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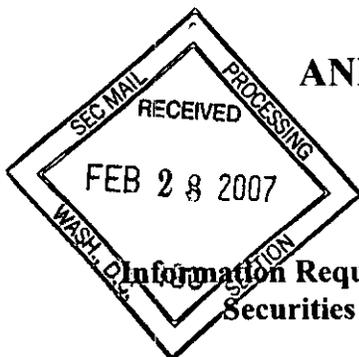
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ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III

SEC FILE NUMBER

8-65724

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 01/01/2006 AND ENDING 12/31/2006  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

Strategic Point Securities, LLC

OFFICIAL USE ONLY

FIRM I.D. NO.

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

220 West Exchange Street

(No. and Street)

Providence

(City)

RI

(State)

02903

(Zip Code)

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

David F. Brochu

401-273-1500

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

Lefkowitz, Garfinkel, Champi & DeRienzo P.C.

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

10 Weybosset Street, Suite 700

(Address)

(City)

RI

(State)

02903

(Zip Code)

PROCESSED

CHECK ONE:

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

MAR 21 2007

J THOMSON  
FINANCIAL

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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OATH OR AFFIRMATION

I, David F. Brochu, affirm that, to the best of my knowledge and belief, the accompanying financial statements and supporting schedule pertaining to Strategic Point Securities, LLC as of and for the year ended December 31, 2006, are true and correct. I further affirm that neither the Company nor any Member, principal officer, or director has any proprietary interest in any account classified solely as that of a customer.

  
\_\_\_\_\_  
Signature

PRESIDENT  
\_\_\_\_\_  
Title

2-26-07  
\_\_\_\_\_  
Date

Subscribed and sworn to before me this  
26<sup>th</sup> day of February, 2007

  
\_\_\_\_\_  
Notary Public

Commission expires 6 15 09

This report contains (check all applicable boxes):

- (x) (a) Facing Page
- (x) (b) Statement of Financial Condition
- (x) (c) Statement of Income
- (x) (d) Statement of Cash Flows
- (x) (e) Statement of Changes in Members' Equity
- ( ) (f) Statement of Changes in Liabilities Subordinated to Claims of General Creditors
- (x) (g) Computation of Net Capital Pursuant to Rule 15c3-1
- ( ) (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
- (x) (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 Auditors' Report on Internal Control

STRATEGIC POINT SECURITIES, LLC  
(A LIMITED LIABILITY COMPANY)  
(A WHOLLY-OWNED SUBSIDIARY OF STRATEGIC POINT HOLDINGS, LLC)

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Lefkowitz, Garfinkel, Champi & DeRienzo P.C.  
Certified Public Accountants / Business Consultants

Principals  
Jerome L. Lefkowitz, CPA  
Stephen M. Garfinkel, CPA  
Frank J. Champi, CPA  
Richard J. DeRienzo, CPA  
Jerold N. Dorfman, CPA, PFS  
Peter Mezzi, CPA  
Stephen W. Geremia, CPA  
Susan R. Johnson, CPA  
Michael E. Criscione, CPA  
John E. Finnerty, Jr., CPA, CVA

## **Independent Auditors' Report**

Member  
Strategic Point Securities, LLC  
(a Limited Liability Company)  
Providence, Rhode Island

We have audited the accompanying statement of financial condition of Strategic Point Securities, LLC (a Limited Liability Company) (a wholly-owned subsidiary of Strategic Point Holdings, LLC) as of December 31, 2006, and the related statements of income, changes in member's equity, 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.

Except as discussed in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States. 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.

As discussed in Note 2 to the financial statements, the fair value of assets acquired and liabilities assumed required to be recognized as a result of the business acquisition that occurred on January 23, 2006 has not been determined. Accordingly, the fair value of all assets acquired and liabilities assumed as of the date of the acquisition allocable to the Company has not been recorded in the accompanying financial statements.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to obtain information about the fair value of assets acquired and liabilities assumed as of the date of acquisition which are allocable to the Company, the financial statements referred to above present fairly, in all material respects, the financial position of Strategic Point Securities, 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.

**Independent Auditors' Report (Continued)**

Member  
Strategic Point Securities, LLC  
(a Limited Liability Company)

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedule I 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. This schedule is the responsibility of the Company's management. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, except for the effects, if any, of not determining the fair value of assets acquired and liabilities assumed as of the date of acquisition, as described above, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Heflavitz, Gelfand, Campi & DeFrenzo P.C.*

Providence, Rhode Island  
February 26, 2007

STRATEGIC POINT SECURITIES, LLC  
(A LIMITED LIABILITY COMPANY)  
(A WHOLLY-OWNED SUBSIDIARY OF STRATEGIC POINT HOLDINGS, LLC)

STATEMENT OF FINANCIAL CONDITION - DECEMBER 31, 2006

ASSETS

Cash and cash equivalents	\$ 216,364
Deposit with clearing broker-dealer	25,000
Receivable from clearing broker-dealer	25,663
Prepaid expenses	14,570
Due from subsidiary of Member	<u>1,840</u>
	<u>\$ 283,437</u>

LIABILITY AND MEMBER'S EQUITY

Liability, accounts payable	\$ 299
Member's equity	<u>283,138</u>
	<u>\$ 283,437</u>

See notes to financial statements.

STRATEGIC POINT SECURITIES, LLC  
(A LIMITED LIABILITY COMPANY)  
(A WHOLLY-OWNED SUBSIDIARY OF STRATEGIC POINT HOLDINGS, LLC)

STATEMENT OF INCOME

YEAR ENDED DECEMBER 31, 2006

Revenues:	
Commissions	\$ 594,298
Other income, principally interest income	<u>6,655</u>
	<u>600,953</u>
Expenses:	
Employee compensation and benefits	133,316
Clearing broker charges	33,153
Overhead charges	13,336
Administrative charges	4,250
Interest	3,849
Management fee	2,940
Professional fees	53,937
Other operating expenses	<u>24,989</u>
	<u>269,770</u>
Net income	<u>\$ 331,183</u>

See notes to financial statements.

STRATEGIC POINT SECURITIES, LLC  
(A LIMITED LIABILITY COMPANY)  
(A WHOLLY-OWNED SUBSIDIARY OF STRATEGIC POINT HOLDINGS, LLC)

STATEMENT OF CHANGES IN MEMBER'S EQUITY

YEAR ENDED DECEMBER 31, 2006

Balance, January 1, 2006	\$ 135,835
Net income	331,183
Distributions	<u>(183,880)</u>
Balance, December 31, 2006	<u>\$ 283,138</u>

See notes to financial statements.

STRATEGIC POINT SECURITIES, LLC  
(A LIMITED LIABILITY COMPANY)  
(A WHOLLY-OWNED SUBSIDIARY OF STRATEGIC POINT HOLDINGS, LLC)

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2006

Cash flows from operating activities:	
Net income	\$ 331,183
Adjustments to reconcile net income to net cash provided by operating activities:	
Increase in:	
Receivable from clearing broker-dealer	(6,363)
Prepaid expenses	(2,388)
Decrease in accounts payable	<u>(2,782)</u>
Net cash provided by operating activities	319,650
Cash used in investing activities, increase in due from subsidiary of Member	(1,840)
Cash used in financing activities, distributions to Member	<u>(183,880)</u>
Net increase in cash	133,930
Cash and cash equivalents, beginning of year	<u>82,434</u>
Cash and cash equivalents, end of year	<u><u>\$ 216,364</u></u>

See notes to financial statements.

STRATEGIC POINT SECURITIES, LLC  
(A LIMITED LIABILITY COMPANY)  
(A WHOLLY-OWNED SUBSIDIARY OF STRATEGIC POINT HOLDINGS, LLC)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2006

1. Organization and summary of significant accounting policies:

Strategic Point Securities, LLC (the Company) was a wholly-owned subsidiary of Progressive Financial Strategies, LLC (PFS) through January 22, 2006. During 2006, PFS organized and became the sole member of Strategic Point Holdings, LLC (Holdings). Effective January 23, 2006, PFS contributed its membership interest in the Company to Holdings, at which time the Company became a wholly-owned subsidiary of Holdings (the Member). Concurrently, PFS sold a portion, and contributed the remainder, of its membership interest in Holdings to an unrelated party.

The Company is an introducing broker-dealer registered with the Securities and Exchange Commission (SEC) and is a member of the National Association of Securities Dealers (NASD). The Company provides brokerage services to customers of a subsidiary of the Member operating as an investment advisory company registered with the SEC and various state securities and other agencies providing financial advisory services to affluent and emerging affluent individuals, employee benefit plans, and corporate and nonprofit entities, located principally in Rhode Island.

The Company operates under the provisions of Paragraph (k)(2)(ii) of rule 15c3-3 of the Securities Exchange Act of 1934 and, accordingly, is exempt from the remaining provisions of that rule. Essentially, the requirements of Paragraph (k)(2)(ii) provide that the Company clear all transactions on behalf of customers on a fully disclosed basis with a clearing broker-dealer, and promptly transmit all customer funds and securities to the clearing broker-dealer. The clearing broker-dealer carries all of the accounts of the customers and maintains and preserves all related books and records as are customarily kept by a clearing broker-dealer.

In the normal course of business, the Company's customer activities involve the execution, settlement, and financing by the clearing broker-dealer of various customer securities transactions. These activities may expose the Company to off-balance sheet risk in the event the customer is unable to fulfill its contracted obligations and the Company has to purchase or sell the financial instrument underlying the contract at a loss.

Use of estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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.

STRATEGIC POINT SECURITIES, LLC  
(A LIMITED LIABILITY COMPANY)  
(A WHOLLY-OWNED SUBSIDIARY OF STRATEGIC POINT HOLDINGS, LLC)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED DECEMBER 31, 2006

1. Organization and summary of significant accounting policies (continued):

Cash and cash equivalents:

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Company had \$188,933 in cash equivalents at December 31, 2006.

Securities transactions:

The Company buys and sells securities for customers of a subsidiary of the Member by introducing transactions for execution, clearance, and settlement to another broker-dealer on a fully disclosed basis.

Commissions:

Commissions and related clearing expenses are recorded on a settlement-date basis as security transactions occur, which approximates a trade-date basis. Other commissions are recorded when earned.

Income taxes:

The Company is a limited liability company and files consolidated tax returns with the Member. The Member has elected to be treated as a partnership for federal and state income tax reporting purposes. Accordingly, no income tax liability or asset has been recorded in the accompanying financial statements since members of the Member will include the Company's income or loss, whether or not distributed, in their income tax returns.

Liability and rights of the Member:

The Member is not:

- (i) personally liable for debts, obligations or liabilities of the Company;
- (ii) obligated to cure any deficit account;
- (iii) required to return all or any portion of any capital contribution; or
- (iv) required to lend funds to the Company.

STRATEGIC POINT SECURITIES, LLC  
(A LIMITED LIABILITY COMPANY)  
(A WHOLLY-OWNED SUBSIDIARY OF STRATEGIC POINT HOLDINGS, LLC)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED DECEMBER 31, 2006

2. Business acquisition:

Holdings, the Company's sole member, owns the Company and two related entities. Effective January 23, 2006, an unrelated party (the Purchaser) acquired 100% of the membership interests in Holdings for an aggregate purchase price consisting of \$2,646,000 of cash, restricted common units in the Purchaser, and contingent purchase price consideration (the Business Acquisition).

Generally accepted accounting principles require that the fair value of the assets acquired and liabilities assumed by the Purchaser in the Business Acquisition be determined and that the allocable portion related to the Company be recorded in the Company's financial statements. As of February 26, 2007, the Purchaser has not determined the fair value of the assets acquired and liabilities assumed in the Business Acquisition, and accordingly, the fair value of such assets and liabilities allocable to the Company has not been recorded in the accompanying financial statements.

3. Related party transactions:

The Company has entered into an expense-sharing agreement with its Member under which the Company is required to reimburse the Member for its allocable share of expenses as determined by the Member. For the year ended December 31, 2006, the Member allocated to the Company \$29,918 of expenses. Also, for the year ended December 31, 2006, the Member allocated to the Company \$2,940 of management fees payable by the Member to PFS, based on a portion of Holding's consolidated earnings, as defined in the agreement, above a minimum threshold, under a management agreement expiring January 22, 2012. Amounts allocated by the Member and charged to the Company have been classified in the accompanying statement of income based on their natural classification.

4. Regulatory requirements:

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC 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, the Company had net capital of \$241,050, which was \$191,050 in excess of its required net capital of \$50,000. The Company's ratio of aggregate indebtedness to net capital was .001 to 1.

The Company also is subject to other rules and regulations of the SEC and rules and regulations of the NASD and the various state securities and other agencies in the states in which it is licensed to conduct business. Compliance with such laws and regulations is subject to possible government review and interpretation. At December 31, 2006, a regulatory examination by the NASD is still in process, and management believes the Company has complied with all material rules and regulations to which it is subject.

STRATEGIC POINT SECURITIES, LLC  
(A LIMITED LIABILITY COMPANY)  
(A WHOLLY-OWNED SUBSIDIARY OF STRATEGIC POINT HOLDINGS, LLC)

SCHEDULE I

COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1  
OF THE SECURITIES EXCHANGE ACT OF 1934  
AS OF DECEMBER 31, 2006

Net capital:	
Total member's equity and total qualified for net capital	\$ 283,138
Deductions and/or charges:	
Non-allowable assets:	
Receivable from clearing broker/dealer	25,663
Prepaid expenses	14,570
Due from subsidiary of Member	<u>1,840</u>
Net capital before haircuts on securities positions (tentative net capital)	241,065
Haircuts on securities	<u>15</u>
Net capital	<u>\$ 241,050</u>
Aggregate indebtedness:	
Accounts payable	<u>\$ 299</u>
Total aggregate indebtedness	<u>\$ 299</u>
Minimum net capital required (greater of \$50,000 or 6.66% of aggregate indebtedness)	<u>\$ 50,000</u>
Net capital in excess of minimum requirement	<u>\$ 191,050</u>
Excess net capital at 1,000%	<u>\$ 241,020</u>
Ratio, aggregate indebtedness to net capital	.001 to 1
Reconciliation with Company's computation (included in Part II of Form X-17A-S as of December 31, 2006):	
Net capital, as reported in Company's Part II (Unaudited FOCUS report)	\$ 241,065
Adjust, haircuts on securities	<u>15</u>
	<u>\$ 241,050</u>



Lefkowitz, Garfinkel, Champi & DeRienzo P.C.  
Certified Public Accountants / Business Consultants

Principals  
Jerome L. Lefkowitz, CPA  
Stephen M. Garfinkel, CPA  
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Peter Mezzi, CPA  
Stephen W. Geremia, CPA  
Susan R. Johnson, CPA  
Michael E. Criscione, CPA  
John E. Finnerty, Jr., CPA, CVA

## Independent Auditors' Report on Internal Control

Member  
Strategic Point Securities, LLC  
(a Limited Liability Company)  
Providence, Rhode Island

In planning and performing our audit of the financial statements and supplemental schedule of Strategic Point Securities, LLC (a Limited Liability Company) (the Company) (a wholly-owned subsidiary of Strategic Point Holdings, LLC) 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
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. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Independent Auditors' Report on Internal Control (Continued)

Member  
Strategic Point Securities, LLC  
(a Limited Liability Company)

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 one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by 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 Member, management, the SEC, the NASD, 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.

*Seligman, Janney, Lane & Katz P.C.*

Providence, Rhode Island  
February 26, 2007

END