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AMENDMENT

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

MAY 10 2007

THOMSON
FINANCIAL

SECURITIES AND EXCHANGE COMMISSION
SEC FILE NUMBER
8-47990

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

APR 30 2007

REPORT FOR THE PERIOD BEGINNING 01/01/06 AND ENDING 12/31/06
MM/DD/YY MM/DD/YY

DIVISION OF MARKET REGULATION

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Cantone Research, Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

766 Shrewsbury Avenue

(No. and Street)

Tinton Falls

(City)

NJ

(State)

07724

(Zip Code)

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

Peter J. Walsh

(732) 450-3500 ext. 121

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Pressman Ciocca Smith LLP

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

1800 Byberry Road, Suite 1100 - Huntington Valley PA 19006

(Address)

(City)

SECURITIES AND EXCHANGE COMMISSION
(State) (Zip Code)

RECEIVED

APR 30 2007

BRANCH OF REGISTRATIONS
AND
EXAMINATIONS

02

CHECK ONE:

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

FOR OFFICIAL USE ONLY

*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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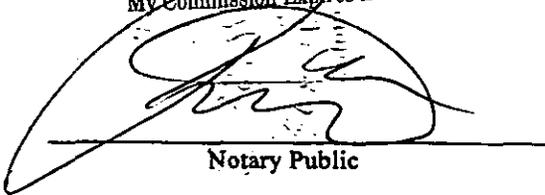
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SEC 1410 (06-02)

OATH OR AFFIRMATION

I, Peter J. Walsh, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Cantone Research, 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:

ROBERT W. CROWTHER, III
Notary Public
State of New Jersey
My Commission Expires 2/10/08



Notary Public

Peter Walsh
Signature
Chief Financial Officer
Title

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

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Changes in Financial Condition.
- (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).

Cantone Research, Inc.**Statement of Financial Condition**

December 31, 2006

ASSETS

Cash and cash equivalents	\$ 315,349
Securities, trading, at market value	1,010,325
Securities, not readily marketable, at estimated fair value	2,127
Advances to registered reps, net of allowance for doubtful accounts	13,799
Receivable from clearing organization	290,896
Deposits with clearing organization (cash and cash equivalents, restricted)	250,000
Prepaid expenses	45,662
Furniture, equipment and leasehold improvements at cost, net of accumulated depreciation	31,369
Other assets	3,088
	<u>3,088</u>
	<u>\$ 1,962,615</u>

LIABILITIES AND STOCKHOLDER'S EQUITY**LIABILITIES**

Commissions payable	\$ 231,921
Accounts payable and accrued expenses	<u>130,145</u>
TOTAL LIABILITIES	362,066

COMMITMENTS AND CONTINGENCIES**STOCKHOLDER'S EQUITY**

Common stock, no par value, 1,000 shares authorized, issued and outstanding	50,000
Additional paid - in capital	1,558,000
Accumulated deficit	<u>(7,451)</u>
	<u>1,600,549</u>
	<u>\$ 1,962,615</u>

END

See accompanying notes.