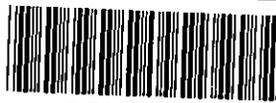


SEC



07002015

MISSION

OMB APPROVAL

OMB Number: 3235-0123

Expires: January 31, 2007

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AB * 3/5

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

SEC FILE NUMBER
8-66595

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:
HUDSON CAPITAL ADVISORS BD LLC.

OFFICIAL USE ONLY

FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
153 East 53rd Street, 58th Floor

(No. and Street)

NEW YORK

NY

10022

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
DAVID MACK (212) 744-1549

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

PROCESSED

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*
KAUFMANN, GALLUCCI & GRUMER LLP

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

MAR 09 2007

THOMSON FINANCIAL

80 BROAD STREET, SUITE 1901

NEW YORK

NY

10004

(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 26 2007
BRANCH OF REGISTRATIONS
AND
EXAMINATIONS

FOR OFFICIAL USE ONLY

02

EXAMINATIONS

*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 OMS control number.

Handwritten signature and date: 3/8/07

OATH OR AFFIRMATION

I, Paul Lipari, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of HUDSON CAPITAL ADVISORS BD 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:

Paul Lipari

Signature

MANAGING MEMBER

Title

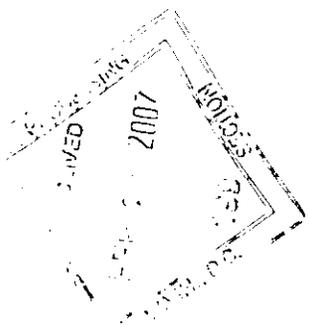
VIRGINIA L. WEST
Notary Public, State of New York
No. 01WE6138787
Qualified in New York County
Term Expires December 27, 2009

Virginia L. West
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 Cash Flows.
- (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.
- (o) Independent auditor's report on internal control.

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



HUDSON CAPITAL ADVISORS BD, LLC
STATEMENT OF FINANCIAL CONDITION
AS OF DECEMBER 31, 2006

HUDSON CAPITAL ADVISORS BD, LLC

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KAUFMANN,
GALLUCCI &
GRUMER LLP

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Member of Hudson Capital Advisors BD, LLC:

We have audited the accompanying statement of financial condition of Hudson Capital Advisors BD, LLC (the "Company") as of December 31, 2006 that you are filing pursuant to rule 17a-5 under the Securities Exchange Act of 1934. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statement 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 statement is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement as well as 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 statement referred to above presents fairly, in all material respects, the financial position of Hudson Capital Advisors BD, LLC as of December 31, 2006 in conformity with accounting principles generally accepted in the United States of America.

February 15, 2007

Kaufmann, Gallucci & Grumer LLP

HUDSON CAPITAL ADVISORS BD, LLC
STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2006

ASSETS

Cash	\$ <u>25,434</u>
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LIABILITIES AND MEMBER'S EQUITY

Liabilities	
Accounts payable and accrued expenses	\$ 10,320

Member's equity	<u>15,114</u>
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TOTAL LIABILITIES AND MEMBER'S EQUITY	\$ <u>25,434</u>
---------------------------------------	------------------

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

HUDSON CAPITAL ADVISORS BD, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 1 - ORGANIZATION AND NATURE OF BUSINESS

Hudson Capital Advisors BD, LLC (the "Company") was formed as a Delaware Limited Liability Company on December 4, 2003. The Company is registered as a broker-dealer in securities with the Securities and Exchange Commission ("SEC"). The Company was approved as a member of the National Association of Securities Dealers, Inc. in April 2005, on which date it commenced operations. The Company's primary business activities is providing merger and acquisition advisory services, financial advisory, and restructuring services to small and middle market companies.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

- (a) The Company records revenue when fees are earned, generally upon the closing of a transaction.
- (b) 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.

NOTE 3 - CONCENTRATION OF CREDIT RISK

The Company maintains its cash in a bank account which, at times, may exceed federally insured limits.

NOTE 4 - INCOME TAXES

The Company is a single member limited liability company and is treated as a "disregarded entity" for tax purposes. The Company's assets, liabilities, and items of income, deductions, and tax credits are treated as those of its member owner. The Company is subject to certain state taxes which are reflected in the financial statements.

NOTE 5 - RELATED PARTY TRANSACTIONS

The Company compensates its sole member and owner for services it renders to the Company in connection with successful investment banking and other fees earned by the Company. During 2006, the Company paid \$300,000 to the entity for such services.

HUDSON CAPITAL ADVISORS BD, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 5 - RELATED PARTY TRANSACTIONS (CONTINUED)

In addition, under a separate expense sharing agreement with its owner, the Company reimburses the owner for its share of operating expenses paid by the owner, including rent, utilities and personnel costs. The reimbursement for 2006 amounted to \$25,000.

NOTE 6 - SIGNIFICANT TRANSACTION

The Company derived all of its revenues in 2006 from two transactions.

NOTE 7 - REGULATORY REQUIREMENTS

As a registered broker-dealer, the Company is subject to the SEC 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 8 to one during its first year of operations and 15 to one thereafter. Net capital and aggregate indebtedness change from day to day. As of December 31, 2006, the Company had a net capital of \$15,114 which was \$10,114 in excess of the required minimum at that date of \$5,000. The Company's aggregate indebtedness to net capital was .68 to 1.

END