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

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Ewing Bemiss & Co.
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
901 East Byrd Street, Suite 1650

OFFICIAL USE ONLY
FIRM I.D. NO.

Richmond, Virginia 23219
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
A. Hugh Ewing, III (804) 780-1900
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Goodman & Company, LLP
(Name - if individual, state last, first, middle name)
4510 Cox Road, Suite 200 Richmond, Virginia 23060
(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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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)

SEC 1410 (06-02)

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OATH OR AFFIRMATION

I, A. Hugh Ewing, III, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Ewing Bemiss & Co., 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:

A. H. Ewing, III

Signature

President

Title

Alexis Wilkinson

Notary Public *My commission expires 12/31/2008*

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).

Financial Statements
Years Ended
December 31, 2006 and 2005

Ewing Bemiss & Co.

Ewing Bemiss & Co.

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Certified Public Accountants
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Report of Independent Auditors

Board of Directors
Ewing Bemiss & Co.

We have audited the accompanying balance sheets of *Ewing Bemiss & Co.* as of December 31, 2006 and 2005, and the related statements of operations, changes in equity and cash flows for the years then ended that you are filing pursuant to Rule 17a-5 under the Securities and Exchange Act of 1934. These financial statements are the responsibility of the management of *Ewing Bemiss & Co.* 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 *Ewing Bemiss & Co.* as of December 31, 2006 and 2005, 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.

Goodman & Company, LLP

Richmond, Virginia
February 28, 2007

4510 Cox Road, Suite 200
Glen Allen, VA 23060-3394
ph: 804-282-7636
fax: 804-282-1461
www.goodmanco.com

Ewing Bemiss & Co.

Balance Sheets

December 31,	2006	2005
Assets		
Current assets		
Cash and cash equivalents	\$ 650,561	\$ 475,388
Accounts receivable - net	85,932	77,633
Prepaid expenses	5,610	27,790
Total current assets	<u>742,103</u>	<u>580,811</u>
Investments	29,723	85,865
Property and equipment - net	124,906	130,229
	<u>154,629</u>	<u>216,094</u>
	<u>\$ 896,732</u>	<u>\$ 796,905</u>
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable and accrued expenses	\$ 243,816	\$ 79,298
Deferred revenue	200,000	-
Note payable - current portion	75,971	75,971
Total current liabilities	<u>519,787</u>	<u>155,269</u>
Note payable	-	79,857
Total liabilities	<u>519,787</u>	<u>235,126</u>
Stockholders' equity	<u>376,945</u>	<u>561,779</u>
	<u>\$ 896,732</u>	<u>\$ 796,905</u>

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

Ewing Bemiss & Co.

Statements of Operations

Years Ended December 31,	2006	2005
Revenue		
Consulting and management fees	\$ 4,235,226	\$ 3,873,361
Investment and rental income	22,887	433,249
	<u>4,258,113</u>	<u>4,306,610</u>
Operating expenses		
Salaries and related costs	3,514,102	2,420,958
Occupancy and equipment cost	275,206	244,835
Promotion cost	140,686	140,163
Communications	36,955	38,243
Office supplies and postage	43,192	54,274
Other operating expenses	432,806	294,427
Bad debt expense	-	143,013
	<u>4,442,947</u>	<u>3,335,913</u>
Net income (loss)	<u>\$ (184,834)</u>	<u>\$ 970,697</u>

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

Ewing Bemiss & Co.

Statements of Changes in Equity

Years Ended December 31, 2006 and 2005

	Common Stock	Additional Paid-In Capital	Accumulated Deficit	Total
Balance - December 31, 2004	\$ 6,355	\$ 1,596,041	\$ (670,364)	\$ 932,032
Net income	-	-	970,697	970,697
Distributions to stockholders	-	-	(1,101,179)	(1,101,179)
Stock repurchase	(938)	(157,779)	(81,054)	(239,771)
Balance - December 31, 2005	5,417	1,438,262	(881,900)	561,779
Net loss	-	-	(184,834)	(184,834)
Balance - December 31, 2006	\$ 5,417	\$ 1,438,262	\$ (1,066,734)	\$ 376,945

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

Ewing Bemiss & Co.

Statements of Cash Flows

Years Ended December 31,	2006	2005
Cash flows from operating activities		
Net income (loss)	\$ (184,834)	\$ 970,697
Adjustments to reconcile to net cash from operating activities:		
Depreciation	22,569	29,269
Equity interest in investments	(3,431)	(419,565)
Bad debt expense	-	143,013
Change in:		
Accounts receivable	(8,299)	19,637
Prepaid expenses	22,180	(22,128)
Accounts payable and accrued expenses	164,518	(72,676)
Deferred revenue	200,000	-
Net cash from operating activities	212,703	648,247
Cash flows from investing activities		
Distributions received from investments	59,573	530,424
Purchase of property and equipment	(17,246)	(29,226)
Net cash from investing activities	42,327	501,198
Cash flows from financing activities		
Principal payments on note payable	(79,857)	(83,943)
Distributions to stockholders	-	(1,101,179)
Net cash from financing activities	(79,857)	(1,185,122)
Net change in cash and cash equivalents	175,173	(35,677)
Cash and cash equivalents - beginning of year	475,388	511,065
Cash and cash equivalents - end of year	\$ 650,561	\$ 475,388
Supplemental disclosure of noncash financing and investing activities		
Note payable issued for redemption of capital stock including imputed interest	\$ -	\$ 239,771

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

Ewing Bemiss & Co.

Notes to Financial Statements

December 31, 2006 and 2005

1. Organization and Nature of Business

Ewing Bemiss & Co. (Company), a Virginia Corporation was formed in 1992, under the laws of the Commonwealth of Virginia. Revenues are earned primarily from financial consulting and advisory services.

2. Summary of Significant Accounting Policies

Cash and Cash Equivalents

The Company considers all highly liquid investments with a remaining maturity of three months or less at the time of purchase to be cash equivalents.

Concentration of Credit Risk

At times, the Company may have cash and cash equivalents at a financial institution in excess of insured limits. The Company places its cash and cash equivalents with high credit quality financial institutions whose credit ratings are monitored by management to minimize credit risk.

Accounts receivable represent amounts due for services rendered to customers, and are reviewed routinely for collectibility and an allowance for bad debts is established, if necessary. Revenues earned from six customers comprised 73% of the Company's total revenues during the year ended December 31, 2006, and 79% of accounts receivable were from five customers at December 31, 2006. Revenues earned from seven customers comprised 78% of the Company's total revenues during the year ended December 31, 2005, and 98% of accounts receivable were from eight customers as of December 31, 2005.

Investments

Investments represent ownership interests in nonmarketable equity securities. Nonmarketable equity securities are stated at lower of cost or fair value, based on the economic facts and circumstances relevant to each investment. The Company utilizes the equity method to account for pass-through investments in noncorporate entities, and records its pro rata share of income and losses as investment income in the statement of operations. If cost, determined using the equity method, exceeds fair value on an other-than-temporary basis, the difference is recorded as nonoperating investment loss in the statements of operations.

Property and Equipment

Property and equipment are stated at cost and depreciated by straight-line and accelerated methods over estimated useful lives which range as follows:

Office furniture and fixtures	7 – 10 years
Furniture and office equipment	5 – 7 years
Leasehold improvements	5 – 15 years

Maintenance and repairs are charged to operations when incurred. Betterments and renewals are capitalized. When property and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in operations.

Consulting and Management Fees

Consulting and management fees are recorded when earned in accordance with the terms of the engagement.

Income Tax Status

The stockholders have elected to be taxed as an S corporation, whereby all income, losses and credits are passed through to the stockholders. Consequently, no provision for federal income taxes is included in the financial statements.

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 the disclosure of contingent assets and liabilities at the date of the financial statements. Such estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and assumptions.

Advertising Costs

The Company expenses advertising and marketing costs as incurred. These costs total \$27,593 and \$29,982 for 2006 and 2005, respectfully.

3. Lease Commitments

The Company leases office facilities under a five-year non-cancelable operating lease. During 2004, the Company executed an amendment to their lease, extending the term until August 31, 2009, subject to the terms and conditions of the amendment. The amendment provides for one additional five-year renewal period. The Company also rents parking on a month to month basis. Rent expense totaled approximately \$244,574 and \$202,304 for 2006 and 2005, respectively.

Future commitments under this non-cancelable operating lease and the amendment are as follows:

2007	\$	211,236
2008		215,458
2009		<u>145,566</u>
	\$	<u>572,260</u>

4. Profit Sharing Plan

The Company has a 401(k) profit sharing plan covering substantially all employees who have met certain eligibility requirements. Contributions to the plan are at the Company's discretion. The Company contributed 3% of covered compensation, net of forfeitures, for 2006 and 2005. The profit sharing plan contribution was \$65,186 and \$37,731 for 2006 and 2005, respectively.

5. Investments

The Company acquired a 3% interest in Vapotherm, Inc. in 2000, in exchange for services recognized in revenue of \$25,000. Based on management's assessment of fair value, the carrying value of this investment has been reduced to \$12,500 as of December 31, 2006 and 2005.

The Company received a 2.788% interest in NSW, L.L.C., a limited liability company, in exchange for services of \$71,434. This was the fair value estimated by management and included in revenues for 2000. This interest is accounted for utilizing the equity method of accounting. Income recognized on the equity method was \$3,431 and \$419,565 for the years ended December 31, 2006 and 2005, respectively. During 2006 and 2005, the Company received distributions of \$59,573 and \$530,424, respectively, resulting primarily from the sale of assets. The carrying value at December 31, 2006 and 2005 was \$17,223 and \$73,365, respectively, and represents the remaining expected distributions resulting from the sale of assets. Certain stockholders of the Company also directly own interests in NSW, L.L.C.

6. Property and Equipment

Major classes of property and equipment consisted of the following at December 31:

	<u>2006</u>	<u>2005</u>
Computer equipment	\$ 413,441	\$ 412,516
Furniture and fixtures	102,253	102,253
	<u>515,694</u>	<u>514,769</u>
Less – accumulated depreciation	<u>(390,788)</u>	<u>(384,540)</u>
	<u>\$ 124,906</u>	<u>\$ 130,229</u>

Depreciation expense totaled \$22,569 and \$29,269 for the years ended 2006 and 2005, respectively.

7. Deferred revenue

The Company billed and received an installment payment on a success fee related to a contract that had not closed as of December 31, 2006. This amount is recorded as deferred revenue until the terms of the contract have been met, at which time, the related revenue will be recognized.

8. Note Payable

The Company signed a stock repurchase agreement in September 2005, as described in Note 9. The final payment of \$83,943, which includes interest at 5%, is to be paid in September 2007.

9. Common Stock

Common stock consists of 25,000 authorized shares with a par value of \$1 per share. There were 6,355 shares outstanding at December 31, 2004. The Company signed an agreement to repurchase all 938 shares owned by a stockholder during 2005 for \$239,771 that is reflected as a reduction of equity for that year. This amount was discounted to reflect present value of future payments. At December 31, 2006 and 2005, 5,417 shares remained outstanding.

10. Net Capital

The Company is subject to the Net Capital Rule of the Securities and Exchange Commission (SEC Rule 15c3). This rule 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, and provides that equity capital may not be withdrawn, or cash dividends paid, if the resulting net capital ratio would exceed 10 to 1. At December 31, 2006, the Company had net capital of \$107,480, which was \$72,828 in excess of its required net capital requirement of \$34,652. The Company's net capital ratio (ratio of aggregate indebtedness to net capital) was 4.84 to 1 as of December 31, 2006.

11. Fair Value of Financial Instruments

The Company has a number of financial instruments. The fair value of all financial instruments does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet at December 31, 2006.

Cash and cash equivalents, receivables from customers, and accrued liabilities are carried at cost, which approximates fair value. The note payable has been discounted at 5% to reflect the present value of the obligation.

12. Subcontracting Agreement

The Company entered into an agreement related to the completion of certain client assignments with the new employer of a departing director/stockholder and one employee during 2005. The Company and the new employer agreed that either party would pay 25% of total collected fees to the other party related to certain engagements and active prospects. The parties also agreed that either party would pay 50% of the total fees received to the other party for certain other assignments. During 2006, the Company paid \$350,463 to the new employer under the agreement. There were no monies received under this agreement during 2006.

* * * * *



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***Report of Independent Auditors on Supplementary Information
Required by Rule 17a-5 of the Securities and Exchange Commission***

Board of Directors
Ewing Bemiss & Co.

We have audited the accompanying financial statements of *Ewing Bemiss & Co.* as of and for the year ended December 31, 2006, and have issued our report thereon dated February 28, 2007. 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 1 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 of the Securities and 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.

Goodman & Company, LLP

Richmond, Virginia
February 28, 2007

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Ewing Bemiss & Co.

**Computation of Net Capital for Brokers and Dealers Pursuant to
Rule 15c3-1 Under the Securities Exchange Act of 1934 - Schedule 1**

December 31, 2006

Stockholders' equity	
Stockholders' equity qualified for net capital	\$ 376,945
Nonallowable assets and miscellaneous capital charges	
Nonallowable receivables	85,932
Securities not readily marketable	29,723
Property and equipment - net	124,906
Prepaid expenses	5,610
	<hr/>
	246,171
Net capital before haircuts on securities positions (tentative net capital)	130,774
Haircuts on securities	23,294
	<hr/>
Net capital	\$ 107,480
	<hr/>
Amounts included in total liabilities which represent aggregate indebtedness	
Note payable	\$ 75,971
Accounts payable and accrued liabilities	243,816
Deferred revenue	200,000
	<hr/>
	\$ 519,787
	<hr/>
Minimum net capital required (the greater of \$5,000 or 6-2/3% of aggregate indebtedness)	\$ 34,652
	<hr/>
Net capital in excess of minimum requirements	\$ 72,828
	<hr/>
Ratio of aggregate indebtedness to net capital	4.84 to 1
	<hr/>
Reconciliation with Company's computation (included in Part II of Form X-17A-5 as of December 31, 2006)	
Net capital, as reported in Company's Part II (unaudited) FOCUS report	\$ 307,480
Audit adjustment to record deferred revenue	(200,000)
	<hr/>
Net capital per above	\$ 107,480
	<hr/>

The Company is exempt from reserve requirements and possession on control requirements under Rule 15c3-3(k)(2)(i).

See report of independent auditors.



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***Report of Independent Auditors
on Internal Control Required by
SEC Rule 17a-5 for a Broker-Dealer Claiming an
Exemption from SEC Rule 15c3-3***

Board of Directors
Ewing Bemiss & Co.

In planning and performing our audit of the financial statements of *Ewing Bemiss & Co.* (Company), as of and for the year ended December 31, 2006, in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's 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 consideration of control activities for safeguarding securities. This study included 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:

- Making quarterly securities examinations, counts, verifications, and comparisons and recordation of differences required by Rule 17a-13;
- 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 conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

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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.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and 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, 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.

Goodman & Company LLP

Richmond, Virginia
February 28, 2007

END