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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

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SECTION

SEC FILE NUMBER
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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: TFG Equities, Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

1801 Clint Moore Road, Suite 210

(No. and Street)

Boca Raton

FL

33407

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Dennis H. Blackinton

(561) 998-0700

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Patterson and Gerry CPAs, LLC

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

276 Union Avenue

Framingham,

MA

01702

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

PROCESSED

MAR 12 2007

FOR OFFICIAL USE ONLY

THOMSON
FINANCIAL

*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)

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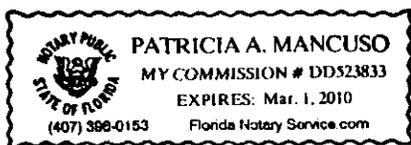
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OATH OR AFFIRMATION

I, Dennis H. Blackinton, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of TFG, Equities, 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



Patricia A. Mancuso
Notary Public

Handwritten signature of Dennis H. Blackinton

Signature

Handwritten title: 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 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).

TFG, EQUITIES, INC.
STATEMENT OF FINANCIAL CONDITION
December 31, 2006

ASSETS

CURRENT ASSETS

Cash	\$	28,347
Investment		<u>8,100</u>
	\$	<u><u>36,447</u></u>

LIABILITIES AND STOCKHOLDER'S EQUITY

CURRENT LIABILITIES

Accounts payable and accrued expenses

STOCKHOLDER'S EQUITY

Common stock, \$1 par value; 10,000 shares authorized; 5,000 shares issued and outstanding	\$	5,000
Additional paid-in capital		1,184,378
Accumulated deficit		<u>(1,152,931)</u>
	\$	<u><u>36,447</u></u>

TFG EQUITIES, INC.
STATEMENT OF LOSS
Year ended December 31, 2006

REVENUE		
Consulting fees		<u>\$ 16,501</u>
EXPENSES		
Legal and accounting fees		5,000
Administrative services		6,804
Office expenses		4,740
Rent		6,072
Telephone		1,056
NASD and other fees		<u>6,631</u>
		<u>30,303</u>
Net loss		<u><u>\$ (13,802)</u></u>

See notes financial statements

TFG EQUITIES, INC.
STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY

Year ended December 31, 2006

	Common Stock			Accumulated deficit	Total
	Shares	Amounts	Additional paid-in capital		
Balance, beginning	5,000	\$5,000	\$1,184,378	(\$1,139,129)	\$50,249
Net income				(13,802)	(13,802)
Balance, ending	5,000	\$5,000	\$1,184,378	(\$1,152,931)	\$36,447

TFG EQUITIES, INC.
STATEMENT OF CASH FLOWS

Year ended December 31, 2006

CASH FLOWS FROM OPERATING ACTIVITIES	
Net loss	(\$13,802)
Adjustment to reconcile netloss to net cash used in operating activities	
Decrease in accounts payable and accrued expenses	<u>(17,139)</u>
NET CASH USED IN OPERATING ACTIVITIES	(30,941)
CASH FLOWS USED IN INVESTING ACTIVITIES	
Exercise of stock option	<u>(4,800)</u>
DECREASE IN CASH	(35,741)
CASH, beginning of year	<u>64,088</u>
CASH, end of year	<u><u>\$28,347</u></u>

See notes financial statements

TFG EQUITIES, INC.
NOTES TO FINANCIAL STATEMENTS
Year ended December 31, 2006

NOTE 1 - ORGANIZATION

TFG Equities, Inc. (the "Company") was organized as a Massachusetts corporation on April 2, 1986, pursuant to Chapter 156B of the Massachusetts general laws, to engage in and carry on the business of a broker/dealer in securities, including but not limited to the buying and selling of, dealing and trading in, acquiring and disposing of, in every lawful manner whatsoever, as principal or as agent, any and all negotiable and nonnegotiable instruments or securities; to conduct financial research and to provide consulting services; to act as a general partner of limited partnerships, and in general, to carry on all businesses and activities permitted to corporations organized under the provisions of Chapter 156B wherever the same may lawfully be done. The Company will limit its broker/dealer operations to those described in Paragraphs (a) (2) (ii), (iii) and (iv) of Rule 15c3-1 of the Securities Exchange Act of 1934. More specifically, securities activities will be limited to the sale of limited partnership interests such that customer funds or securities are not handled by the Company.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investment

The Company's investment is 300 shares of an equity security and is classified as available for sale and is carried at fair market value which approximates its cost basis.

Revenue recognition

Consulting income is recognized by the Company when earned.

Income taxes

No income taxes have been provided as the Company has elected to be taxed as an S corporation. The Company's income or loss is allocated to the stockholder for income tax purposes. If the Company's income tax returns are examined by the Internal Revenue Service or state taxing authority and such an examination results in a change in the Company's taxable income (loss), such change will be reported to the stockholder.

TFG EQUITIES, INC.
NOTES TO FINANCIAL STATEMENTS
Year ended December 31, 2006

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued...)

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 and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 3 - NET CAPITAL REQUIREMENTS

The Company is subject to the "Net Capital Rule" of the Securities and Exchange Act of 1934 which requires that the aggregate indebtedness shall not exceed 15 times net capital, as defined. At December 31, 2006, the Company's net capital was \$36,447 and the required net capital was \$5,000. The Company's ratio of aggregate indebtedness to net capital at December 31, 2006 was 0%.

NOTE 4 - RELATED PARTY TRANSACTIONS

Included in administrative services, office expenses, rent and telephone are charges by The Finch Corporation, an affiliate of the stockholder for the Company's allocable share of expenses which amounted to \$18,672.

Consulting fees amounting to \$16,501, were charged by the Finch Corporation an affiliate of the stockholder.

SUPPLEMENTAL INFORMATION

TFG EQUITIES, INC.

**COMPUTATION OF NET CAPITAL AND AGGREGATE
INDEBTEDNESS UNDER RULE 15c3-1 OF THE SECURITIES
AND EXCHANGE COMMISSION**

December 31, 2006

COMPUTATION OF NET CAPITAL

Total stockholder's equity from statement of financial condition	\$36,447
Deduction and/or charges:	
Nonallowable assets from statement of financial condition - haircuts and investments	<u>8,100</u>
Net capital	<u><u>\$28,347</u></u>

COMPUTATION OF BASIC NET CAPITAL REQUIREMENTS

Minimum net capital required	\$5,000
Net capital	<u>28,347</u>
Excess net capital	<u><u>\$23,347</u></u>
Excess net capital at 100% (net capital less 10% of aggregate indebtedness)	<u><u>\$23,347</u></u>

COMPUTATION OF AGGREGATE INDEBTEDNESS

Total liabilities from statement of financial condition	<u><u>\$ -</u></u>
Ratio of aggregate indebtedness to net capital	<u><u>0.00%</u></u>

There are no material differences between the above computation and the Company's corresponding unaudited filing.

TFG EQUITIES, INC.

EXEMPTION FROM REQUIREMENTS UNDER RULE 15c3-3

The Company claims exemption under provisions of Rule 15c3-3(k) (2) (i), and was in compliance with the conditions of such exemption.

The Company is not required to furnish information relating to possession or control requirements because it is exempt from Rule 15c3-3.

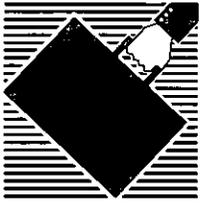
See notes to financial statements

TFG EQUITIES, INC.

SIPC ASSESSMENT

The Company, as a member of the Securities Investor Protection Corporation, has been assessed \$150 for the year ended December 31, 2006. This assessment has been paid as of December 31, 2006.

See notes to financial statements



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

To the Board of Directors of
TFG Equities, Inc.

In planning and performing our audit of the financial statements and supplemental information of TFG Equities, Inc. (the "Company"), for the year ended December 31, 2006, we considered its internal control, including control activities 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 internal control.

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 followed by the Company including tests of such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons recordation of differences required by rule 17a-13.
2. 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.
3. Obtaining and maintaining physical possession or control of all fully paid and excess margin securities of customer as required by Rule 15c-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 asses 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 paragraph.

Because of 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.

Our consideration of internal control would not necessarily disclose all matters in internal control that might be material weakness 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, we noted no matters involving internal control, including control activities for safeguarding securities, that we consider to be material weakness 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.

Patterson and Gerry CPA's, LLC

February 20, 2007