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

| |
|-----------------|
| SEC FILE NUMBER |
| 8- 39564 |

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

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Oakbrook Investment Brokers, Inc.

| |
|-------------------|
| OFFICIAL USE ONLY |
| FIRM I.D. NO. |

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

17 W 727 Butterfield Road, Suite D

(No. and Street)

Oakbrook Terrace

IL

60181

(City)

(State)

(Zip Code)

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

Robert G. Stevens

(630) 691-1880

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Dunleavy & Company, P.C.

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

13116 South Western Avenue, Blue Island, Illinois 60406

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

Certified Public Accountant

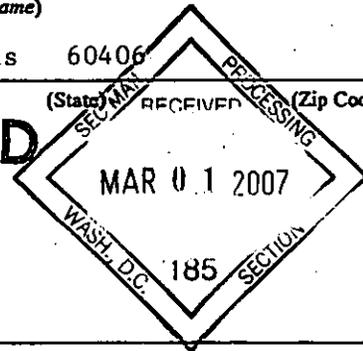
Public Accountant

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

PROCESSED

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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)

SEC 1410 (06-02)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

OATH OR AFFIRMATION

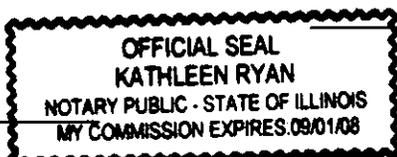
I, Robert G. Stevens, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Oakbrook Investment Brokers, Inc., as of December 31, 2006, are true and correct. I further swear (or affirm) that neither the company 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:

NONE

[Signature]
Signature

President
Title

[Signature]
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 Financial Condition Cash Flows.
(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.

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

OAKBROOK INVESTMENT BROKERS, INC.

STATEMENT OF FINANCIAL CONDITION
AND INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2006

DUNLEAVY & COMPANY, P.C.

CERTIFIED PUBLIC ACCOUNTANTS
13116 SOUTH WESTERN AVENUE
BLUE ISLAND, ILLINOIS 60406

(708) 489-1680
Fax: (708) 489-1717

INDEPENDENT AUDITORS' REPORT

Board of Directors
Oakbrook Investment Brokers, Inc.

We have audited the accompanying statement of financial condition of Oakbrook Investment Brokers, Inc. as of December 31, 2006 that you are filing pursuant to rule 17a-5 under the Securities and 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 statement of financial condition is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial condition. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall statement of financial condition presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the statement of financial condition referred to above presents fairly, in all material respects, the financial position of Oakbrook Investment Brokers, Inc. as of December 31, 2006, in conformity with accounting principles generally accepted in the United States of America.



DUNLEAVY & COMPANY, P. C.
Certified Public Accountants

Blue Island, Illinois
January 30, 2007

OAKBROOK INVESTMENT BROKERS, INC.

STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2006

ASSETS

| | |
|--|-------------------------|
| Receivable from broker/dealers | \$ 32,855 |
| Furniture and equipment at cost, | |
| less \$59,977 accumulated depreciation | 1,282 |
| Other assets | <u>725</u> |
| TOTAL ASSETS | <u>\$ 34,862</u> |

LIABILITIES AND SHAREHOLDERS' EQUITY

LIABILITIES

| | |
|--------------------------|-------------------------|
| Accounts payable | \$ 7,636 |
| Commissions payable | <u>4,132</u> |
| Total Liabilities | <u>\$ 11,768</u> |

SHAREHOLDERS' EQUITY

| | |
|--|-------------------------|
| Common stock, no par value; shares authorized 1,000; shares issued 100; outstanding 70 | \$ 1,000 |
| Additional paid-in capital | 55,000 |
| Retained earnings (deficit) | (27,906) |
| Less 30 shares of Treasury Stock, at cost | <u>(5,000)</u> |
| Total Shareholders' Equity | <u>\$ 23,094</u> |

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY **\$ 34,862**

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

OAKBROOK INVESTMENT BROKERS, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2006

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Organization - The Company was incorporated in the state of Illinois on January 30, 1987. The Company is registered with the Securities and Exchange Commission and is a member of the National Association of Securities Dealers, Inc. The Company's principal business activity is the sale of securities.

Securities Transactions - Commission revenue and related expense arising from securities transactions are recorded on a trade date basis.

Long Securities - Marketable securities are valued at market value and securities not readily marketable are valued at fair value as determined by the Board of Directors. The resulting difference between cost and market value (or fair value) is included in income.

Cash Equivalents - Cash equivalents are defined as certificates of deposit and U.S. government obligations with a maturity date at the time of acquisition of less than 90 days and those securities registered under the Investment Company Act of 1940 which are comprised of cash and other short-term debt instruments and are commonly referred to as "money market funds."

Concentration of Risk - Substantially all the Company's cash is on deposit at one financial institution and the balance at times may exceed the federally insured limit. Due to the strong credit rating of this financial institution, the Company believes it is not exposed to any significant credit risk to cash.

Furniture and Equipment - Depreciation is provided on a straight-line basis using an estimated useful life of five years.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles 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.

OAKBROOK INVESTMENT BROKERS, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2006

NOTE 2 - NET CAPITAL REQUIREMENTS

As a registered broker/dealer and member of the National Association of Securities Dealers, Inc. the Company is subject to the Uniform Net Capital Rule, which requires the maintenance of minimum net capital and requires that the ratio of aggregated indebtedness to net capital, both as defined, shall not exceed 1500%. At December 31, 2006 the Company's net capital and required net capital were \$15,473 and \$5,000 respectively. The ratio of aggregate indebtedness to net capital was 76%.

NOTE 3 - LEASE COMMITMENTS

Minimum annual rentals under a noncancellable lease for office space that expires April 30, 2009 and an operating lease agreement for telecommunications that expires May 17, 2008, exclusive of additional payments which may be required for certain increases in operating and maintenance costs, are as follows:

| <u>Year Ending</u> <u>December 31,</u> | <u>Occupancy</u> <u>Lease</u> | <u>Telecommunications</u> <u>Service Lease</u> | <u>Total</u> <u>Minimum</u> <u>Payments</u> |
|---|----------------------------------|---|---|
| 2007 | \$ 9,920 | \$ 5,940 | \$ 15,860 |
| 2008 | 10,400 | 2,475 | 12,875 |
| 2009 | <u>3,520</u> | <u>-0-</u> | <u>3,520</u> |
| Totals | <u>\$ 23,840</u> | <u>\$ 8,415</u> | <u>\$ 32,255</u> |

For the year ended December 31, 2006, the total expense relating to the occupancy lease and the telecommunications lease were \$9,904 and \$6,913 respectively.

NOTE 4 - S CORPORATION ELECTION

The Company has elected S Corporation status for federal income tax purposes. Income taxes are therefore the responsibility of the individual shareholder of the Company.

OAKBROOK INVESTMENT BROKERS, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2006

NOTE 5 - CLEARING AGREEMENT WITH OFF-BALANCE-SHEET RISK

Customers of the Company may enter into various transactions involving derivatives and other off-balance sheet financial instruments. These financial instruments include exchange traded options. In addition, the Company's customers may sell securities that they do not currently own and will therefore be obligated to purchase such securities at a future date. Since the Company enters into the foregoing transactions involving derivatives and other off-balance sheet financial instruments solely for the benefit of its customers, the Company does not bear any of the credit or market risk of those customers, with the exception of the risk to the Company should its customers fail to honor their obligations related to the foregoing derivatives and other off-balance sheet financial instruments, as mentioned below.

In order to facilitate securities transactions, including the aforementioned transactions, on March 18, 2004, the Company entered into an agreement with another broker/dealer (Clearing Broker/dealer) whereby that Clearing Broker/dealer will execute and clear securities transactions for the Company on a fully disclosed basis. The processing and, if applicable, any financing pertaining to the introduced transactions are performed by the Clearing Broker/dealer. The customer account is therefore maintained and recorded in the books and records of the Clearing Broker/dealer on the Company's behalf. In consideration for introducing customers to the Clearing Broker/dealer, the Company receives commissions and other consideration, less the processing and other charges of the Clearing Broker/Dealer. The Company has deposited \$25,000 with the Clearing Broker/dealer to assure the Company's performance under the agreement and this amount is included in "Receivable from broker/dealers" on the statement of financial condition. The agreement also states that the Company may not have any similar agreements with other broker/dealers without prior written approval from the Clearing Broker/dealer. The agreement has an initial term of 36 months and will automatically renew for additional 36 month periods unless terminated by either party with prior written notification. The Company will be subject to a termination fee equal to \$3,000 per month for each of the remaining months in the initial or renewal term. The

OAKBROOK INVESTMENT BROKERS, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2006

NOTE 5 - CLEARING AGREEMENT WITH OFF-BALANCE-SHEET RISK - (Continued)

Company is also required to produce monthly minimum revenues of \$3,000 with the Clearing Broker/dealer and maintain fidelity bond coverage of at least \$30,000. Additional provisions of the agreement state that the Company is to be held responsible for any losses arising when the customers introduced by the Company to the Clearing Broker/dealer fail to meet their contractual commitments pertaining to the purchase, sale and possible financing of securities transactions. The Company may therefore be exposed to off-balance-sheet risk in the event the customer is unable to fulfill its contracted obligations and it is necessary for the Clearing Broker/dealer to purchase or sell the securities at a loss. The Company's exposure to risk would consist of the amount of the loss realized and any additional expenses incurred pertaining to the transaction or other customer activity.

NOTE 6 - CONCENTRATION OF COMMISSION REVENUE

For the year ended December 31, 2006, 42% of the commission revenue earned was derived from the sale of a specific security.

END