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DIVISION OF MARKET REGULATION

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

OMB APPROVAL	
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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: Equity Investment Services, Inc  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

OFFICIAL USE ONLY
FIRM I.D. NO.

1640 Pepperwood Drive  
(No. and Street)

St. Louis MO 63146  
(City) (State) (Zip Code)

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

Brian Toennies + Associates 314-842-0477  
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

Brian Toennies + Associates  
(Name - if individual, state last, first, middle name)

9730 E Watson Rd Ste 100, St. Louis, MO 63126  
(Address) (City) (State) (Zip Code)

CHECK ONE:

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

*MF* MAR 23 2007  
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)

*AB 5/22*

OATH OR AFFIRMATION

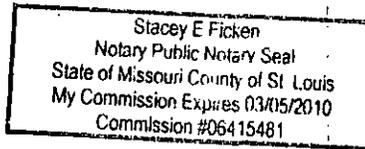
I, Victoria Ragland, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Equity Investment Services, Inc, as of December 31, 2006, are true and correct. I further swear (or affirm) that neither the company 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:

Victoria L Ragland  
Signature

Pres.

Title

Stacey E Ficken  
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).

EQUITY INVESTMENT SERVICES, INC.

FINANCIAL STATEMENTS

December 31, 2006

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Brian G. Toennies  
Certified Public Accountant  
9730 East Watson  
St. Louis, Missouri 63126

Board of Directors  
Equity Investment Services, Inc.  
St. Louis, Missouri

We have audited the accompanying balance sheet of Equity Investment Services, Inc. as of December 31, 2006 and the related statements of income, changes in stockholders 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 Equity Investment Services, 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 accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. 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.

Brian G. Toennies & Associates  
February 26, 2007

Equity Investment Services, Inc.  
Balance Sheet  
December 31, 2006

**ASSETS**

	<u>2006</u>
<b>Current Assets:</b>	
Cash - Checking Account	\$ 18,458
Total Cash and Equivalents	<u>18,458</u>
Commissions Receivable	330
Prepaid Taxes	<u>0</u>
Total Current Assets	<u>18,788</u>
Total Assets	<u><u>\$ 18,788</u></u>

**LIABILITIES AND STOCKHOLDER'S EQUITY**

	<u>2006</u>
<b>Current Liabilities:</b>	
Accounts Payable	2,195
Accrued Audit Fee	\$ 1,260
Accrued NASD Fee	<u>960</u>
Total Current Liabilities	<u>4,415</u>
<b>Stockholder's Equity:</b>	
Capital Stock:	
Authorized: 30,000 Shares	
Par Value \$1 Per Share	
Issued and Outstanding: 10,000 Shares	10,000
Retained Earnings	0
Accumulated Other Comprehensive Income	<u>4,373</u>
Total Stockholder's Equity	<u>14,373</u>
Total Liabilities and Stockholder's Equity	<u><u>\$ 18,788</u></u>

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

Equity Investment Services, Inc.  
Statement of Income  
For the Year Ended December 31, 2006

	2006
<b>Income:</b>	
Commissions Earned	\$ 99,552
<b>Expenses:</b>	
Commissions Paid	95,066
Licenses and Permits	1,680
Professional Fees	4,617
Total Expenses	101,363
Income (Loss) from Operations	(1,811)
Other Income (Expenses)	
Interest and Dividends Income	546
Capital Gains	0
Other (Expenses)	0
Realized Gains (Losses) on Securities	0
Net Income (Loss) Before Income Taxes	(1,265)
Provision for Income Taxes	0
Net Income (Loss)	(1,265)
<b>Other Comprehensive Income:</b>	
Unrealized Gain (Loss) on Security	0
Comprehensive Income (Loss)	\$ (1,265)

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

Equity Investment Services, Inc:  
Statement of Changes in Stockholder's Equity  
For the Year Ended December 31, 2006

	Common Stock	Retained Earnings (Deficit)	Accum. Other Comprehensive Income	Total
<b>Balance, Beginning of Year</b>	\$10,000	\$0	\$5,638	15,638
Comprehensive Income:				
Net Income (Loss)	0	0	(1,265)	(1,265)
Realized Gain on Securities	0	0	0	0
Common Stock Subscription	0	0	0	0
<b>Retained Earnings, End of Year</b>	<b>\$10,000</b>	<b>\$0</b>	<b>\$4,373</b>	<b>\$14,373</b>

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

Equity Investment Services, Inc.  
Statement of Cash Flows  
For the Year Ended December 31, 2006

	2006
<b>Cash Flows From Operating Activities:</b>	
Net Income (Loss)	\$ (1,265)
Adjustments to reconcile net income (loss) to net cash from operations:	
(Gain) Loss on Sale on Securities	0
(Increase) Decrease in Commissions Receivable	32
(Increase) Decrease in Prepaid Expenses	120
Increase (Decrease) in Accrued Expenses	2,185
Net Cash Provided By (Used In) Operating Activities	1,072
<b>Cash Flows From Investing Activities:</b>	
Purchase of Securities	0
Proceeds from Sale of Securities	0
Net Cash Provided By (Used In) Investing Activities	0
<b>Net Increase (Decrease) in Cash</b>	1,072
<b>Cash and Cash Equivalents at Beginning of Year</b>	17,386
<b>Cash and Cash Equivalents at End of Year</b>	\$ 18,458
 <b>Supplemental Disclosures of Cash Flow Information:</b>	
Cash Paid for Interest	\$0
Cash Paid for Taxes	\$0

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

Equity Investment Services, Inc.  
Notes to Financial Statements  
December 31, 2006

1. Summary of Significant Accounting Policies.

- a. Company's Activities - The Company, located in St. Louis, Missouri, is an NASD Registered Broker/ dealer that offers a variety of financial products to its clients. The company's primary products are mutual funds and insurance contracts.
- b. Accounting Method - The Company's books are maintained on the accrual basis of accounting for financial statement reporting.
- c. Commissions Receivable - The Company uses the direct write-off method for recognition of bad debts. No allowance for doubtful accounts is believed necessary.
- d. Adoption of SFAS No. 130 - The Company adopted SFAS No. 130, Reporting Comprehensive Income.
- e. Income Taxes - Amounts provided for Federal income taxes are based on earnings reported for financial statements purposes, adjusted for permanent differences between reported financial and taxable income.
- f. Cash and Cash Equivalents - For purposes of the statement of cash flows, cash and cash equivalents consist of cash and money market funds.
- g. Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles 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.

2. Reserve Requirements.

The Company is not obligated to report under SEC Rule 15c3-3 since it does not maintain customer accounts or hold securities. Therefore, the Company does not have a reserve requirement nor does it have any information relating to the possession or control requirement under rule 15c3-3.

3. Minimum Capital.

Under SEC Rule 15c3-1, the Company is required to maintain net capital of not less than \$5000 in 2006. At December 31, 2006, the Company's net capital as defined by SEC Rule 15c3-1 was \$ 9,111 in excess of minimum net capital required.

4. Securities.

The Company invests in variable annuities and mutual funds. At December 31, 2006, these securities were classified as available for sale securities and are reported at fair value, with the unrealized gains and losses included in comprehensive income. Costs are determined on an average cost per share basis for determining realized gains or losses. At December 31, 2006, these securities had a fair value of \$0, a cost of \$0 and an unrealized gain of \$0. Realized losses on securities sold during 2005 were \$0.

Equity Investment Services, Inc  
Notes to Financial Statement  
December 31, 2006

5. Income Taxes

The income tax expense of the Company consists of the following:

Current Tax Expense:

Federal

State

Income Tax Expense

2006

\$0

0

\$0

Equity Investment Services, Inc.  
 Computation of Net Capital  
 December 31, 2006

	2006
Total Ownership Equity from Statement of Financial Condition	\$ 14,373
Deductions:	
Total Non-allowable Assets:	
Commissions Receivable > 30 Days	0
Net Capital Before Haircuts on Securities Positions	14,373
Haircuts on Securities:	
Trading and Investment Securities	0
Money Market - 2%	(262)
Net Capital	14,111
Less: Required Minimum Capital	(5,000)
Net Capital Excess (Shortage)	\$ 9,111

**Note: No reportable differences were found in the reconciliation of the net capital per the audited financial statements and the unaudited FOCUS reports.**

Equity Investment Services, Inc.  
 Reconciliation of the Audited Computation of Net  
 Capital and the Unaudited FOCUS Report  
 December 31, 2006

	2006
Total Ownership Equity From Statement of Financial Condition-Unaudited	\$ 14,373
Adjustments: Increase (Decrease) Adjust Investment Funds Account	0
Total Increase (Decrease) in Ownership Equity	0
Total Ownership Equity from Statement of Financial Condition-Audited	14,373
Total Non-Allowable Assets-Audited	0
Net Capital Before Haircuts on Securities Positions	14,373
Haircuts on Securities: Trading and Investment Securities	0
Money Market - 2%	(262)
Net Capital	\$ 14,111

**Note: No reportable differences were found in the reconciliation of the net capital per the audited financial statements and the unaudited FOCUS reports.**

**END**