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MISSION

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

SEC FILE NUMBER
8-50858

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:

Trinity Securities, Inc.

OFFICIAL USE ONLY
FIRM ID. NO.

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

3303 Oakwell Court, Suite 210

(No. and Street)

**PROCESSED**  
MAR 12 2007  
THOMSON FINANCIAL

San Antonio

Texas

78218

(City)

(State)

(Zip Code)

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

Eva Varnum

(210) 824-3489

(Area Code - Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

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

CF & Co., L.L.P.

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

14175 Proton Rd.

Dallas

TX

75244

(Address)

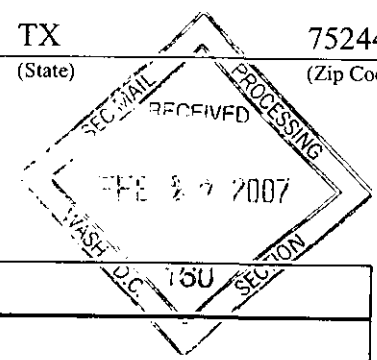
(City)

(State)

(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)

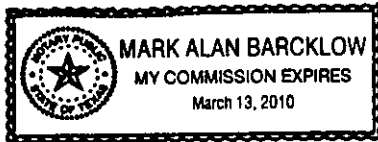
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AB  
3/19

OATH OR AFFIRMATION

I, John York, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Trinity 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:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



*[Handwritten Signature]*  
\_\_\_\_\_  
Signature  
\_\_\_\_\_  
President  
\_\_\_\_\_  
Title

*[Handwritten Signature]*  
\_\_\_\_\_  
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 Proprietor's 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 240.17a-5(e)(3).

TRINITY SECURITIES, INC.  
REPORT PURSUANT TO RULE 17a-5(d)  
FOR THE YEAR ENDED  
DECEMBER 31, 2006

TRINITY SECURITIES, INC.

CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1
STATEMENT OF FINANCIAL CONDITION	2
STATEMENT OF INCOME	3
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY	4
STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED TO CLAIMS OF GENERAL CREDITORS	5
STATEMENT OF CASH FLOWS	6
NOTES TO FINANCIAL STATEMENTS	7 - 9
SUPPORTING SCHEDULES	
Schedule I:    Computation of Net Capital Under Rule 15c3-1 of the Securities and Exchange Commission	11 - 12
Schedule II:   Computation for Determination of Reserve Requirements Under Rule 15c3-3 of the Securities and Exchange Commission	13
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL REQUIRED BY SEC RULE 17a-5	15 - 16



*CF & Co., L.L.P.*

CERTIFIED PUBLIC ACCOUNTANTS  
& CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Trinity Securities, Inc.

We have audited the accompanying statement of financial condition of Trinity Securities, Inc., as of December 31, 2006, and the related statements of income, changes in stockholders' equity, changes in liabilities subordinated to claims of general creditors, 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. 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 Trinity Securities, 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 basic financial statements taken as a whole. The information contained in the Schedules I and II 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 Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in cursive script, appearing to read 'CF &amp; Co., L.L.P.', is positioned above the printed name.

CF & Co., L.L.P.

Dallas, Texas  
February 22, 2007

TRINITY SECURITIES, INC.  
Statement of Financial Condition  
December 31, 2006

ASSETS

Cash and cash equivalents	\$ <u>19,012</u>
	\$ <u>19,012</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Liabilities	
Accounts payable and accrued expenses	\$ <u>1,393</u>
	<u>1,393</u>
Stockholders' equity	
Common stock, 1,000,000 shares authorized, no par value, 1,000 shares issued and outstanding	93,014
Retained earnings (deficit)	<u>(75,395)</u>
Total stockholders' equity	<u>17,619</u>
	\$ <u>19,012</u>

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

TRINITY SECURITIES, INC.  
Statement of Income  
For the Year Ended December 31, 2006

Revenues	
Commissions	\$ 476,206
Due diligence fees	102,713
Administrative fees	<u>88,500</u>
	<u>667,419</u>
Expenses	
Compensation and benefits	580,874
Regulatory fees and expenses	25,886
Other expenses	<u>51,577</u>
	<u>658,337</u>
Income before income taxes	9,082
Provision for income taxes	<u>-0-</u>
Net income	<u>\$ 9,082</u>

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

TRINITY SECURITIES, INC.  
Statement of Changes in Stockholders' Equity  
For the Year Ended December 31, 2006

	<u>Common Stock</u>	<u>Retained Earnings (Deficit)</u>	<u>Total</u>
Balances at December 31, 2005	\$ 93,014	\$ (84,477)	\$ 8,537
Net income	_____	<u>9,082</u>	<u>9,082</u>
Balances at December 31, 2006	<u>\$ 93,014</u>	<u>\$ (75,395)</u>	<u>\$ 17,619</u>

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



TRINITY SECURITIES, INC.  
Statement of Changes in Liabilities Subordinated  
to Claims of General Creditors  
For the Year Ended December 31, 2006

Balance at December 31, 2005	\$ -0-
Increases	-0-
Decreases	<u>-0-</u>
Balance at December 31, 2006	<u>\$ -0-</u>

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

TRINITY SECURITIES, INC.  
Statement of Cash Flows  
For the Year Ended December 31, 2006

<b>Cash flows from operating activities:</b>	
Net income	\$ 9,082
Adjustments to reconcile net income to net cash provided (used) by operating activities:	
Change in operating assets and liabilities:	
Decrease in accounts payable and accrued expenses	<u>(7,831)</u>
Net cash provided (used) by operating activities	<u>1,251</u>
<b>Cash flows from investing activities:</b>	
Net cash provided (used) by investing activities	<u>-0-</u>
<b>Cash flows from financing activities:</b>	
Net cash provided (used) by financing activities	<u>-0-</u>
Net increase in cash and cash equivalents	1,251
Cash and cash equivalents at beginning of period	<u>17,761</u>
Cash and cash equivalents at end of period	<u>\$ 19,012</u>

**Supplemental Disclosures**

Cash paid for:	
Income taxes	<u>\$ -0-</u>
Interest	<u>\$ -0-</u>

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

TRINITY SECURITIES, INC.  
Notes to Financial Statements  
December 31, 2006

Note 1 - Summary of Significant Accounting Policies

Trinity Securities, Inc. (the "Company") is a broker-dealer in securities registered with the Securities and Exchange Commission ("SEC") and operates under (SEC) Rule 15c3-3(k)(2)(i). The Company is a Texas corporation and is a member of the National Association of Securities Dealers (NASD). Substantially all of the Company's revenues of \$667,419 are generated through the sale of oil and gas development programs or from reimbursement of expenses for Republic Resources, LLC ("Republic"), an affiliate company. The Company's customers are located throughout the United States.

For purposes of reporting cash flows, the Company has defined cash equivalents as highly liquid investments, with original maturities of less than ninety days, that are not held for sale in the ordinary course of business.

Compensated absences have not been accrued because the amount cannot be reasonably estimated.

Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due. The provision for federal income taxes differs from the expected amount using statutory rates because certain expenses included in the determination of net income are non-deductible for tax reporting purposes. Deferred taxes are recognized for operating losses that are available to offset future taxable income, subject to a valuation allowance.

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 2 - Net Capital Requirements

Pursuant to the net capital provisions of Rule 15c3-1 of the Securities Exchange Act of 1934, the Company is required to maintain a minimum net capital, as defined under such provisions. Net capital and the related net capital ratio may fluctuate on a daily basis.

TRINITY SECURITIES, INC.  
Notes to Financial Statements  
December 31, 2006

Note 2 - Net Capital Requirements, continued

At December 31, 2006, the Company had net capital of approximately \$17,619 and net capital requirements of \$5,000. The Company's ratio of aggregate indebtedness to net capital was .08 to 1. The Securities and Exchange Commission permits a ratio of no greater than 15 to 1.

Note 3 - Possession or Control Requirements

The Company holds no customer funds or securities. There were no material inadequacies in the procedures followed in adhering to the exemptive provisions of (SEC) Rule 15c3-3(k)(2)(i).

Note 4 - Income Taxes

At December 31, 2006, the Company has net operating losses of approximately \$70,054 which will be carried forward to offset against future taxable income. This net operating loss carryforward will expire as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Amount</u>
2021	\$ 6,737
2022	34,737
2024	20,097
2025	<u>8,483</u>
	<u>\$ 70,054</u>

The tax benefit from the net operating loss carryforward of \$12,500 has not been reported in these financial statements because the Company believes it is likely that the carryforwards will expire unused. Accordingly, the tax benefit has been offset by a valuation allowance of the same amount. The valuation allowance decreased \$3,700 from the previous year.

Note 5 - Employee Benefits

The Company has a 401(k) savings plan for all eligible employees. Eligible employees must be 21 and have completed one year of service. The Company will not make matching contributions.

TRINITY SECURITIES, INC.  
Notes to Financial Statements  
December 31, 2006

Note 6- Related Party Transactions

The Company is provided administrative services from Republic. No payments were made for these services during the year ended December 31, 2006.

The Company earns commissions from the sale of oil and gas "non operating undivided working interest participation programs." Republic is manager and operator of the drilling programs. For the year ended December 31, 2006, the Company earned \$476,206 in commissions, \$102,713 in due diligence and \$88,500 in administrative fees from the sale of such interests.

The Company and Republic are under common control and the existence of that control creates operating results and financial position significantly different than if the companies were autonomous.

The Company is economically dependent on Republic.

Note 7- Concentration of Risks

The Company develops and implements financing for the sale of oil and gas "non operating undivided working interest participation programs." These programs require specialized investment banking and advisory services through the private placement of securities. These programs are generally located in Texas.

Supplemental Information  
Pursuant to Rule 17a-5  
of the Securities Exchange Act of 1934  
as of  
December 31, 2006

**Schedule I**

**TRINITY SECURITIES, INC.**  
**Computation of Net Capital Under Rule 15c3-1**  
**of the Securities and Exchange Commission**  
**As of December 31, 2006**

**COMPUTATION OF NET CAPITAL**

Total stockholders' equity qualified for net capital	\$ 17,619
Add:	
Other deductions or allowable credits	<u>-0-</u>
Total capital and allowable subordinated liabilities	17,619
Deductions and/or charges	<u>-0-</u>
Net capital before haircuts on securities positions	17,619
Haircuts on securities (computed, where applicable, pursuant to rule 15c3-1(f))	<u>-0-</u>
Net capital	<u>\$ 17,619</u>

**AGGREGATE INDEBTEDNESS**

Total aggregate indebtedness	<u>\$ 1,393</u>
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**Schedule I (continued)**

**TRINITY SECURITIES, INC.**  
**Computation of Net Capital Under Rule 15c3-1**  
**of the Securities and Exchange Commission**  
**As of December 31, 2006**

**COMPUTATION OF BASIC NET CAPITAL REQUIREMENT**

Minimum net capital required (6 2/3% of total aggregate indebtedness)	\$ <u>93</u>
Minimum dollar net capital requirement of reporting broker or dealer	\$ <u>5,000</u>
Net capital requirement (greater of above two minimum requirement amounts)	\$ <u>5,000</u>
Net capital in excess of required minimum	\$ <u>12,619</u>
Excess net capital at 1000%	\$ <u>17,480</u>
Ratio: Aggregate indebtedness to net capital	<u>.08 to 1</u>

**RECONCILIATION WITH COMPANY'S COMPUTATION**

There were no material differences in the computation of net capital under Rule 15c3-1 from the Company's computation.



**Schedule II**

TRINITY SECURITIES, INC.

Computation for Determination of Reserve Requirements Under  
Rule 15c3-3 of the Securities and Exchange Commission  
As of December 31, 2006

**EXEMPTIVE PROVISIONS**

The Company has claimed an exemption from Rule 15c3-3 under section (k)(2)(i), in which the Company is a direct participation broker-dealer.

Independent Auditor's Report

On Internal Control

Required By SEC Rule 17a-5

For the Year Ended

December 31, 2006



**CF & Co., L.L.P.**

CERTIFIED PUBLIC ACCOUNTANTS  
& CONSULTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL  
CONTROL REQUIRED BY SEC RULE 17a-5

The Board of Directors  
Trinity Securities, Inc.

In planning and performing our audit of the financial statements and supplemental information of Trinity Securities, 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 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
2. 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 or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance 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 internal control 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.

Our 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, we noted no matters involving internal control, including control activities 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.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, 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.



CF & Co., L.L.P.

Dallas, Texas  
February 22, 2007

*END*