

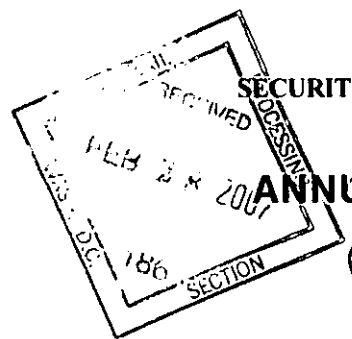
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OMB APPROVAL	
OMB Number:	3235-0123
Expires:	February 28, 2007
Estimated average burden hours per response.....	12.00

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

SEC FILE NUMBER
8- 66315

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: SECURE TREND FINANCIAL, LLC

OFFICIAL USE ONLY
FIRM I.D. NO.

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

MARION (City) NC (State) 28752 (Zip Code)  
(No. and Street)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
ELIZABETH BURLESON 828-659-8862  
(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*  
CF & CO., L.L.P.

14175 PROTON ROAD (Address) DALLAS (City) TX (State) 75244 (Zip Code)  
(Name - if individual, state last, first, middle name)

**CHECK ONE:**

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

**PROCESSED**  
MAR 21 2007

FOR OFFICIAL USE ONLY
J 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)

2007/3/20

OATH OR AFFIRMATION

I, ELIZABETH BURLESON, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of SECURE TREND FINANCIAL, LLC, as of DECEMBER 31, 20 06, 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:

Elizabeth D. Burlison
Signature
EXECUTIVE REPRESENTATIVE
Title

L. Ais Buchanan
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).

SECURE TREND FINANCIAL, L.L.C.  
REPORT PURSUANT TO RULE 17a-5(d)  
YEAR ENDED DECEMBER 31, 2006

SECURE TREND FINANCIAL, LLC

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

CERTIFIED PUBLIC ACCOUNTANTS  
& CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Secure Trend Financial, LLC

We have audited the accompanying statement of financial condition of Secure Trend Financial, LLC as of December 31, 2006, and the related statements of income, changes in members' 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 Secure Trend Financial, LLC, 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.

*CF & Co., LLP*

CF & Co., L.L.P.

Dallas, Texas  
February 23, 2007

SECURE TREND FINANCIAL, LLC  
Statement of Financial Condition  
December 31, 2006

ASSETS

Cash and cash equivalents	\$ 40,823
Accounts receivable	43,706
Other assets	<u>855</u>
Total Assets	<u>\$ 85,384</u>

LIABILITIES AND MEMBERS' EQUITY

Liabilities:	
Accounts payable	<u>\$ 23,064</u>
Total liabilities	<u>23,064</u>
Members' equity	<u>62,320</u>
Total Liabilities and Members' Equity	<u>\$ 85,384</u>

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

SECURE TREND FINANCIAL, LLC  
Statement of Income  
For the Year Ended December 31, 2006

Revenues:	
Commissions	\$ 671,058
Interest	163
	<u>671,221</u>
Expenses:	
Selling expenses	21,012
Registration and licenses	1,408
Operating expenses	543,922
	<u>566,342</u>
Net income before income taxes	104,879
Income tax expense	<u>-</u>
Net income	<u><u>\$ 104,879</u></u>

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

SECURE TREND FINANCIAL, LLC  
Statement of Changes in Members' Equity  
For the Year Ended December 31, 2006

Balance at December 31, 2005	\$ 106,334
Capital withdrawals	(148,893)
Net income	<u>104,879</u>
Balance at December 31, 2006	<u><u>\$ 62,320</u></u>

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



SECURE TREND FINANCIAL, LLC  
Statement of Changes in Liabilities Subordinated  
to Claims of General Creditors  
For the Year Ended December 31, 2006

Balance at January 1, 2006	\$ -
Increases	-
Decreases	-
Balance at December 31, 2006	<u>\$ -</u>

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

SECURE TREND FINANCIAL, LLC  
Statement of Cash Flows  
For the Year Ended December 31, 2006

**Cash flows from operating activities:**

Net income	\$ 104,879
Adjustments to reconcile net income to net cash provided (used) by operating activities:	
Increase in accounts receivable	(20,010)
Increase in other assets	(95)
Increase in accounts payable	<u>2,083</u>
Net cash provided (used) by operating activities	<u>86,857</u>

**Cash flows from investing activities:**

Net cash provided (used) by investing activities	<u>-</u>
--	----------

**Cash flows from financing activities:**

Capital withdrawal	<u>(148,893)</u>
Net cash provided (used) by financing activities	<u>(148,893)</u>
Net decrease in cash and cash equivalents	(62,036)
Cash and cash equivalents at beginning of year	<u>102,859</u>
Cash and cash equivalents at end of year	<u><u>\$ 40,823</u></u>

**Supplemental disclosures**

Cash paid during the year for:

Interest	<u><u>\$ -</u></u>
Income taxes	<u><u>\$ -</u></u>

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

SECURE TREND FINANCIAL, LLC  
Notes to Financial Statements  
December 31, 2006

Note 1 - Summary of Significant Accounting Policies

**Organization and Business Activity**

Secure Trend Financial, LLC (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 North Carolina limited liability corporation and is a member of the National Association of Securities Dealers (NASD). The Company earns commission income from the sale of mutual funds and insurance products.

**Cash and Cash Equivalents**

The Company treats money market mutual funds and all highly liquid debt instruments with original maturities of three months or less as cash equivalents for purposes of the statement of cash flows.

**Management 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 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.

**Income Taxes**

No provision for income taxes is required since the members report their proportionate share of the Company's taxable income or loss on their respective income tax returns. Such income or losses are proportionately allocated to the members based upon their ownership interests.

**Commissions Revenue**

Commissions are recorded on the trade date basis as securities transactions occur.

Note 2 - Concentration Risk

All commissions revenue and accounts receivable are derived from one source, LPL Financial Services.

SECURE TREND FINANCIAL, LLC  
Notes to Financial Statements  
December 31, 2006

Note 3 - Account Receivable

Accounts receivable are due from LPL Financial Services. Management considers all receivables to be fully collectible. Accordingly, no allowance for doubtful accounts has been provided.

Note 4 - Related Party Transactions

The Company rents office space under a one year lease, expiring August 31, 2007 from an affiliate. The lease requires monthly payments of \$250. Rent expense for the year ended December 31, 2006, amounted to \$3,000.

Management services are provided by a related party. During 2006, the Company incurred \$519,000 in operating expense for this service of which \$20,000 was payable as of December 31, 2006.

Note 5 - Net Capital Requirements

Pursuant to the net capital provisions of Rule 15c3-1 of the Securities Exchange Act of 1934, a minimum net capital requirement must be maintained, as defined under such provisions. Net capital and the related net capital ratio may fluctuate on a daily basis. At December 31, 2006, the Company had net capital of approximately \$40,157 and net capital requirements of \$5,000. The ratio of aggregate indebtedness to net capital was .57 to 1. The Securities and Exchange Commission permits a ratio of no greater than 15 to 1.

Note 6 - 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).

Supplementary Information  
Pursuant to Rule 17a-5 of the  
Securities Exchange Act of 1934  
For the Year Ended  
December 31, 2006

**Schedule I**

SECURE TREND FINANCIAL, LLC  
Computation of Net Capital Under Rule 15c3-1  
of the Securities and Exchange Commission  
As of December 31, 2006

**COMPUTATION OF NET CAPITAL**

Total ownership equity qualified for net capital		\$ 62,320
Add:		
Other deductions or allowable credits		<u>-</u>
Total capital and allowable subordinated liabilities		62,320
Deductions and/or charges		
Non-allowable assets:		
Other assets and prepaid expenses	\$ 855	
Clearing broker receivables not received within 30 days	<u>21,308</u>	<u>(22,163)</u>
Net capital before haircuts on securities positions		40,157
Haircuts on securities (computed, where applicable, pursuant to rule 15c3-1(f)):		<u>-</u>
Net capital		<u>\$ 40,157</u>

**AGGREGATE INDEBTEDNESS**

Items included in statement of financial condition		
Accounts payable		<u>\$ 23,064</u>
Total aggregate indebtedness		<u>\$ 23,064</u>

**Schedule I (continued)**

**SECURE TREND FINANCIAL, LLC**  
**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>\$ 1,538</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>\$ 35,157</u>
Excess net capital at 1000%	<u>\$ 37,851</u>
Ratio: Aggregate indebtedness to net capital	<u>.57 to 1</u>

**RECONCILIATION WITH COMPANY'S COMPUTATION**

The following serves to reconcile material differences in the computation of net capital under Rule 15c3-1 from the Company's computation:

Net capital per Company's (unaudited) FOCUS Part IIA	\$ 40,155
Rounding differences	<u>2</u>
Net capital per audited report	<u>\$ 40,157</u>

**Schedule II**

**SECURE TREND FINANCIAL, LLC**  
**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 that the Company does not hold customers' monies or securities.



Independent Auditor's Report

On Internal Control

Required By SEC Rule 17a-5

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

Board of Directors  
Secure Trend Financial, LLC

In planning and performing our audit of the financial statements and supplemental information of Secure Trend Financial, LLC (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., LLP*  
CF & Co., L.L.P.

Dallas, Texas  
February 23, 2007

*END*