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

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**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:

LESKO SECURITIES, INC.
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
53 CHENANGO STREET, SECOND FLOOR

OFFICIAL USE ONLY
FIRM I.D. NO.

(No. and Street)

BINGHAMTON

NEW YORK

13901

(City)

(State)

(Zip Code)

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

KAREN STEBBINS

(607) 724-2421
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

STELLA & GETTY, CPAs

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

3001 EAST MAIN STREET

ENDWELL

NEW YORK

13760

(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

*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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OATH OR AFFIRMATION

I, CHARLES LESKO, JR., swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of LESKO 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:

Subscribed and sworn to before me this 27th day Feb, 2007

Signature

PRESIDENT

Title

Notary Public

DAVID JAMES MCCLINTOCK
NOTARY PUBLIC-STATE OF NEW YORK
No. 01MC6150938
Qualified in Broome County
My Commission Expires August 07, 2010

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 15c3-3 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.
X(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).

LESKO SECURITIES, INC.
(A WHOLLY-OWNED SUBSIDIARY
OF LESKO FINANCIAL SERVICES, INC.)

53 Chenango Street
Second Floor
Binghamton, New York 13901

DECEMBER 31, 2006 AND 2005

A DELAWARE CORPORATION
Organized November 5, 1980

| <u>STOCKHOLDERS</u> | <u>SHARES</u> |
|--------------------------------|---------------|
| Lesko Financial Services, Inc. | 100 |
| | === |

OFFICERS

Charles Lesko, Jr. - President & Secretary

LESKO SECURITIES, INC.

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STELLA & GETTY, CPAs

3001 East Main Street, Endwell, New York 13760 • (607) 757-0580 • Fax (607) 757-0583

David M. Stella, CPA

January 23, 2007

Stockholders and Board of Directors
Lesko Securities, Inc.

INDEPENDENT AUDITOR'S REPORT

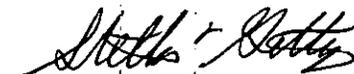
We have audited the Statements of Financial Condition of Lesko Securities, Inc. (A Wholly-owned Subsidiary of Lesko Financial Services, Inc.) as of December 31, 2006 and 2005, and the related Statements of Income, Retained Earnings, Changes in Liabilities Subordinated to Claims of General Creditors, and Cash Flows for the years 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 audits.

We conducted our audits 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 audits provide 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 Lesko Securities, Inc. as of December 31, 2006 and 2005, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

January 23, 2007

Our audits were made for the purpose of forming an opinion on the basic financial statements, taken as a whole. The information contained in schedules 1, 2 and 3 is presented for the purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 of the Securities and Exchange Commission. 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.



STELLA & GETTY, CPAs

LESKO SECURITIES, INC.
(A WHOLLY-OWNED SUBSIDIARY)

STATEMENTS OF FINANCIAL CONDITION

AS OF DECEMBER 31, 2006 AND 2005

| | <u>ASSETS</u> | |
|--|------------------|------------------|
| | <u>2006</u> | <u>2005</u> |
| <u>CURRENT ASSETS</u> | | |
| Cash | \$116,596 | \$129,028 |
| Receivable From Brokers or Dealers | 20,508 | 25,983 |
| Mutual Fund Concessions Receivable | 112,540 | 103,357 |
| Accounts Receivable - Other | 148 | 2,062 |
| Marketable Securities (At Market, Cost \$143,007 for 2006 and \$126,419 for 2005 Respectively) | 150,410 | 127,808 |
| Deposit with Clearing Broker | 10,000 | 10,000 |
| Prepaid Income Taxes | 5,839 | -0- |
| Prepaid Expenses | 37,025 | 34,652 |
| | <u>453,066</u> | <u>432,890</u> |
| <u>PROPERTY</u> | | |
| Equipment | 4,723 | 4,723 |
| Less: Accumulated Depreciation | <u>(4,723)</u> | <u>(4,723)</u> |
| | <u>-0-</u> | <u>-0-</u> |
| <u>OTHER ASSETS</u> | | |
| Deferred Tax Asset | 573 | 2,248 |
| | <u>573</u> | <u>2,248</u> |
| | <u>\$453,639</u> | <u>\$435,138</u> |
| | ===== | ===== |

See Auditor's Report and Accompanying Notes.

LESKO SECURITIES, INC.
(A WHOLLY-OWNED SUBSIDIARY)

STATEMENTS OF FINANCIAL CONDITION

AS OF DECEMBER 31, 2006 AND 2005

LIABILITIES & STOCKHOLDERS' EQUITY

| | <u>2006</u> | <u>2005</u> |
|--|---------------------------|---------------------------|
| <u>CURRENT LIABILITIES</u> | | |
| Customer Deposits Held | \$ -0- | \$ 15,155 |
| Commissions Payable | 93,445 | 84,069 |
| Due To Parent Corp. | 85,259 | 83,844 |
| Accrued Expenses | 455 | 1,767 |
| Accrued Income Taxes | <u>529</u> | <u>12,365</u> |
| | | |
| TOTAL CURRENT LIABILITIES | <u>179,688</u> | <u>197,200</u> |
| | | |
| <u>COMMITMENTS</u> | | |
| | | |
| <u>STOCKHOLDERS' EQUITY</u> | | |
| Common Stock, No Par Value; 1,000 shares authorized, 100 shares issued and out- standing | 10,200 | 10,200 |
| Retained Earnings | <u>263,751</u> | <u>227,738</u> |
| | | |
| TOTAL STOCKHOLDERS' EQUITY | <u>273,951</u> | <u>237,938</u> |
| | | |
| TOTAL LIABILITIES & EQUITY | <u>\$453,639</u> ===== | <u>\$435,138</u> ===== |

See Auditor's Report and Accompanying Notes.

LESKO SECURITIES, INC.
(A WHOLLY-OWNED SUBSIDIARY)

STATEMENTS OF INCOME AND RETAINED EARNINGS

FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

| <u>REVENUES</u> | <u>2006</u> | <u>2005</u> |
|---|---------------------|---------------------|
| Commissions - Securities | \$ 268,091 | \$ 262,515 |
| Revenues - Fee Based | 13,421 | 21,493 |
| Revenue from Sale of Investment Company Shares | 1,696,308 | 1,452,895 |
| Interest and Dividends | 8,452 | 6,447 |
| Miscellaneous Income | 2,687 | 824 |
| (Loss) on Sale of Securities | -0- | (6,755) |
| Unrealized (Loss) Gain on Securities | 6,013 | (1,909) |
| TOTAL REVENUES | <u>1,994,972</u> | <u>1,735,510</u> |
| | | |
| <u>EXPENSES</u> | | |
| Voting Stockholder Commissions | 230,645 | 195,828 |
| Registered Representatives' Commissions | 776,962 | 695,382 |
| Rents and Services | 858,558 | 718,840 |
| Regulatory Fees | 19,561 | 16,496 |
| Continuing Education | 1,114 | 1,316 |
| Insurance | 17,948 | 8,174 |
| Office Expenses | 450 | 923 |
| Professional Fees | 5,634 | 9,716 |
| Dues and Subscriptions | 2,146 | 2,198 |
| Computer Services | 30,142 | 23,356 |
| Exchange Fees | 6,394 | 7,419 |
| TOTAL EXPENSES | <u>1,949,554</u> | <u>1,679,648</u> |
| | | |
| INCOME BEFORE PROVISION FOR TAXES | 45,418 | 55,862 |
| | | |
| <u>PROVISIONS FOR TAXES</u> | | |
| Current | 7,730 | 13,325 |
| Deferred | 1,675 | (1,788) |
| TOTAL TAXES ON INCOME | <u>9,405</u> | <u>11,537</u> |
| | | |
| NET INCOME | 36,013 | 44,325 |
| | | |
| RETAINED EARNINGS, BEGINNING OF YEAR | <u>227,738</u> | <u>183,413</u> |
| | | |
| RETAINED EARNINGS, END OF YEAR | \$ 263,751 ===== | \$ 227,738 ===== |

See Auditor's Report and Accompanying Notes.

LESKO SECURITIES, INC.
(A WHOLLY-OWNED SUBSIDIARY)

STATEMENTS OF CHANGES IN LIABILITIES
SUBORDINATED TO CLAIMS OF GENERAL CREDITORS

FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

There were no liabilities subordinated to claims of General Creditors for the years ended December 31, 2006 and 2005.

See Auditor's Report and Accompanying Notes.

LESKO SECURITIES, INC.
(A WHOLLY-OWNED SUBSIDIARY)

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

| | <u>2006</u> | <u>2005</u> |
|---|------------------|------------------|
| <u>CASH FLOWS FROM OPERATING ACTIVITIES</u> | | |
| Net Income | \$ 36,013 | \$ 44,325 |
| Adjustments to reconcile Net Income to | | |
| Net Cash Provided by Operating Activities: | | |
| Unrealized (Gain) Loss on Securities | (6,013) | 1,909 |
| Realized Loss on Securities | -0- | 6,755 |
| (Increase) in Accounts Receivable | (1,794) | (15,910) |
| (Increase) in Prepaid Expenses | (8,212) | (25,216) |
| Decrease (Increase) in Other Assets | 1,675 | (1,788) |
| (Decrease) in Deposits Held | (15,155) | (24,445) |
| (Decrease) Increase in Accounts Payable and Accrued Expenses | <u>(2,357)</u> | <u>34,846</u> |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | <u>4,157</u> | <u>20,476</u> |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES</u> | | |
| Sale of Investments | -0- | 11,133 |
| Purchase of Investments | <u>(16,589)</u> | <u>(53,943)</u> |
| NET CASH (USED IN) INVESTING ACTIVITIES | <u>(16,589)</u> | <u>(42,810)</u> |
| <u>CASH FLOWS FROM FINANCING ACTIVITIES</u> | | |
| Borrowing | -0- | -0- |
| Repayment of Debt | <u>-0-</u> | <u>-0-</u> |
| NET CASH (USED IN) FINANCING ACTIVITIES | <u>-0-</u> | <u>-0-</u> |
| NET (DECREASE) IN CASH | (12,432) | (22,334) |
| CASH - BEGINNING OF YEAR | <u>129,028</u> | <u>151,362</u> |
| CASH - END OF YEAR | <u>\$116,596</u> | <u>\$129,028</u> |

See Auditor's Report and Accompanying Notes.

LESKO SECURITIES, INC.
(A WHOLLY-OWNED SUBSIDIARY)

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

| | <u>2006</u> | <u>2005</u> |
|--------------------------------|-------------|-------------|
| Cash paid during the year for: | | |
| Interest | \$ -0- | \$ -0- |
| Income Taxes | \$ 23,345 | \$ 740 |

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND
FINANCING ACTIVITIES

None to report.

DISCLOSURE OF ACCOUNTING POLICY

For purposes of the Statement Of Cash Flows, cash consists of cash in bank, cash used for trading activities, and cash invested in money market funds.

See Auditor's Report and Accompanying Notes.

LESKO SECURITIES, INC.
(A WHOLLY-OWNED SUBSIDIARY)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2006 AND 2005

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Lesko Securities, Inc. is a registered broker-dealer under the Securities Exchange Act of 1934 and is a member of the National Association of Securities Dealers, Inc. (NASD).

Method of Accounting

The Company utilizes the accrual method of accounting on a trade date basis for recording its revenues. Expenses are recorded when the expense is incurred.

Concentrations of Credit Risk

The Company sells investments primarily to customers in the Southern Tier of New York State. The Company maintains one office located in Binghamton, New York.

Cash in bank balances fluctuate during the year and can exceed federally insured amounts. Marketable securities fluctuate on a daily basis due to market risk.

Income Taxes

Income taxes are provided based on the income reported in the financial statements.

Property

Property is depreciated on the straight-line method over the estimated useful life of the related assets.

Use of Estimates

The preparation of financial statements in accordance 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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(Continued)

See Auditor's Report.

LESKO SECURITIES, INC.
(A WHOLLY-OWNED SUBSIDIARY)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2006 AND 2005

NOTE 2 COMMITMENTS AND RELATED PARTY TRANSACTIONS

The Company has entered into an agreement with Lesko Financial Services, Inc. (its parent Company), to pay Lesko Financial Services, Inc. a percentage of all revenues actually paid to the Company after allowances for commissions due registered representatives. The percentage from January 1, 2006 to April 30, 2006 was 85%, effective May 1, 2006 the service agreement was updated and the percentage was increased to 90%. The rate was 85% for the entire 2005 reporting period. This payment is in lieu of rents and payments for services including, but not limited to, secretarial, clerical, accounting and technical staff; telephone service; mailing facilities and postage costs; printing and supply costs; travel expenses; subscriptions, etc. This agreement may be terminated by either party with thirty (30) days written notice. The total amount of rents and services amounted to \$858,558 and \$718,840 for the years ended December 31, 2006 and 2005, respectively.

NOTE 3 NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission Net Capital Rule (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 15 to 1. At December 31, 2006 and 2005, the Company had net capital of \$172,671 and \$142,677, respectively, which was \$122,671 and \$92,677, respectively, in excess of its required net capital. The Company's aggregate indebtedness to net capital ratio was 1.04 to 1 in 2006 and 1.4 to 1 in 2005.

NOTE 4 TAXES ON INCOME

Deferred tax assets result from accrued commission expense not deducted for income tax purposes and a capital loss carryforward.

See Auditor's Report.

FINANCIAL AND OPERATION COMBINED UNIFORM SINGLE REPORT
PART IIA

BROKER OR DEALER

LESKO SECURITIES, INC.

as of 12/31/06

COMPUTATION OF NET CAPITAL

| | | |
|--|------------|------|
| 1. Total ownership equity from Statement of Financial Condition | \$ 273,951 | 3480 |
| 2. Deduct ownership equity not allowable for Net Capital | () | 3490 |
| 3. Total ownership equity qualified for Net Capital | 273,951 | 3500 |
| 4. Add: | | |
| A. Liabilities subordinated to claims of general creditors allowable in computation of net capital | | 3520 |
| B. Other (deductions) or allowable credits (List) | | 3525 |
| 5. Total capital and allowable subordinated liabilities | \$ 273,951 | 3530 |
| 6. Deductions and/or charges: | | |
| A. Total nonallowable assets from Statement of Financial Condition (Notes B and C) | \$ 77,987 | 3540 |
| B. Secured demand note deficiency | | 3590 |
| C. Commodity futures contracts and spot commodities-proprietary capital charges | | 3600 |
| D. Other deductions and/or charges | | 3610 |
| 7. Other additions and/or allowable credits (List) | (77,987) | 3620 |
| 8. Net capital before haircuts on securities positions | \$ 195,964 | 3630 |
| 9. Haircuts on securities (computed, where applicable, pursuant to 15c3-1 (f)): | | |
| A. Contractual securities commitments | \$ | 3660 |
| B. Subordinated securities borrowings | | 3670 |
| C. Trading and investment securities: | | |
| 1. Exempted securities | | 3735 |
| 2. Debt securities | | 3733 |
| 3. Options | | 3730 |
| 4. Other securities | 23,293 | 3734 |
| D. Undue Concentration | | 3650 |
| E. Other (List) | | 3736 |
| 10. Net Capital | \$ 172,671 | 3740 |
| | | 3750 |

OMIT PENNIES

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART IIA

BROKER OR DEALER

LESKO SECURITIES, INC.

as of 12/31/06

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Part A

| | | |
|---|------------|------|
| 11. Minimum net capital required (6-2/3% of line 19) | \$ 11,979 | 3756 |
| 12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A) | \$ 50,000 | 3758 |
| 13. Net capital requirement (greater of line 11 or 12) | \$ 50,000 | 3760 |
| 14. Excess net capital (line 10 less 13) | \$ 122,671 | 3770 |
| 15. Excess net capital at 1000% (line 10 less 10% of line 19) | \$ 154,702 | 3780 |

COMPUTATION OF AGGREGATE INDEBTEDNESS

| | | |
|--|------------|------|
| 16. Total A.I. liabilities from Statement of Financial Condition | \$ 179,688 | 3790 |
| 17. Add: | | |
| A. Drafts for immediate credit | \$ 3800 | |
| B. Market value of securities borrowed for which no equivalent value is paid or credited | \$ 3810 | |
| C. Other unrecorded amounts (List) | \$ 3820 | 3830 |
| 19. Total aggregate indebtedness | \$ 179,688 | 3840 |
| 20. Percentage of aggregate indebtedness to net capital (line 19 ÷ by line 10) | % 104 | 3850 |
| 21. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1 (d) | % N/A | 3860 |

COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT

Part B

| | |
|--|---------|
| 22. 2% of combined aggregate debit items as shown in Formula for Reserve Requirements pursuant to Rule 15c3-3 prepared as of the date of the net capital computation including both brokers or dealers and consolidated subsidiaries' debits | \$ 3870 |
| 23. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A) | \$ 3880 |
| 24. Net capital requirement (greater of line 22 or 23) | \$ 3760 |
| 25. Excess net capital (line 10 less 24) | \$ 3910 |
| 26. Net capital in excess of: 5% of combined aggregate debit items or \$120,000 | \$ 3920 |

OMIT PENNIES

NOTES:

- (A) The minimum net capital requirement should be computed by adding the minimum dollar net capital requirement of the reporting broker dealer and, for each subsidiary to be consolidated, the greater of:
1. Minimum dollar net capital requirement, or
 2. 6-2/3% of aggregate indebtedness or 2% of aggregate debits if alternative method is used.
- (B) Do not deduct the value of securities borrowed under subordination agreements or secured demand note covered by subordination agreements not in satisfactory form and the market values of memberships in exchanges contributed for use of company (contra to item 1740) and partners' securities which were included in non-allowable assets.
- (C) For reports filed pursuant to paragraph (d) of Rule 17a-5, respondent should provide a list of material non-allowable assets.

LESKO SECURITIES, INC.
(A WHOLLY-OWNED SUBSIDIARY)

COMPUTATION FOR DETERMINATION OF RESERVE
REQUIREMENTS PURSUANT TO RULE 15c3-3

DECEMBER 31, 2006

The following schedules are not required:

Computation for Determination of Reserve Requirements
Pursuant to Rule 15c3-3

Information Relating to the Possession or Control
Requirements Pursuant to Rule 15c3-3

An exemption from Rule 15c3-3 is claimed based on sections (K)
(2)(i), special account for exclusive benefit of customers.

See Auditor's Report and Accompanying Notes.

LESKO SECURITIES, INC.
(A WHOLLY-OWNED SUBSIDIARY)

RECONCILIATION OF THE COMPUTATION OF
NET CAPITAL UNDER RULE 15c3-1

DECEMBER 31, 2006

| | <u>Audit Report</u> | <u>Unaudited Part II A Filing</u> |
|---|-------------------------|---|
| Total Ownership Equity from the Statement of Financial Condition | \$273,951 | \$273,382 |
| Reconciliation: | | |
| Audit adjustment (due to Accrued Income and Expenses) for the year ending December 31, 2005 | <u>-0-</u> | <u>569</u> |
| | 273,951 | 273,951 |
| Non-allowable Assets | (77,987) | (72,148) |
| Audit Adjustment - Prepaid Taxes | -0- | (5,839) |
| Haircuts on Securities | (23,293) | (23,293) |
| Audit Adjustment - Haircut | <u>-0-</u> | <u>-0-</u> |
| | \$172,671 | \$172,671 |
| | ===== | ===== |

See Auditor's Report and Accompanying Notes.

STELLA & GETTY, CPAs

3001 East Main Street, Endwell, New York 13760 • (607) 757-0580 • Fax (607) 757-0583

David M. Stella, CPA

January 23, 2006

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON INTERNAL CONTROL REQUIRED BY SEC. RULE 17a-5

To the Management
Lesko Securities, Inc.
Binghamton, NY

In planning and performing our audit of the financial statements of Lesko Securities, Inc., 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 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 custodian 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

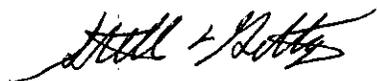
The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the previous 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 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 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 management, the SEC, and other regulatory agencies which rely on Rule 17a-5(g) under the Securities Exchange Act of 1934, in their regulation of registered brokers and dealers, and should not be used for any other purpose.



STELLA & GETTY, CPAs

END