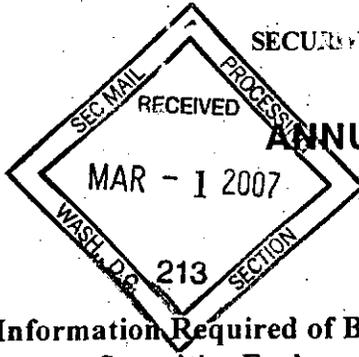


SECURITIES AND COMMISSION
Washington, D.C. 20349
07004862

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

SEC FILE NUMBER
8- 66617

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 January 1, 2006 AND ENDING December 31, 2006
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: DC Evans and Company, LLC

OFFICIAL USE ONLY
FIRM I.D. NO.

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

132 Central Avenue

Hillsdale New Jersey 07642
(City) (State) (Zip Code)

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

Douglas C. Evans (201) 358-2856
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Lazar Levine & Felix LLP

65 Madison Avenue, PO Box 2138 Morristown New Jersey 07962-2138
(Address) (City) (State) (Zip Code)

CHECK ONE:

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

PROCESSED

APR 09 2007

THOMSON
FINANCIAL

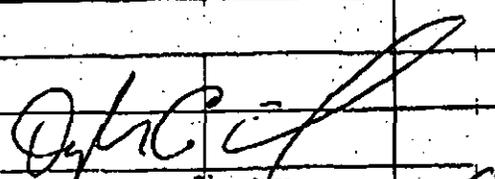
FOR OFFICIAL USE ONLY

*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)

AB
4/9

OATH OR AFFIRMATION

I, Douglas C. Evans swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of DC Evans and Company, LLC, 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:


 Signature
Managing Partner
 Title


Susan P. Baker /20/07
 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 15c3-3 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.
- (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).



DC EVANS AND COMPANY, LLC
REPORT ON AUDIT OF FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION
PURSUANT TO RULE 17a-5 OF
THE SECURITIES EXCHANGE ACT OF 1934
FOR THE YEAR ENDED DECEMBER 31, 2006

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Schedule II Statement of Non-Allowable Assets	9.
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Lazar Levine & Felix LLP

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

INDEPENDENT AUDITORS' REPORT

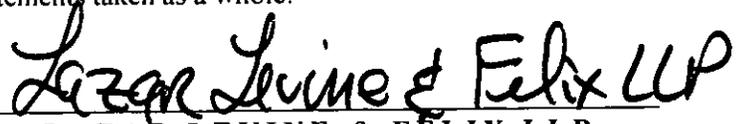
To the Member
DC Evans and Company, LLC
Hillsdale, New Jersey

We have audited the accompanying statement of financial condition of DC Evans and Company, LLC as of December 31, 2006 and the related statements of operations and 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 DC Evans and Company, LLC'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 DC Evans and Company, LLC as of December 31, 2006 and the results of its operations and its cash flows for the year ended December 31, 2006 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. The information contained in Schedules I and II is presented for purposes of supplemental analysis and is not a required part of the basic financial statements, but is supplemental 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.


LAZAR LEVINE & FELIX LLP

Morristown, New Jersey
February 20, 2007



DC EVANS AND COMPANY, LLC
STATEMENT OF FINANCIAL CONDITION
AS OF DECEMBER 31, 2006

- ASSETS -

	<u>2006</u>
CASH	\$ 21,848
PREPAID EXPENSES	3,052
EQUIPMENT, AT COST, NET OF ACCUMULATED DEPRECIATION	<u>485</u>
TOTAL ASSETS	<u>\$ 25,385</u>

-LIABILITIES AND MEMBER'S EQUITY -

LIABILITIES	
Accrued expenses and other liabilities	<u>\$ 2,592</u>
TOTAL LIABILITIES	<u>2,592</u>
MEMBER'S EQUITY	<u>22,793</u>
TOTAL LIABILITIES AND MEMBER'S EQUITY	<u>\$ 25,385</u>

The accompanying notes are an integral part of this financial statement.



DC EVANS AND COMPANY, LLC
STATEMENT OF OPERATIONS AND MEMBER'S EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>2006</u>
REVENUES	
Placement agent fees	\$ 10,000
OPERATING EXPENSES:	
Dues, subscriptions and licences	3,854
Shipping costs	152
Supplies	76
Office expense	1,096
Professional fees	2,500
Advertising expenses	1,054
Travel expense	229
Meals and entertainment	108
Depreciation	182
TOTAL OPERATING EXPENSES	<u>9,251</u>
INCOME FROM OPERATIONS	<u>749</u>
INTEREST EXPENSE	<u>(3)</u>
NET INCOME	<u>746</u>
MEMBER'S EQUITY, AT BEGINNING OF YEAR	46,010
Member's contribution	37
Member's draw	<u>(24,000)</u>
MEMBER'S EQUITY, AT END OF YEAR	<u>\$ 22,793</u>

The accompanying notes are an integral part of this financial statement.

DC EVANS AND COMPANY, LLC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2006

	2006
CASH FLOWS FROM OPERATING ACTIVITIES:	
Net income	\$ 746
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH USED IN OPERATING ACTIVITIES:	
Depreciation	182
Changes in operating assets and liabilities:	
Prepaid expenses	(1,197)
Accrued expenses	92
NET CASH USED IN OPERATING ACTIVITIES	(177)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Contribution from member	37
Member's draw	(24,000)
NET CASH USED IN FINANCING ACTIVITIES	(23,963)
NET DECREASE IN CASH	(24,140)
Cash, beginning of period	45,988
CASH, END OF PERIOD	\$ 21,848
CASH PAID DURING THE YEAR FOR:	
INTEREST	\$ 3

The accompanying notes are an integral part of this financial statement.



DC EVANS AND COMPANY, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 1 - ORGANIZATION AND NATURE OF BUSINESS:

DC Evans and Company, LLC ("Evans"), a single member limited liability company, was formed on August 30, 2004 in the state of New Jersey and began operations on September 1, 2004. Evans is a broker-dealer registered with the Securities and Exchange Commission and the State of New Jersey, and is a member of the National Association of Securities Dealers, Inc. ("NASD"), and raises capital for public and private issuers by conducting private placements with Accredited Investors and Institutions.

Evans does not carry security accounts for customers, execute trades, or perform custodial functions relating to customer securities and, accordingly, is exempt from the provisions of the Securities and Exchange Commission rule 15c3-3.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Evans' accounting policies are in accordance with accounting principles generally accepted in the United States of America. Outlined below are those policies considered particularly significant.

(a) *Use of 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 reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

(b) *Income Taxes:*

Evans is a limited liability company. Accordingly, the accompanying financial statements do not include a provision for Federal or state income taxes. Taxes, if any, are the responsibility of the sole member.

(c) *Fair Value of Financial Information:*

As of December 31, 2006, the carrying amount of cash, accrued expenses and other liabilities approximate fair value because of the short-term maturities of these items.

(d) *Equipment:*

Equipment is recorded at cost. Depreciation is computed on the straight-line basis over the estimated useful life of the related asset.



DC EVANS AND COMPANY, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

(e) Member Equity

In accordance with the operating agreement, the member made an initial capital contribution to Evans comprising cash and equipment. No additional capital contributions shall be required of the member unless required to maintain minimum net capital requirements. No interest shall be due from Evans on any capital contribution from the member. Net income and net losses in respect of each fiscal year of Evans shall be allocated to the member. The member shall have no liability or obligation for any debts, liabilities or obligations of Evans beyond the member's respective capital contribution.

(f) Recent Accounting Pronouncements:

On September 15, 2006, the Financial Accounting Standard Board issued SFAS 157 "Fair Value Measurement", that provides enhanced guidance for using fair value to measure assets and liabilities. The standard applies whenever other standards require (or permit) assets or liabilities to be measured at fair value. The standard does not expand the use of fair value in any new circumstances. This Statement is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. Earlier application is encouraged, provided that the reporting entity has not yet issued financial statements for that fiscal year, including financial statements for an interim period within that fiscal year. We are currently evaluating the impact of adopting this pronouncement on our financial statements.

In September 2006, the Financial Accounting Standards Board issued SFAS 158 "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans-an amendment of FASB Statements No. 87, 88, 106 and 132(R)." SFAS 158 requires an employer and sponsors one or more single employer defined benefit plans to recognize the funded status of a benefit plan; recognize as a component of other comprehensive income, net of tax, the gains or losses and prior service costs or credits that may arise during the period; measure defined benefit plan assets and obligations as of the employer's fiscal year; and, enhances footnote disclosure. For fiscal years ending after December 15, 2006 employers with equity securities that trade on a public market are required to initially recognize the funded status of a defined benefit postretirement plan and to provide the enhanced footnote disclosures. For fiscal years ending after December 15, 2008 employers are required to measure plan assets and benefit obligations. We are currently evaluating the impact of adopting this pronouncement on our financial statements.



DC EVANS AND COMPANY, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 3 - NET CAPITAL REQUIREMENTS:

Evans is subject to the Securities and Exchange Commission Uniform 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 (and the rule of the applicable exchange also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1). As of December 31, 2006, Evans had net capital of \$19,256 which was \$14,256 in excess of its required minimum net capital of \$5,000. Evans' net capital ratio was .13 to 1.

NOTE 4 - EQUIPMENT:

Equipment is summarized, as follows:

	<u>2006</u>	<u>Estimated Useful Lives</u>
Equipment	\$ 911	5 years
Less, accumulated depreciation	<u>(426)</u>	
	<u>\$ 485</u>	

Depreciation expense charged to operations amounted to \$182 for 2006.



DC EVANS AND COMPANY, LLC
SUPPLEMENTAL INFORMATION
REQUIRED BY RULE 17a-5 OF
THE SECURITIES AND EXCHANGE ACT OF 1934
AS OF DECEMBER 31, 2006

DC EVANS AND COMPANY, LLC
SUPPLEMENTAL INFORMATION - SCHEDULE I
AS OF DECEMBER 31, 2006

Computation of Net Capital Under Rule 15c3-1 of the Security Exchange Act of 1934

TOTAL MEMBER'S EQUITY	\$	22,793
Deductions and/or charges:		
Non-allowable assets:		
Prepaid expenses		(3,052)
Equipment, net		(485)
Sub-total of deductions and/or charges		(3,537)
Haircut on proprietary positions and commitments:		
(2%) haircut of cash in money market funds		-
Sub-total of haircut on proprietary positions and commitments		-
NET CAPITAL	\$	19,256
Aggregate Indebtedness		
Accounts payable and accrued expenses to non-customers	\$	2,592
TOTAL AGGREGATE INDEBTEDNESS	\$	2,592
COMPUTATION OF BASIC NET CAPITAL REQUIREMENT:		
Minimum net capital required (.0667 of aggregate indebtedness)	\$	173
Minimum dollar requirement		5,000
Net capital requirement (greater of minimum net capital or dollar requirement)		5,000
EXCESS NET CAPITAL	\$	14,256
Excess net capital at 1000% (net capital, less 10% of aggregate indebtedness)	\$	18,997
Percentage of aggregate indebtedness to net capital		13.46%
Ratio: aggregate indebtedness to net capital		.13 to 1
Reconciliation with Company's computation (included in Part II of Form X-17A-5 as of December 31, 2006)		
Net, capital, as reported on Company's Part II (unaudited) Focus report	\$	19,348
Increases (decreases) resulting from December 31, 2006 audit adjustments, net		(92)
Net capital, as included in this report	\$	19,256

DC EVANS AND COMPANY, LLC
SUPPLEMENTAL INFORMATION - SCHEDULE II
AS OF DECEMBER 31, 2006

STATEMENT OF NON-ALLOWABLE ASSETS:

Prepaid expenses	\$ 3,052
Equipment, net	<u>485</u>
	<u>\$ 3,537</u>

STATEMENT OF HAIRCUT ON PROPRIETARY POSITIONS AND COMMITMENTS:

2% haircut of cash in money market funds	<u>\$ -</u>
	<u>\$ -</u>



Lazar Levine & Felix LLP

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL REQUIRED
BY SEC RULE 17A-5 FOR A BROKER-DEALER CLAIMING AN
EXEMPTION FROM SEC RULE 15c3-3**

To the Member
DC Evans and Company, LLC
Hillsdale, New Jersey

In planning and performing our audit of the financial statements of DC Evans and Company, LLC (the "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 audit 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 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 and recordation of differences required by rule 17a-13.
2. 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.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL REQUIRED
BY SEC RULE 17A-5 FOR A BROKER-DEALER CLAIMING AN
EXEMPTION FROM SEC RULE 15C3-3
(CONTINUED)

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.

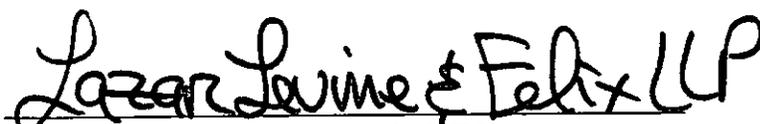
A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control 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, as described in the second paragraph of this report, 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.


LAZAR LEVINE & FELIX LLP

Morristown, New Jersey
February 20, 2007

END