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**FORM X-17A-5
PART III**

SEC FILE NUMBER
8- 66989

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 1/1/2006 AND ENDING 12/31/2006
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

Structured and Alternative Securities, LLC

OFFICIAL USE ONLY
FIRM I.D. NO.

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

700 Alexander Park, Suite 201

(No. and Street)

Princeton

(City)

NJ

(State)

08540

(Zip Code)

PROCESSED

MAR 29 2007

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

Munish Sood

(609) 514-0035

(Area Code - Telephone Number)

E THOMSON
FINANCIAL

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Mercadien, P.C.

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

PO Box 7648

(Address)

Princeton

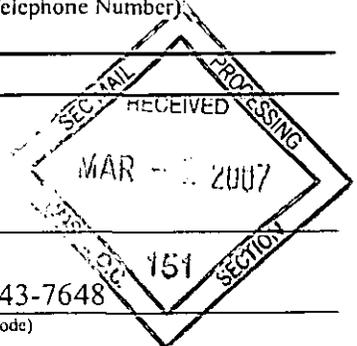
(City)

NJ

(State)

08543-7648

(Zip Code)



CHECK ONE:

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

* 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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SEC 1410 (06-02)

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OATH OR AFFIRMATION



I, Munish Sood, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Structured and Alternative Securities, 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:

M Sood
Signature

President
Title

[Signature]
Notary Public

GIA A SMALL
NOTARY PUBLIC NEW JERSEY
MY COMMISSION EXPIRES FEB. 27, 2008

This report ** contains (check all applicable boxes):

- (a) Facing page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Cash Flows.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's 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.
- (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).

**STRUCTURED AND ALTERNATIVE
SECURITIES, LLC**

Financial Statements
and
Supplementary Information

Year Ended December 31, 2006

STRUCTURED AND ALTERNATIVE SECURITIES, LLC

Table of Contents

Year Ended December 31, 2006

	<u>Page</u>
FACING PAGE.....	1-2
INDEPENDENT AUDITORS' REPORT.....	3
FINANCIAL STATEMENTS	
STATEMENT OF FINANCIAL CONDITION.....	4
STATEMENT OF INCOME.....	5
STATEMENT OF CHANGES IN MEMBER'S CAPITAL.....	6
STATEMENT OF CASH FLOWS	7
NOTES TO FINANCIAL STATEMENTS	8-9
SUPPLEMENTARY INFORMATION	
COMPUTATION OF NET CAPITAL UNDER SEC RULE 15c3-1.....	10
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL REQUIRED BY SEC RULE 17a-5.....	11-12

INDEPENDENT AUDITORS' REPORT

To The Member of
Structured and Alternative Securities, LLC

We have audited the accompanying statement of financial condition of Structured and Alternative Securities, LLC (the "Company") as of December 31, 2006, and the related statements of income, changes in member's capital 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 Structured and Alternative Securities, LLC as of December 31, 2006, and the results of its operations, changes in member's capital and 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. The accompanying information on page ten 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.

Mercadien, P.C.
Certified Public Accountants

February 27, 2007

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OVER 40 YEARS OF SERVICE TO THE COMMUNITY

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STRUCTURED AND ALTERNATIVE SECURITIES, LLC

STATEMENT OF FINANCIAL CONDITION

December 31, 2006

ASSETS	
Cash	<u>\$ 190,794</u>
Total Assets	<u>\$ 190,794</u>

LIABILITIES AND MEMBER'S CAPITAL

Liabilities	
Accrued expenses	<u>\$ 14,750</u>
Member's Capital	<u>176,044</u>
Total Liabilities and Member's Capital	<u>\$ 190,794</u>

STRUCTURED AND ALTERNATIVE SECURITIES, LLC

STATEMENT OF INCOME

Year Ended December 31, 2006

Revenues	
Placement fees	<u>\$ 245,108</u>
Other expenses	
Consulting fees	5,000
Professional fees	33,280
Subscriptions	1,253
Office expense	1,326
Miscellaneous	<u>5,037</u>
Total operating expenses	<u>45,896</u>
Net income	<u>\$ 199,212</u>

STRUCTURED AND ALTERNATIVE SECURITIES, LLC

STATEMENT OF CHANGES IN MEMBER'S CAPITAL

Year Ended December 31, 2006

Balance, January 1, 2006	\$ 34,832
Net income	199,212
Distributions	<u>(58,000)</u>
Balance, December 31, 2006	<u>\$ 176,044</u>

STRUCTURED AND ALTERNATIVE SECURITIES, LLC

STATEMENT OF CASH FLOWS

Year Ended December 31, 2006

Cash Flows from Operating Activities

Net income \$ 199,212

Adjustments to reconcile net income to net cash
provided by operating activities

Changes in assets and liabilities

Accrued expenses 8,775

Net cash provided by operating activities 207,987

Cash Flows used in Financing Activities

Capital distributions (58,000)

Net increase in cash 149,987

Cash, beginning of year 40,807

Cash, end of year \$ 190,794

STRUCTURED AND ALTERNATIVE SECURITIES, LLC

NOTES TO FINANCIAL STATEMENTS

A. BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Structured and Alternative Securities, LLC (the "Company") was incorporated on June 27, 2005, and is a broker-dealer located in Princeton, New Jersey. The Company is registered with the Securities and Exchange Commission (the "SEC") and the State Securities Commission of New Jersey and is a member of the National Association of Securities Dealers, Inc.

The Company assists in the brokerage of private placements of securities and assists as structuring and placement advisor in the securitization of pools of structured and/or asset or collateralization-based finance vehicles.

15c3-3 Exemption

The Company operates under the provisions of Paragraph (k)(2)(i) of rule 15c3-3 of the SEC and, accordingly, is exempt from the remaining provisions of that rule. A broker-dealer who carries no margin accounts, promptly transmits all customer funds and delivers all securities received in connection with its activities as a broker or dealer, does not otherwise hold funds or securities for or owe money or securities to customers and effectuates all financial transactions between the broker or dealer and his customers through one or more bank accounts, each to be designated as a Special Account for the Exclusive Benefit of Customers of the Company, is qualified to operate under the provisions of Paragraph (k)(2)(i) of rule 15c3-3 of the SEC. Broker-dealers operating under the provisions of (k)(2)(i) are also exempted from the remaining provisions of rule 15c3-3, including the requirement to make the reserve computations under rule 15c3-3.

Cash

For the purpose of the statement of cash flows, cash includes time deposits, certificates of deposit and all highly liquid debt instruments with original maturities of three months or less.

Income Taxes

Income from the Company flows through to the member's individual Federal and State income tax returns. The Company is not a taxpaying entity for the purpose of Federal and State income taxes, and thus, no income taxes have been recorded in these financial statements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Company to make estimates and assumptions that affect certain related amounts and disclosures. Accordingly, actual results could differ from those estimates.

STRUCTURED AND ALTERNATIVE SECURITIES, LLC

NOTES TO FINANCIAL STATEMENTS

B. NET CAPITAL REQUIREMENTS

The Company is a registered broker-dealer subject to the SEC Uniform Net Capital Rule 15c3-1. This rule requires that the Company maintain minimum net capital, as defined, of at least the greater of \$5,000 or 6 2/3% of aggregate indebtedness, as defined. Net capital and aggregate indebtedness change from day to day, but as of December 31, 2006, the Company had net capital of \$176,044, which exceeded its requirements of \$5,000 by \$171,044.

C. MAJOR CUSTOMERS

The Company participated in only two placements of securities and thus generated all of its placement fee revenue from two issuers.

D. RELATED PARTY TRANSACTIONS

The sole member of the Company provides advisory and management services to the Company without compensation. Capital distributions of \$58,000 were made to the sole member for the year ended December 31, 2006.

SUPPLEMENTARY INFORMATION

STRUCTURED AND ALTERNATIVE SECURITIES, LLC
COMPUTATION OF NET CAPITAL UNDER SEC RULE 15c3-1

As of December 31, 2006

Member's Capital	<u>\$ 176,044</u>
Non-allowable assets	<u>-</u>
Net capital	176,044
Minimum capital requirement	<u>5,000</u>
Net capital in excess of minimum requirement	<u>\$ 171,044</u>
Aggregate indebtedness	<u>\$ 14,750</u>
Ratio of aggregate indebtedness to net capital	<u>0.0862 to 1</u>

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
REQUIRED BY SEC RULE 17a-5

To the Member of
Structured and Alternative Securities, LLC

In planning and performing our audit of the financial statements of Structured and Alternative Securities, 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 the internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission (the "SEC"), we have made a study of the practices and procedures followed by the Company, including tests of compliance with 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 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 making the quarterly securities examinations, counts, verifications and comparisons and recordation of differences required by rule 17a-13 or in complying with the requirements for prompt payment for securities of Section 8 of 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 following 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. The objective of internal control and the Company's practices and procedures is 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

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OVER 40 YEARS OF SERVICE TO THE COMMUNITY

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
REQUIRED BY SEC RULE 17a-5 (CONTINUED)

management's authorization and recorded properly to permit the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. Rule 17a-5(g) lists additional objectives of the practices and procedures in the preceding paragraph.

Because of inherent limitations in any 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 under which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that errors 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 at December 31, 2006, the Company's practices and procedures were adequate to meet the SEC's objectives.

This report recognizes that it is not practical in an organization of the Company's size to achieve all of the divisions of duties and cross-checks generally included in a system of internal accounting control and that, alternatively, greater reliance must be placed on surveillance by management.

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.

Arcadian, P.C.
Certified Public Accountants
February 27, 2007

END