

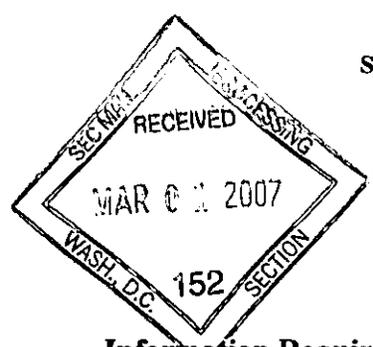
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**ANNUAL AUDITED REPORT
FORM X-17A-5
PART III**

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: JFD SECURITIES, INC.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
534 HAWARDEN ROAD
(No. and Street)
SPRINGFIELD, PA 19064
(City) (State) (Zip Code)

OFFICIAL USE ONLY
FIRM I.D. NO.

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
JOHN C. PAPANDON 215-854-9300
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*
GOLDNER, PAPANDON, CHILDS & DELUCCIA, LLC
(Name - if individual, state last, first, middle name)
1417 LOCUST STREET, PHILADELPHIA, PA 19102
(Address) (City) (State) (Zip Code)

CHECK ONE:

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

PROCESSED
MAR 19 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)

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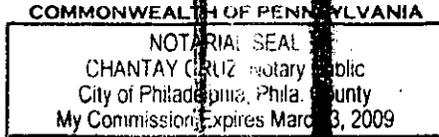
OATH OR AFFIRMATION

I, Brian Sweeney, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of JFD Securities, Inc, as of Feb 28, 2007, 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:

[Signature]
 Signature
Ch. of Compliance Officer
 Title

[Signature]
 Notary Public

Sworn to and subscribed before me this 28th day of February 2007



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 240.17c-3(e)(3).

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART IIA

BROKER OR DEALER **JFD SECURITIES, INC.**

as of 12/31/06

STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING AND CERTAIN OTHER BROKERS OR DEALERS

LIABILITIES AND OWNERSHIP EQUITY

Liabilities	A.I. Liabilities	Non-A.I. Liabilities	Total
13. Bank loans payable	\$ 1045	\$ 1255 ¹³	\$ 1470
14. Payable to brokers or dealers:			
A. Clearance account	1114	1315	1560
B. Other	1115 ¹⁰	1305	1540
15. Payable to non-customers	1155	1355	1610
16. Securities sold not yet purchased, at market value		1360	1620
17. Accounts payable, accrued liabilities, expenses and other	55,000 1205	1385	55,000 1685
18. Notes and mortgages payable:			
A. Unsecured	1210		1690
B. Secured	1211 ¹²	1390 ¹⁴	1700
19. E. Liabilities subordinated to claims of general creditors:			
A. Cash borrowings:		1400	1710
1. from outsiders ⁹ \$	970		
2. includes equity subordination (15c3-1(d)) of ... \$	980		
B. Securities borrowings, at market value from outsiders \$	990	1410	1720
C. Pursuant to secured demand note collateral agreements		1420	1730
1. from outsiders \$	1000		
2. includes equity subordination (15c3-1(d)) of ... \$	1010		
D. Exchange memberships contributed for use of company, at market value		1430	1740
E. Accounts and other borrowings not qualified for net capital purposes	1220	1440	1750
20. TOTAL LIABILITIES	\$ 55,000 1230	\$ 1450	\$ 55,000 1760
Ownership Equity			
21. Sole Proprietorship			1770 ¹⁵
22. Partnership (limited partners)	1020 ¹¹		1780
23. Corporation:			
A. Preferred stock			1791
B. Common stock		100	1792
C. Additional paid-in capital		100,900	1793
D. Retained earnings		286,344	1794
E. Total		387,344	1795
F. Less capital stock in treasury		16	1796 ¹⁶
24. TOTAL OWNERSHIP EQUITY		\$ 387,344	1800
25. TOTAL LIABILITIES AND OWNERSHIP EQUITY		\$ 442,344	1810

OMIT PENNIES

JFD SECURITIES, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2006

JFD SECURITIES, INC.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

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GOLDNER, PAPANDON, CHILDS & DELUCCIA, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1417 Locust Street, Suite 300
Philadelphia, PA 19102-3810
215.854.9300 • Fax: 215.561.2070

434 E. Baltimore Pike
Media, PA 19063-3840
610-364-9900 Fax: 610-364-9700



To the Board of Directors
JFD Securities, Inc.
Springfield, Pennsylvania

We have audited the accompanying statement of financial condition of JFD Securities, 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 JFD Securities, Inc. at December 31, 2006, and the results of the 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 conducted for the purpose of forming an opinion on the basic financial statements taken as a whole.

Goldner, Papandon, Childs & DeLuccia, LLC

February 20, 2007

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

ASSETS

Cash	\$ 198,204
Deposits with clearing organizations and others	15,659
Receivables from broker-dealers and clearing organizations	192,383
Furniture and equipment, at cost, less accumulated depreciation of \$4,265	9,439
Security deposit	2,900
Other assets	<u>23,759</u>
 Total assets	 <u>\$ 442,344</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Liabilities:

Payable to broker-dealers and clearing organizations	\$ 8,640
Accounts payable, accrued expenses and other liabilities	<u>46,360</u>
 Total liabilities	 <u>55,000</u>

Stockholders' equity:

Common stock, \$.05 par value authorized and issued 2,000 shares	100
Additional paid-in capital	100,900
Retained earnings	<u>286,344</u>
 Total stockholders' equity	 <u>387,344</u>
 Total liabilities and stockholders' equity	 <u>\$ 442,344</u>

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

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

Revenue:	
Commission	<u>\$ 2,041,050</u>
Expenses:	
Compensation	1,262,080
Payroll taxes	43,458
Employee benefits	63,332
Floor brokerage, exchange, and clearance fees	182,393
Floor trading discrepancies	14,522
Communications and data processing	82,904
Contributions	3,000
Depreciation	2,639
Exchange penalty assessment	35,000
Occupancy costs	20,311
Office expenses	9,409
Other expenses	3,551
Professional fees	66,747
Taxes, business and capital stock	11,574
Travel and entertainment	78,167
Vehicle costs	20,845
Write off, accounts receivable	<u>39,494</u>
	<u>1,939,426</u>
Net income before interest income	101,624
Interest income net of interest expense	<u>215</u>
Net income	<u>\$ 101,839</u>

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

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

	<u>Common Stock</u>	<u>Additional Paid-In Capital</u>	<u>Retained Earnings</u>
Balance, January 1, 2006	\$ 100	\$ 100,900	\$ 184,505
Net income	_____	_____	<u>101,839</u>
Balances at December 31, 2006	<u>\$ 100</u>	<u>\$ 100,900</u>	<u>\$ 286,344</u>

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

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

Cash flows from operating activities:	
Net income	\$ 101,839
Adjustments to reconcile net loss to net cash provided by operating activities:	
Depreciation	2,639
(Increase) decrease in operating assets:	
Deposits with clearing organizations and others	4,497
Net receivable from broker-dealers and clearing organizations	(11,854)
Other	(15,456)
Increase (decrease) in operating liabilities:	
Payables and accruals	<u>(42,865)</u>
Net cash provided by operating activities	<u>38,800</u>
Cash flows from investing activities:	
Purchase of furniture and equipment	<u>(4,125)</u>
Net cash used in investing activities	<u>(4,125)</u>
Increase in cash	34,675
Cash, beginning of year	<u>163,529</u>
Cash, end of year	<u>\$ 198,204</u>

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

JFD SECURITIES, INC.
Notes to the Financial Statements
December 31, 2006

NOTE 1 ORGANIZATIONS AND NATURE OF BUSINESS

The Company is a broker-dealer registered with the Securities and Exchange Commission (SEC) and is an investment advisor registered with the Securities and Exchange Commission. The Company is a member of the Philadelphia Stock Exchange and the National Association of Securities Dealers (NASD). JFD is a Pennsylvania Company with officers in Pennsylvania and New Jersey.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The Company transacts its business for other broker-dealers. Transactions are generally through clearing companies or in the name of the customer's broker-dealer. Fees generated by these transactions are remitted to the Company. The Company does not collect funds and securities, and does not otherwise hold funds or securities for, or owe money or securities to, customers. Accordingly, the Company is exempt from Rule 15c 3-3 of the Securities Act of 1934.

Basis of accounting

The Company prepares its financial statements on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America and reflect practices appropriate to the industry in which the Company operates.

Securities transactions

See "Basis of Presentation." Receivables from, and payables to, clearing agents represent balances arising from transaction fees from executions.

Use of estimates

This preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and cash equivalents

The Company maintains its funds in a commercial bank. Liquid debt instruments purchased with an initial maturity of three months or less would be considered cash and cash equivalents.

JFD SECURITIES, INC.
Notes to the Financial Statements
December 31, 2006

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

Depreciation

Depreciation is provided on a straight-line basis using estimated useful lives of five years.

Commissions

The Company generates commissions from executing and clearing client transactions on stock and options markets.

Income taxes

The Company filed an election with the Internal Revenue Service and the Commonwealth of Pennsylvania to be treated as an "S" Corporation. Under "S" Corporation status, the income and related tax liability passes directly to the stockholder.

NOTE 3 OPERATING LEASE COMMITMENTS

The Company leases floor space on the Philadelphia Stock Exchange, and leases a New Jersey office.

As of December 31, 2006, commitments under leases were as follows:

2007	\$17,400
2008	\$ 8,700

NOTE 4 RETIREMENT PLAN

The Company sponsors a simple IRA plan. Under the plan, employees may deposit up to 2% of their compensation in the plan. The Company does not provide any matching funds.

NOTE 5 CONCENTRATION OF CREDIT RISK

As of December 31, 2006, the Company had cash deposits in one financial institution in excess of the maximum insurable limit. To the extent that the funds exceed the \$100,000 limit, the Company has a risk factor.

END