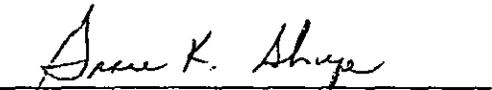
OATH OR AFFIRMATION

I, Gregg S. Glaser, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of First Allied Securities, 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:

None.


Signature

Chief Financial Officer
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 15c3-1 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).

First Allied Securities, Inc.

Consolidated Statement of Financial Condition Year Ended December 31, 2006

Assets

Cash and cash equivalents	\$ 3,780,755
Receivable from clearing brokers	11,881,758
Due from affiliate	406,115
Securities owned, at market value	15,419
Notes receivable, net	3,386,614
Goodwill	34,563,984
Contracts acquired, net of accumulated amortization of \$688,147	1,825,086
Furniture, equipment, and leasehold improvements, at cost, less accumulated depreciation and amortization of \$443,472	483,807
Prepays and other assets	2,047,816
Total assets	\$58,391,354

Liabilities and Stockholder's Equity

Liabilities

Commissions payable	\$ 3,225,870
Accounts payable and other liabilities	4,188,540
Securities sold, not yet purchased, at market value	145,322
Income taxes payable	2,513,894
Deferred income tax liabilities, net	92,228

Total liabilities	10,165,854
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Commitments and contingencies

Stockholder's equity

Common stock, \$0.01 par value; authorized 1,500,000 shares; issued and outstanding 1,000 shares	10
Additional paid-in capital	43,883,700
Retained earnings	4,341,790

Total stockholder's equity	48,225,500
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Total liabilities and stockholder's equity	\$58,391,354
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See accompanying summary of accounting policies and notes to financial statements.

END