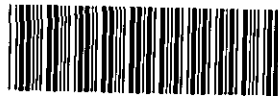


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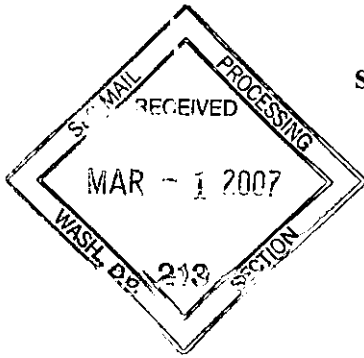
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Washington, D.C. 20549

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	February 28, 2010
Estimated average burden hours per response.....	12.00



# ANNUAL AUDITED REPORT FORM X-17A-5 PART III

SEC FILE NUMBER
8- 48745

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 1/01/06 AND ENDING 12/31/06  
MM/DD/YY MM/DD/YY

### A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Westwood Capital Holdings  
D/B/A Westwood Capital, LLC  
 ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
489 Fifth Avenue, 33rd Floor  
 (No. and Street)  
New York New York 10017  
 (City) (State) (Zip Code)

OFFICIAL USE ONLY
FIRM I.D. NO.

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
Matthew J. Pechinski, Managing Director 212-867-3200 X232  
(Area Code - Telephone Number)

### B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*  
Fesnak And Associates, LLP  
 (Name - if individual, state last, first, middle name)  
1777 Sentry Parkway West, Gwynedd Hall, Ste. 400, Blue Bell, PA 19422  
 (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 03 2007  
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 FINANCIAL

<b>FOR OFFICIAL USE ONLY</b>

\*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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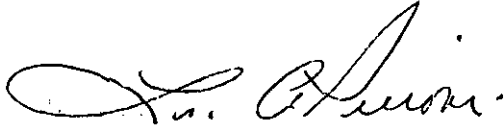
OATH OR AFFIRMATION


I, Matthew J. Pechinski, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Westwood Capital 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:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

  
\_\_\_\_\_  
Notary Public

  
\_\_\_\_\_  
Signature  
Managing Director  
\_\_\_\_\_  
Title

LISA A. PIERONI  
Notary Public, State of New York  
No. 30-4983311  
Qualified in Westchester County  
Certificate Filed in New York County  
Commission Expires June 24, 2007

**WESTWOOD CAPITAL, LLC**  
**(A Wholly-Owned Subsidiary of Westwood Capital Holdings, LLC)**

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December 31, 2006

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<input checked="" type="checkbox"/>	(a) Facing Page	
<input checked="" type="checkbox"/>	(b) Statement of Financial Condition	2
<input checked="" type="checkbox"/>	(c) Statement of Operations	3
<input checked="" type="checkbox"/>	(d) Statement of Changes in Members' Equity	4
<input checked="" type="checkbox"/>	(e) Statement of Cash Flows	5
<input type="checkbox"/>	(f) Statements of Changes in Liabilities Subordinated to Claims Of General Creditors	
	Notes to Financial Statements	6-10
<input checked="" type="checkbox"/>	(g) Computation of Net Capital and Aggregate Indebtedness Pursuant to Rule 15c3-1 Under the Securities and Exchange Act of 1934	11-12
<input checked="" type="checkbox"/>	(h) Computation for Determination of Reserve Requirements For Brokers and Dealers Pursuant to Rule 15c3-3 Under the Securities and Exchange Act of 1934	13
<input type="checkbox"/>	(i) Information Relating to the Possession or Control Requirements for Brokers and Dealers Pursuant to 15c3-3 Under the Securities and Exchange Act of 1934	
<input checked="" type="checkbox"/>	(j) A Reconciliation, including Appropriate Explanations, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Rule 15c3-3	12
<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 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 checked="" type="checkbox"/>	(o) Independent Auditors' Report on Internal Accounting Control Required by SEC Rule 17a-5	14-15
<input type="checkbox"/>	(p) Schedule of Segregation Requirements and Funds in Segregation-Customers' Regulated Commodity Future Account Pursuant to Rule 171-5	

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

## Independent Auditors' Report

To the Members of  
Westwood Capital, LLC  
(A Wholly-Owned Subsidiary of Westwood Capital Holdings, LLC)

We have audited the accompanying statement of financial condition of Westwood Capital, LLC (a wholly-owned subsidiary of Westwood Capital Holdings, LLC) as of December 31, 2006, and the related statements of operations, changes in members' equity and cash flows, for the year 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 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 Westwood Capital, LLC as of December 31, 2006, 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.

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 the purpose 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 and Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

*Fesnak and Associates, LLP*

February 26, 2007

**WESTWOOD CAPITAL, LLC**  
**(A wholly-owned subsidiary of Westwood Capital Holdings, LLC)**  
Statement of Financial Condition  
December 31, 2006

---

**ASSETS**

Cash and cash equivalents	\$ 285,779
Restricted certificate of deposit	102,895
Due from clients	86,145
Due from members	110,488
Due from employees	3,525
Employee loan receivable	7,419
Prepaid expenses	26,945
Property and equipment, net	<u>190,757</u>
Total assets	<u>\$ 813,953</u>

**LIABILITIES AND MEMBERS' EQUITY**

Accounts payable, accrued expenses and total liabilities	\$ 217,305
Commitments and contingencies	-
Members' equity	<u>596,648</u>
Total liabilities and members' equity	<u>\$ 813,953</u>

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

**WESTWOOD CAPITAL, LLC**  
**(A wholly-owned subsidiary of Westwood Capital Holdings, LLC)**

Statement of Operations  
For the year ended December 31, 2006

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Revenues:	
Investment banking fees	\$ 5,364,031
Interest income	14,947
Reimbursed expenses	<u>118,813</u>
Total revenues	<u>5,497,791</u>
Expenses:	
Payroll, benefits and other compensation	2,072,662
Commissions	2,202,317
Bad debt expense	60,642
Business taxes	41,473
Client expenses	118,813
Depreciation and amortization	36,611
Office supplies and expenses	75,673
Other expenses	164,051
Professional fees	486,893
Rent	287,979
Telephone and postage	<u>69,879</u>
Total expenses	<u>5,616,993</u>
Net loss	<u>\$ (119,202)</u>

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

**WESTWOOD CAPITAL, LLC**  
**(A wholly-owned subsidiary of Westwood Capital Holdings, LLC)**  
Statement of Changes in Members' Equity  
For the year ended December 31, 2006

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Balance at January 1, 2006	\$ 715,850
Net loss	<u>(119,202)</u>
Balance at December 31, 2006	<u>\$ 596,648</u>

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

**WESTWOOD CAPITAL, LLC**  
**(A wholly-owned subsidiary of Westwood Capital Holdings, LLC)**

Statement of Cash Flows  
For the year ended December 31, 2006

Cash flows from operating activities:	
Net loss	\$ (119,202)
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation	36,611
Interest income on employee loan added to principal	(703)
Bad debt expense	60,642
Changes in operating assets and liabilities:	
Decrease (increase) in:	
Due from clients	(22,972)
Prepaid expenses	(20,825)
Employee expense advances	2,570
Increase in:	
Accounts payable and accrued expenses	49,752
Net cash used in operating activities	<u>(14,127)</u>
Cash flows from investing activities:	
Decrease in due from employees	11,879
Purchase of property and equipment	<u>(28,091)</u>
Net cash used in investing activities	<u>(16,212)</u>
Cash flows from financing activities:	
Advances to members and net cash used in financing activities	<u>(60,488)</u>
Net decrease in cash and cash equivalents	(90,827)
Cash and cash equivalents at beginning of year	<u>376,606</u>
Cash and cash equivalents at end of year	<u>\$ 285,779</u>

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



**WESTWOOD CAPITAL, LLC**  
**(A Wholly-Owned Subsidiary of Westwood Capital Holdings, LLC)**

Notes to Financial Statements  
December 31, 2006

---

1. Nature of Activities and Summary of Significant Accounting Policies:

This summary of significant accounting policies of Westwood Capital, LLC (the "Company") is presented to assist in the understanding of the Company's financial statements. The financial statements and notes are representations of the Company's management who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Nature of Activities:

The Company was incorporated as a limited liability company on May 19, 1995 and will continue in existence until May 19, 2025. The Company's broker-dealer registration, pursuant to Section 15(b) of the Securities Exchange Act of 1934, became effective on November 15, 1996 along with its membership in the National Association of Securities Dealers, Inc.

The Company engages in investment banking activities, specializing in the private placement of securitized debt issues. Investment banking activities also include financial advisory services and mergers and acquisition advisory services.

The Company is a wholly-owned subsidiary of Westwood Capital Holdings, LLC, (the "Parent").

Revenue Recognition:

Investment banking fee income is generally recognized when the related transaction closes.

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 these estimates.

Cash and Cash Equivalents:

For purposes of the statement of cash flows, the Company considers all highly liquid instruments with a maturity of three months or less to be cash equivalents.

**WESTWOOD CAPITAL, LLC**  
**(A Wholly-Owned Subsidiary of Westwood Capital Holdings, LLC)**

Notes to Financial Statements, continued

December 31, 2006

---

1. Nature of Activities and Summary of Significant Accounting Policies, continued:

Receivables From Clients:

Receivables from clients are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to operations and a credit to an allowance for doubtful accounts based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance for doubtful accounts and a credit to receivables from clients.

Property and Equipment:

Property and equipment are stated at cost. Maintenance and repairs are expensed as incurred. When assets are retired or otherwise disposed of, their cost and related accumulated depreciation are removed from the accounts and the resulting gain or loss is included in operations. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets which range from three to ten years.

Income Taxes:

The Company, a limited liability company, is not required to prepare a provision for federal and state income taxes in the accompanying financial statements as each member is responsible for reporting income or loss, based on their respective share of income and expenses, as reported for income tax purposes.

2. Due from Clients:

Due from clients represents unbilled reimbursable client expenses.

**WESTWOOD CAPITAL, LLC**  
**(A Wholly-Owned Subsidiary of Westwood Capital Holdings, LLC)**

Notes to Financial Statements, continued  
December 31, 2006

3. Property and Equipment:

Property and equipment consisted of the following:

Furniture and fixtures	\$ 110,275
Office and computer equipment	159,663
Leasehold improvements	<u>127,235</u>
	397,173
Less accumulated depreciation and amortization	<u>(206,416)</u>
	<u>\$ 190,757</u>

4. Members' Equity:

Pursuant to the Limited Liability Company Operating Agreement, income, losses and cash distributions are allocated to the members based on their ownership percentages.

5. Net Capital Requirements and Revisions to Financial Statements:

The Company is subject to the Securities and Exchange Commission Uniform Net Capital 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. At December 31, 2006, the Company had net capital of \$68,374, which was \$53,880 in excess of its required net capital of \$14,494. The Company's ratio of aggregate indebtedness to net capital was 3.18 to 1.

6. Related Party Transactions:

Employee Loan Receivable:

Employee loan receivable represents funds advanced to an employee of the Company. The loan bears interest at 10%, is unsecured and due on demand.

Due From Employees:

Due from employees represents funds advanced to employees of the Company. The advances are non-interest bearing, unsecured and due on demand.

**WESTWOOD CAPITAL, LLC**  
**(A Wholly-Owned Subsidiary of Westwood Capital Holdings, LLC)**

Notes to Financial Statements, continued

December 31, 2006

6. Related Party Transactions, continued:

Due From Members:

Due from members represents funds advanced to members of the Company. The advances are non-interest bearing, unsecured and due on demand.

7. Commitments and Contingencies:

The Company has an operating lease agreement to rent office space which expires December 31, 2014 and includes scheduled increases in rental payments. The excess of the straight line rent expense recognized for financial reporting purposes over actual required payments is expensed in the financial statements. A \$97,750 letter of credit which is collateralized by a \$102,895 certificate of deposit at December 31, 2006 collateralizes the lease. The Company rents desk space to an individual on a month to month basis. Rental income was \$20,000 for 2006, which is recognized as an offset against rent expense.

The following is a schedule of future annual minimum payments as of December 31, 2006:

For the years ending December 31,

2007	\$ 270,908
2008	278,960
2009	287,254
2010	295,797
2011	304,596
Thereafter	<u>969,259</u>
Total minimum lease payments	<u>\$ 2,406,774</u>

The Company is from time-to-time involved in certain legal actions and customer disputes arising in the ordinary course of business. In the opinion of management, the outcome of such actions will not have a material adverse effect on the Company's financial position or results of operations.

8. Major Client:

In 2006, three clients represented approximately 72% of the Company's investment banking fees.

**WESTWOOD CAPITAL, LLC**  
**(A Wholly-Owned Subsidiary of Westwood Capital Holdings, LLC)**

Notes to Financial Statements, continued  
December 31, 2006

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9. Concentration of Credit Risk:

The Company provides credit, in the normal course of business, to its clients. These clients are not concentrated in any particular industry or specific geographic region. The Company performs ongoing credit evaluations of the clients and maintains allowances for potential credit losses which, when realized, have been within the range of management's expectations. The Company generally does not require collateral with regard to extending credit to clients. At December 31, 2006, two clients accounted for approximately 74% of due from clients.

The Company maintains its cash accounts primarily with a bank located in New York and in a money market mutual fund. The total cash balances are insured by the FDIC up to \$100,000 per bank. The Company has cash balances on deposit at December 31, 2006 that exceeded the balance insured by the FDIC by approximately \$324,000.

10. Retirement Plan:

The Company has a profit sharing plan covering all eligible employees. Contributions are determined at management's discretion and are allocated based upon a matching formula and a non-elective contribution formula for all eligible participants. Contribution expense for 2006 was \$32,189.

**WESTWOOD CAPITAL, LLC**  
**(A wholly-owned subsidiary of Westwood Capital Holdings, LLC)**  
 Computation of Net Capital Under Rule 15c3-1 of the  
 Securities and Exchange Commission  
 As of December 31, 2006

Total members' equity	\$	596,648	
Deduct members' equity not allowable for net capital		-	<u>          </u>
Total members' equity qualified for net capital		596,648	
Add:			
Subordinated borrowings allowable in computation of net capital		-	
Other (deductions) or allowable credits-deferred income taxes payable		-	<u>          </u>
Total capital and allowable subordinated borrowings		596,648	
Deductions and/or charges			
Nonallowable assets:			
Restricted certificate of deposit	\$	102,895	
Due from clients		86,145	
Employee loan receivable		7,419	
Due from employees		3,525	
Due from members		110,488	
Prepaid expenses		26,945	
Property and equipment, net		190,757	<u>          </u>
		528,174	
Additional charges for customers' and noncustomers' security accounts		-	
Additional charges for customers' and noncustomers' commodity accounts		-	
Aged fails-to-deliver		-	
Secured demand note deficiency		-	
Commodity futures contracts and spot commodities/proprietary capital charges		-	
Other deductions and/or charges		-	<u>          </u>
			<u>528,174</u>
Net capital before haircuts on securities positions (tentative net capital)			68,474
Haircuts on securities:			
Contractual securities commitments		-	
Securities collateralizing secured demand notes		-	
Trading and investment securities		-	
Bankers' acceptances, certificates of deposit, and commercial paper		(9)	
U.S. and Canadian government obligations		-	
State and municipal government obligations		-	
Stocks and warrants		-	
Options		-	
Undue concentrations		-	
Money market fund		(91)	<u>          </u>
			<u>(100)</u>
Net capital	\$		<u>68,374</u>

**WESTWOOD CAPITAL, LLC**  
**(A wholly-owned subsidiary of Westwood Capital Holdings, LLC)**  
**Computation of Net Capital Under Rule 15c3-1 of the**  
**Securities and Exchange Commission, continued**  
**As of December 31, 2006**

Aggregate indebtedness	
Items included in statement of financial condition:	
Accounts payable and accrued expenses	\$ 217,305
Items not included in statement of financial condition:	
Market value of securities borrowed for which no equivalent value is paid or credited	-
Other unrecorded amounts	-
	<u>                    </u>
Total aggregate indebtedness	<u>\$ 217,305</u>
Computation of basic net capital requirement	
Minimum net capital required	<u>\$ 14,494</u>
Excess net capital	<u>\$ 53,880</u>
Excess net capital at 1,000 percent	<u>\$ 46,644</u>
Ratio: Aggregate indebtedness to net capital	<u>3.18 to 1</u>
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	\$ 104,249
Audit adjustments:	
Underaccrual of expenses	(47,055)
Securities haircut	(100)
Reclassify allowable asset	7,369
Void old outstanding checks	3,911
	<u>                    </u>
Net capital per above	<u>\$ 68,374</u>

**WESTWOOD CAPITAL, LLC** **SCHEDULE II**  
**(A Wholly-Owned Subsidiary of Westwood Capital Holdings, LLC)**  
Computation for Determination of Reserve Requirements  
For Brokers and Dealers Pursuant to Rule 15c3-3  
Under the Securities Exchange Act of 1934  
December 31, 2006

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**EXEMPTION UNDER SECTION (k)(2)(i) IS CLAIMED:**

Westwood Capital, LLC is exempt from the provisions of Rule 15c3-3 under the Securities Exchange Act of 1934, because the Company does not carry security accounts for customers or perform custodian functions relating to customer securities.



**Independent Auditors' Report on Internal Accounting  
Control Required by SEC Rule 17a-5**

To the Members of  
Westwood Capital, LLC  
(A Wholly-Owned Subsidiary of Westwood Capital Holdings, LLC)

In planning and performing our audit of the financial statements of Westwood Capital, 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 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:

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 accounting principles generally accepted in the United States of America. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control and 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 that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control that we consider to be significant deficiencies, and communicated them in writing to management and those charged with governance on February 26, 2007.

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 members of management, the SEC, the National Association of Securities Dealers 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.

*Jesnah and Associates, LLP*

February 26, 2007

**END**