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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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8-66871

**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 1/1/06 AND ENDING 12/31/06
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Block Orders Execution LLC

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

55 Broad Street - 28th Floor

New York

(No. and Street)
NY

(City)

(State)

10004

(Zip Code)

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

Mr. Kevin Samuel

(646) 201-5045

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Weiser LLP

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

3000 Marcus Avenue

(Address)

Lake Success

(City)

NY

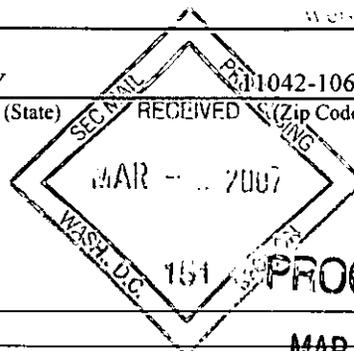
(State)

1042-1066

(Zip Code)

CHECK ONE:

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



MAR 29 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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SEC 1410 (06-02)

3/28

OATH OR AFFIRMATION

I Kevin Samuel, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Block Orders Execution 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

Title

Notary Public

Kevin Samuel
Signature

President
Title

LAWRENCE S. ROSEN
Notary Public, State of New York
No. 02R05056267
Qualified in New York County
Commission Expires March 4, 2007

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

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income.
- (d) Statement of Cash Flows.
- (e) Statement of Changes in Members Equity.
- (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 Auditors' Report on Internal Accounting Control.

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).



Weiser LLP
Certified Public Accountants

3000 Marcus Avenue
Lake Success, NY 11042-1066
Tel 516.488.1200
Fax 516.488.1238

Independent Auditors' Report

www.weiserLLP.com

To the Members
Block Orders Execution, LLC

We have audited the accompanying statement of financial condition of Block Orders Execution, LLC (the "Company") as of December 31, 2006, and the related statements of operations, cash flows, and changes in members' equity 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 Block Orders Execution, LLC at 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.

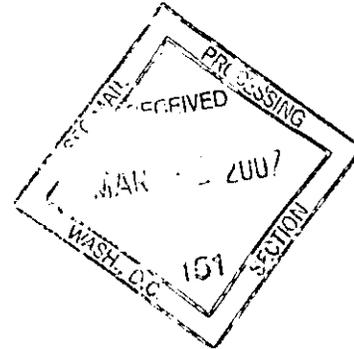
Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedules I through III is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by rule 17a-5 under the Securities Exchange Act of 1934. 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.

Weiser LLP

Lake Success, NY
February 28, 2007

BLOCK ORDERS EXECUTION, LLC

55 Broad Street - 28th Floor
New York, NY 10004



Statement of Financial Condition

December 31, 2006

Block Orders Execution, LLC**Statement of Financial Condition****December 31, 2006**

Assets

Cash and cash equivalents	\$	197,874
Securities owned, at market		30,544
Receivable from broker, dealer and clearing organization		63,464
Property and equipment, net		40,318
Due from affiliate		6,473
Loan receivable, member		21,200
Prepaid expenses		2,010
Other assets		<u>29,043</u>

Total assets **\$ 390,926**

Liabilities and Members' Equity**Liabilities**

Accrued expenses and other liabilities	\$	155,739
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Commitments

Members' equity		<u>235,187</u>
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Total liabilities and members' equity **\$ 390,926**

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

Block Orders Execution, LLC
Notes To Financial Statement
December 31, 2006

1. Organization

Block Orders Execution, LLC (the "Company") was organized on September 11, 2004 under the laws of the State of Delaware. The Company is a registered broker and dealer pursuant to section 15(b) of the Securities Exchange Act of 1934 making markets primarily in equity securities. Substantially all customer transactions are cleared through another broker-dealer on a fully disclosed basis. The Company transacts its business with institutional customers located throughout the United States. On October 5, 2005, the Company became a member of the National Association of Securities Dealers, Inc. (NASD). During 2006, the Company ceased all market making activities and focused on servicing and supporting its trading software, LiquidityBook.

Under the Company's Operating Agreement, as subsequently amended, there are five classes of members: Class A, Class B, Class R, Class T and Class Z. Class A members have voting rights and participate in the management of the Company. Class B, Class R, Class T and Class Z members have no voting rights. Class Z members are entitled to an annual preferred distribution equal to 5% of the stated value payable in equal monthly installments. These preferred distributions are included in interest expense in the statement of operations.

Net profits and losses for each year are allocated first to Class Z members in accordance with their respective percentage interests to the extent of their preferred distribution and second to Class B and Class T members in accordance with their respective percentage interest. Class A members will not be allocated net profits or losses except to the extent that such members receive distributions on liquidation or dissolution. Class R members are entitled to 25% of LiquidityBook gross income and 33% of the gross sale price upon sale or dissolution of the Company.

2. Summary of Significant Accounting Policies

Cash Equivalents

The Company considers all money market accounts and all highly liquid debt instruments purchased with original maturities of three months or less to be cash equivalents.

Revenue Recognition

Securities transactions and the related revenues and expenses are recorded on a trade date basis, as if the transactions have settled.

Income Taxes

The Company is treated as a partnership for federal income tax purposes. Consequently, the Company is not itself subject to federal and state income taxes. Members are liable for their distributive shares of the Company's income and losses. However, the Company is subject to New York City Unincorporated Business Tax.

Block Orders Execution, LLC
Notes To Financial Statement
December 31, 2006

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which is primarily five years.

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 the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. Receivable from Broker, Dealer and Clearing Organization

Receivable from broker, dealer, and clearing organization is a result of the Company's normal securities transactions and consists of the following:

Deposits with clearing broker	\$ 100,000
Receivable from clearing broker	4,522
Payable to clearing broker	<u>(41,058)</u>
	<u>\$ 63,464</u>

4. Property and Equipment, Net

Property and equipment consists of the following:

Furniture	\$ 7,376
Computer equipment	70,129
Office equipment	<u>10,855</u>
	<u>88,360</u>
Accumulated depreciation	<u>(48,042)</u>
	<u>\$ 40,318</u>

5. Due from Affiliates

The Company has a receivable from another entity under common ownership. This balance is non-interest bearing and due on demand.

6. Loan Receivable, Member

The loan receivable from member is non-interest bearing and due on demand.

Block Orders Execution, LLC
Notes To Financial Statement
December 31, 2006

7. Leases

The Company was obligated under an operating lease for its office premises. This lease was due to expire in July 31, 2007. The Company broke this lease and was required to pay rent and other expenses to its prior landlord. The Company rents office space on a month to month basis based on an oral agreement with an unrelated party.

8. Clearance Agreement

The Company has entered into an agreement with another broker (clearing broker) to execute and clear, on a fully disclosed basis, customer accounts of the Company. As part of the agreement, the clearing broker executes orders, settles contracts and transactions in securities, and engages in all cashiering functions, including the receipt, delivery, and transfer of securities purchased, sold, borrowed or loaned and the receipt and distribution of interest and principal payments. The Company is required to maintain balances of not less than \$100,000 with the clearing broker. The deposit is included in receivable from broker, dealer and clearing organization.

9. Litigation

The Company has brought an action to recover approximately \$600,000 which is owed to it from a joint venture under an agreement dated July 2003. The Company has asserted claims for breach of contract and additional claims under the New York State Labor Law and under copyright law for additional damages. The parties are still in the process of resolving certain discovery disputes and an arbitration hearing has been tentatively scheduled. There is, however, indication that the defendant may soon be filing for bankruptcy which significantly reduces the likelihood of recovery. Based on this information, the Company has provided a 100% valuation allowance on this receivable. Pursuant to this reserve, the Company has amended its lawsuit by including individual principals to the lawsuit and is vigorously pursuing all parties. Council believes it is premature to assess the likelihood of a favorable outcome with respect to these claims.

10. Net Capital Requirements

The Company is subject to the uniform net capital requirements of rule 15c3-1 of the Securities and Exchange Commission, as amended, which requires a broker-dealer to have, at all times, sufficient liquid assets to cover indebtedness. In accordance with the rule, the Company is required to maintain defined minimum net capital of the greater of \$5,000 or 1/15 of aggregate indebtedness. At no time may the ratio of aggregate indebtedness to net capital exceed 15 to 1.

At December 31, 2006, the Company had net capital, as defined, of \$131,277, which exceeded the required minimum net capital of \$10,382 by \$120,895. Aggregate indebtedness at December 31, 2006 totaled \$155,739. The ratio of aggregate indebtedness to net capital was 1.19 to 1.

Block Orders Execution, LLC

Notes To Financial Statement

December 31, 2006

11. Off-Balance-Sheet Risk and Concentration of Credit Risk

In the normal course of business, the Company's customer activities involve the execution, settlement, and financing of various securities transactions. These activities may expose the Company to off-balance-sheet credit risk in the event the customer or other party is unable to fulfill its contractual obligations.

The Company is a market maker in a number of securities and in this capacity may have significant positions in a volatile market. In order to control this risk, security positions are monitored on at least a daily basis, and there are regulatory guidelines that limit the obligations of the market maker to purchase the securities in a volatile market. Should the Company find it necessary to sell such a security, it may not be able to realize the full carrying value of the security due to the significance of the positions sold.

The Company, as part of its normal market-making activities, may assume short positions in its inventory. The establishment of short positions exposes the Company to off-balance-sheet risk in the event prices increase, as the Company may be obligated to acquire the securities at prevailing market prices.

The Company seeks to control off-balance-sheet credit risk by monitoring the market value of securities held or given as collateral in compliance with regulatory and internal guidelines. Pursuant to such guidelines, the Company requires additional collateral or reduction of positions, when necessary. The Company also completes credit evaluations of customers, particularly institutions, where there is thought to be credit risk.

The Company does not maintain margin accounts for its customers and, therefore, there were no excess margin securities. However, the Company may be liable for chargebacks on introduced customer accounts carried by the clearing broker. In addition, the Company may be exposed to off-balance-sheet risk in the event the clearing broker is unable to fulfill its contractual obligations.

In the normal course of business, the Company may have cash at banks in excess of federally insured limits and is exposed to the credit risk resulting from this concentration of cash.

The Company's Statement of Financial Condition as of December 31, 2006 is available for examination at the office of the Company and at the Regional Office of the Securities and Exchange Commission.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Block Orders Execution, LLC

We have audited the accompanying statement of financial condition of Block Orders Execution, LLC as of December 31, 2006, that you are filing pursuant to rule 17a-5 under the Securities Exchange Act of 1934. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement 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 statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 statement referred to above presents fairly, in all material respects, the financial position of Block Orders Execution, LLC as of December 31, 2006, in conformity with accounting principles generally accepted in the United States of America.

Weiser LLP

Lake Success, N. Y.
February 28, 2007

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