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UNITED STATES AND EXCHANGE COMMISSION
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ANNUAL AUDITED REPORT
FORM X-17A-5
PART III

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8-45173

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 11/1/06 AND ENDING 12/31/06
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Brackett Tammy + Co Inc

OFFICIAL USE ONLY
FIRM I.D. NO.

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

(No. and Street)

(City)

(State)

(Zip Code)

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

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Elizabeth Tractenberg

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

(Address)

(City)

(State)

(Zip Code)

PROCESSED

APR 17 2007

THOMSON FINANCIAL

[Signature]

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)

SEC 1410 (06-02)

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C.

ANNUAL AUDIT REPORT

DATE - DECEMBER 31, 2006

BROCKETT TAMNY & CO. INCORPORATED

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ELIZABETH CERTIFIED
TRACTENBERG PUBLIC
ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Brockett Tamny & Co. Incorporated
Los Angeles, California

I have audited the accompanying statement of financial condition of Brockett Tamny & Co. Incorporated (the Company) as of December 31, 2006 and related statements of operations, cash flows, and changes in shareholders' equity for the year then ended. These financial statements are being filed pursuant to Rule 17a-5 of the Securities Exchange Act of 1934 and include the supplemental schedule of the net capital computation required by rule 15c3-1. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, such financial statements referred to above present fairly, in all material respects, the financial condition of the Company as of December 31, 2006 and the results of its operations, cash flows and shareholders' equity for the year then ended in conformity with accounting principles generally accepted in the United States.

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in the Supplementary Information on pages 8 to 10 is presented for purposes of additional analysis and is not a required part of the basic financial statements but includes supplementary information required by Rule 17a-5 of the Securities and Exchange Commission. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Elizabeth Tractenberg

Elizabeth Tractenberg, CPA
Los Angeles, California
January 25, 2007

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BROCKETT TAMNY & CO. INCORPORATED
STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2006

ASSETS

Cash			
Checking	\$	27,016	
Money market		<u>7,095</u>	\$ 34,111
Other receivable			2,850
Advance to affiliates			23,940
Prepaid expenses			18,901
Investments in securities			46,185
Deposits			11,145
Furniture and fixtures net of depreciation of \$18,864			<u>0</u>
 TOTAL ASSETS			 <u><u>\$ 137,132</u></u>

LIABILITIES AND SHAREHOLDERS' EQUITY

LIABILITIES			
Accounts payable and accrued expenses			\$ <u>1,980</u>
 TOTAL LIABILITIES			 <u>1,980</u>
 SHAREHOLDERS' EQUITY			
Common stock (\$1 par value, 100,000 shares authorized and issued; 7,588 shares outstanding)	\$	7,512	
Paid-in capital		202,488	
Retained earnings		<u>(74,848)</u>	<u>135,152</u>
 TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			 <u><u>\$ 137,132</u></u>

See Accompanying Notes to Financial Statements

BROCKETT TAMNY & CO. INCORPORATED
STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2006

REVENUES

Consulting fees	\$ 77,000
Interest income	94
Other income	1,881
Unrealized gain on investment	<u>3,992</u>

TOTAL REVENUES 82,967

OPERATING EXPENSES - see page 9 77,652

INCOME BEFORE INCOME TAX PROVISION 5,315

INCOME TAX PROVISION 800

NET INCOME \$ 4,515

See Accompanying Notes to Financial Statements

BROCKETT TAMNY & CO. INCORPORATED
 STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
 FOR THE YEAR ENDED DECEMBER 31, 2006

	Common Stock Shares	Common Stock	Paid-In Capital	Retained Earnings (Deficit)	Total
Balance, December 31, 2005	5,933	\$ 5,912	\$ 164,088	\$ (79,363)	\$ 90,637
Capital Contribution	1,600	1,600	38,400	0	40,000
Net Income				4,515	4,515
Balance, December 31, 2006	<u>7,533</u>	<u>\$ 7,512</u>	<u>\$ 202,488</u>	<u>\$ (74,848)</u>	<u>\$ 135,152</u>

See Accompanying Notes to Financial Statements

BROCKETT TAMNY & CO. INCORPORATED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2006

Cash Flows from Operating Activities:	
Net income	\$ 4,515
Gain/loss on value of securities	(3,990)
Depreciation and amortization	1,150
Changes in operating assets and liabilities:	
Advance to affiliates	(23,940)
Other receivables	(1,850)
Accounts payable and accrued expenses	552
	(23,563)
Cash Flows from Investing Activities:	
Exercise of warrants	(14,400)
	(14,400)
Cash Flows from Financing Activities:	
Contribution of capital	40,000
	40,000
Net increase in cash	2,037
Cash at beginning of year	32,074
	32,074
Cash at end of year	\$ 34,111
	34,111

SUPPLEMENTAL INFORMATION

Interest paid	\$ 31
Income taxes paid	\$ 0
	31
	0

See Accompanying Notes to Financial Statements

BROCKETT TAMNY & CO. INCORPORATED.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 1 - NATURE OF BUSINESS

Brockett Tamny & Co. Incorporated, the Company (a California Corporation) located in Los Angeles California was incorporated July 13, 1990.

The Company is a broker-dealer having been approved by the National Association of Securities Dealers, Inc. on April 27, 1993. The Company's business is to raise capital and provide merger and acquisition services. . The Company operates pursuant to the (k)(1) exemptive provision of the SEC Rule 15c3-3, pursuant to SEC Rule 17a-5(d)(3) and does not hold customer funds or securities. As a result, the Company is exempt from certain provisions and requirements of the Securities Exchange Commission.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A) Revenue Recognition - The Company recognizes revenue upon rendering of services. Receivables longer than one year are treated as deferred income.
- B) Property, Equipment and Depreciation - Property and equipment are carried at cost. Depreciation is calculated on the straight-line method over estimated economic lives which are generally five years.
- C) Use of 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.
- D) Income taxes - Income taxes are provided based on earnings reported for financial statement purposes. In accordance with FASB Statement No. 109, the asset and liability method requires the recognition of deferred tax liabilities and assets for the expected future tax consequences of temporary differences between tax basis and financial reporting basis of assets and liabilities.

NOTE 3 - NET CAPITAL REQUIREMENT

Pursuant to the net capital provisions of Rule 15c3-1 of the Securities and Exchange Act of 1934, the Company is required to maintain a minimum net capital (\$5,000) as defined under such provisions. See page 10 for the computation of net capital.

BROCKETT TAMNY & CO. INCORPORATED.
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2006

NOTE 4 - COMMITMENTS AND CONTINGENCIES

The Company leases facilities in the County of Los Angeles under two separate long-term agreements expiring through 2007 and 2008. The annual rental commitments for years ending December 31, are as follows:

2007	\$ 126,687
2008	<u>43,072</u>
	<u>\$ 169,759</u>

The Company in turn subleases a major portion of the facilities under a sublease agreement. Rental expense for the year ending December 31, 2006 was \$21,187.

NOTE 5 - INCOME TAXES

The Company's fiscal year ends December 31, 2006. The Company will file an income tax return on the cash basis. The provision for income taxes for the year consists of the following:

Federal Current	\$ 0
State Current	<u>800</u>
	<u>\$ 800</u>

NOTE 6 - ADVANCE TO AFFILIATE

The Company advanced funds towards organization expenses on behalf of an entity in which officers of the company have a 5% common ownership.

NOTE 7 - INFORMATION RELATING TO POSSESSION OR CONTROL REQUIREMENTS UNDER RULE 15c3-3

Information relating to possession or control requirements is not applicable to the Company as the Company qualifies for exemption under Rule 15c3-3 (k) (1).

BROCKETT TAMNY & CO. INCORPORATED.
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2006

NOTE 8 - COMPUTATION OF DETERMINATION OF RESERVE REQUIREMENTS
PER RULE 15c3-3.

A computation of reserve requirements is not applicable to the Company as the Company qualifies for exemption under Rule 15c3-3 (k)(1).

ELIZABETH CERTIFIED
TRACTENBERG PUBLIC
ACCOUNTANT

Independent Auditor's Report on Supplemental Information

Brockett Tamny & Co., Incorporated
Los Angeles, California

My report on my audit of the basic financial statements of Brockett Tamny & Co., Incorporated for December 31, 2006 was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules of operating expenses on Page 9 are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I express no opinion on them.

Elizabeth Tractenberg

Elizabeth Tractenberg, CPA
Los Angeles, California
January 25, 2007

BROCKETT TAMNY & CO. INCORPORATED
SCHEDULE OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2006

OPERATING EXPENSES

Charitable donations	\$ 100
Consulting fees	13,847
Depreciation and amortization	1,150
Fees and assessments	2,045
Insurance	20,083
Interest expense	31
Office	6,807
Professional services	3,137
Rent	21,187
Taxes and licenses	472
Telephone	7,158
All other	<u>1,635</u>
 TOTAL OPERATING EXPENSES	 <u>\$ 77,652</u>

See Accompanying Notes to Financial Statements

BROCKETT TAMNY & CO., INCORPORATED
 COMPUTATION OF NET CAPITAL REQUIREMENTS PURSUANT
 TO RULE 15c3-1
 DECEMBER 31, 2006

COMPUTATION OF NET CAPITAL	
Total ownership equity from statement of financial condition	\$ 135,152
Nonallowable assets	
Other receivable	(2,850)
Advance to affiliates	(23,940)
Prepaid expenses	(18,901)
Deposits	(11,145)
Haircuts including haircuts for undue concentration	<u>(12,681)</u>
 NET CAPITAL	 <u>\$ 65,635</u>
 COMPUTATION OF NET CAPITAL REQUIREMENTS	
Minimum net aggregate indebtedness -	
6-2/3% of net aggregate indebtedness	<u>\$ 132</u>
 Minimum dollar net capital required	 <u>\$ 5,000</u>
 Net Capital required (greater of above amounts)	 <u>\$ 5,000</u>
 EXCESS CAPITAL	 <u>\$ 60,635</u>
 Excess net capital at 1000% (net capital less 10% of aggregate indebtedness)	 <u>\$ 65,437</u>
 COMPUTATION OF AGGREGATE INDEBTEDNESS	
Total liabilities	<u>\$ 1,980</u>
 Percentage of aggregate indebtedness to net capital	 3%
 The following is a reconciliation of the above net capital computation with the Company's corresponding unaudited computation pursuant to Rule 179-5(d)(4):	
NET CAPITAL PER COMPANY'S COMPUTATION	\$ 72,983
VARIANCE -	
Hair cut on securities - additional	(5,753)
Accrued expenses	(1,594)
Rounding	(1)
NET CAPITAL PER AUDITED REPORT	<u>\$ 65,635</u>

See Accompanying Notes to Financial Statements

BROCKETT TAMNY & CO. INCORPORATED

STATEMENT OF INTERNAL CONTROL

DECEMBER 31, 2006

ELIZABETH CERTIFIED
TRACTENBERG PUBLIC
ACCOUNTANT

Report of Independent Accountant
on Internal Accounting Control Required by SEC Rule 17a-5

Board of Directors
Brockett Tamny & Co. Incorporated
Los Angeles, California

In planning and performing my audit of the financial statements and supplemental schedules of Brockett Tamny & Co. Incorporated (the Company) for the year ended December 31, 2006, I considered its internal control, including control activities for safeguarding securities, in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), I have made a study of the practices and procedures followed by the Company including tests of such practices and procedures that I 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-5(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, I 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
2. Recordation of differences required by Rule 17a-13
3. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board 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

Board of Directors
Brockett Tamny & Co. Incorporated
Los Angeles, California

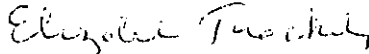
management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control or 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.

My consideration of internal control would not necessarily disclose all matters in internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, I noted no matters involving internal control, including control activities for safeguarding securities, that I consider to be material weaknesses as defined above.

I 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 my study, I believe that the Company's practices and procedures were adequate on December 31, 2006 to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, the National Association of Securities Dealers, Inc., 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 for anyone other than these specified parties.


Elizabeth Tractenberg, CPA
Los Angeles, California
January 25, 2007