



07005659

U.S. SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 10549

K  
M  
46

ANNUAL AUDITED REPORT

Information Required of Brokers and Dealers

FORM X-17A-5

Pursuant to Section 17 of the Securities

SEC FILE

PART III

Exchange Act of 1934 and Rule 17a-5 Thereunder

8-52632

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:

DE GUARDIOLA ADVISORS, INC.

OFFICIAL USE ONLY

ADDRESS OF PRINCIPAL PLACE OF BUSINESS:

405 Park Avenue, Suite 1201

(No. and Street)

New York

New York

10022

(City)

(State)

(Zip Code)

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

Roberto De Guardiola

(212) 753-2702

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT (Whose opinion is contained in this Report)

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

HERTZ, HERSON & COMPANY, LLP

2 Park Avenue

New York

New York

10016

(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

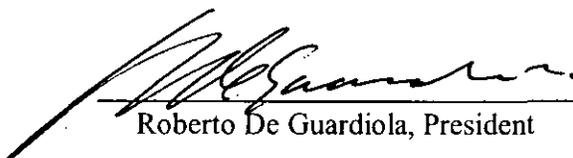
SECURITIES AND EXCHANGE COMMISSION  
RECEIVED  
MAR 5 2007  
BRANCH OF REGISTRATIONS  
AND  
EXAMINATIONS  
04

AS  
4/5

OATH OR AFFIRMATION

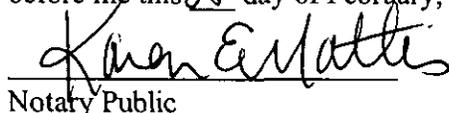
I, ROBERTO DE GUARDIOLA, swear (or affirm) that, to the best of my knowledge and belief, the accompanying statement of financial condition pertaining to the firm of DE GUARDIOLA ADVISORS, INC. as of December 31, 2006, are true and correct. I further swear (or affirm) that neither the Company or any partner, proprietor, principal officer, or director has any proprietary interest in any account classified solely as that of a customer.

DE GUARDIOLA ADVISORS, INC.



Roberto De Guardiola, President

Subscribed and sworn to  
before me this 28 day of February, 2007



Karen E. Mattis

Notary Public

KAREN E. MATTIS  
Notary Public, State of New York  
No. 01MA6073149  
Qualified in New York County  
Commission Expires April 16, 2010

This report contains (check all applicable boxes)

- |                                     |     |  |
|-------------------------------------|-----|--|
| <input checked="" type="checkbox"/> | (a) | Facing page.   |
| <input checked="" type="checkbox"/> | (b) | statement of financial condition.  |
| <input type="checkbox"/>            | (c) | statement of income.   |
| <input type="checkbox"/>            | (d) | statement of cash flows.   |
| <input type="checkbox"/>            | (e) | statement of changes in shareholders' equity or partners' or sole proprietor's capital.  |
| <input type="checkbox"/>            | (f) | statement of changes in liabilities subordinated to claims of general creditors.   |
| <input type="checkbox"/>            | (g) | Computation of net capital for brokers and dealers pursuant to Rule 15c3-1.  |
| <input type="checkbox"/>            | (h) | Computation for determination of reserve requirements pursuant to Rule 15c3-3.   |
| <input type="checkbox"/>            | (i) | Information relating to the possession or control requirements for brokers and dealers under Rule 15c3-3.  |
| <input type="checkbox"/>            | (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. |
| <input type="checkbox"/>            | (k) | A reconciliation between the audited and unaudited statements of financial condition with respect to methods of consolidation.   |
| <input checked="" type="checkbox"/> | (l) | An oath or affirmation.  |
| <input type="checkbox"/>            | (m) | A copy of the SIPC supplemental report.  |
| <input type="checkbox"/>            | (n) | A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.  |
| <input type="checkbox"/>            | (o) | Independent auditors' report on internal accounting control.   |
| <input type="checkbox"/>            | (p) | Schedule of segregation requirements and funds in segregation -- customers' regulated commodity futures account pursuant to rule 171-5.  |

TABLE OF CONTENTS  
DE GUARDIOLA ADVISORS, INC.  
DECEMBER 31, 2006

	<u>Page Number</u>
Independent Auditors' Report	3
FINANCIAL STATEMENT:	
Exhibit A    Statement of Financial Condition December 31, 2006	4

# HERTZ, HERSON & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

TWO PARK AVENUE  
NEW YORK, NEW YORK 10016

TEL: 212-686-7160

FAX: 212-532-6437

## INDEPENDENT AUDITORS' REPORT

To the Shareholder of  
De Guardiola Advisors, Inc.  
405 Park Avenue, Suite 1201  
New York, New York 10022

We have audited the accompanying statement of financial condition of De Guardiola Advisors, Inc. as of December 31, 2006 that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. The financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on the 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 De Guardiola Advisors, Inc. as of December 31, 2006, in conformity with accounting principles generally accepted in the United States of America.

*Hertz, Herson & Company, LLP*

New York, New York  
February 26, 2007

DE GUARDIOLA ADVISORS, INC.  
STATEMENT OF FINANCIAL CONDITION  
AS AT DECEMBER 31, 2006  
EXHIBIT A

ASSETS

Cash and cash equivalents	\$ 169,552
Prepaid expenses	18,531
Other assets	<u>4,997</u>
 TOTAL ASSETS	 <u>\$ 193,080</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

LIABILITIES

Accrued expenses and other liabilities	\$ <u>51,703</u>
 Total Liabilities	 <u>51,703</u>

Commitment - Note D

Shareholder's Equity

Common stock, no par value	
Authorized 200 shares; issued and outstanding 100 shares	12,000
Additional paid-in capital	1,851,072
Accumulated deficit	<u>(1,721,695)</u>
 Total Shareholder's Equity	 <u>141,377</u>

 TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	 <u>\$ 193,080</u>
--	-----------------------

The accompanying notes are an integral part of the financial statements and should be read in conjunction therewith.

DE GUARDIOLA ADVISORS, INC.  
NOTES TO FINANCIAL STATEMENT  
AS AT DECEMBER 31, 2006

Nature of Operations and Capitalization of the Company

De Guardiola Advisors, Inc. ("the Company") was organized on January 1, 2003 in the state of New York. The primary business of the Company is that of assisting and counseling in merger and acquisition transactions. The Company, an investment banker, is registered as a broker-dealer under the Securities Exchange Act of 1934 and is a member of the National Association of Securities Dealers, Inc.

Note A - Summary of Significant Accounting Policies

Use of Estimates

The process of preparing financial statement in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statement. Accordingly, upon settlement, actual results may differ from estimated amounts.

SEC Rule 15c3-3

The Company effected no transactions with customers as defined in Rule 15c3-3 and, therefore has no amounts reportable under the Rule.

Cash and Cash Equivalents

The Company considers all money market mutual funds and investments with an initial maturity of three months or less to be cash equivalents.

Note B - Income Taxes

The shareholder of the Company has elected to be taxed under the provisions of Subchapter "S" of the Internal Revenue Code and comparable state regulations. Under these provisions, the Company does not pay federal or certain state corporate taxes on its taxable income. Accordingly, no federal or state income taxes have been provided on such Subchapter "S" results. The Company is subject to local franchise taxes which are based on an alternative calculation other than income.

The Company's parent entity (shareholder) submits a combined local franchise tax return that includes the taxable results of the Company and other entities of the parent entity. The parent entity assumes the liability for the Company's local franchise tax, payment of this tax is remitted directly by the parent entity. Accordingly, the Company records its allocable local franchise tax expense as a capital transaction.

DE GUARDIOLA ADVISORS, INC.  
NOTES TO FINANCIAL STATEMENT  
AS AT DECEMBER 31, 2006  
(Continued)

Note C - Related Party Transactions

The Company has transactions with a related party, Villamar Associates, Inc. ("Villamar"). The Company has entered into a sublease agreement with Villamar for use of office space at 405 Park Avenue, Suite 1201, New York, New York. (See Note D)

The Company has an informal agreement with Villamar for administrative services expenses, providing for employee payroll, benefits and associated administrative expenses.

Note D - Commitments

Lease

The Company is obligated under an operating lease to a related party (see Note C) for office space in premises located at 405 Park Avenue, Suite 1201, New York, New York, expiring August 1, 2010.

Future minimum payments under the above lease, exclusive of escalations, consist of the following as at December 31, 2006:

2007	\$ 209,498
2008	209,498
2009	209,498
2010	<u>122,207</u>
Total	<u>\$ 750,701</u>

Note E - Net Capital Requirements

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC Rule 15c3-1) which requires the maintenance of minimum net capital and requires the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1.

At December 31, 2006, the Company had net capital, as defined, of \$105,976 which was \$100,976 in excess of its required net capital of \$5,000. The Company's net capital ratio was 0.28 to 1.