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

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 January 1, 2006 AND ENDING December 31, 2006
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:
Boston Cabot, LLC

OFFICIAL USE ONLY
FIRM ID NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
1301 West 33rd Street

(No. and Street)
Chicago IL 60608
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Paul R.T. Johnson, Jr. (312) 498-7041
(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this report*

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

542 South Dearborn Street - Suite 560 Chicago IL 60605
(Address) (City) (State) (Zip Code)

CHECK ONE:
 Certified Public Accountant
 Public Accountant
 Accountant not resident in the United States or any of its possessions.

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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).

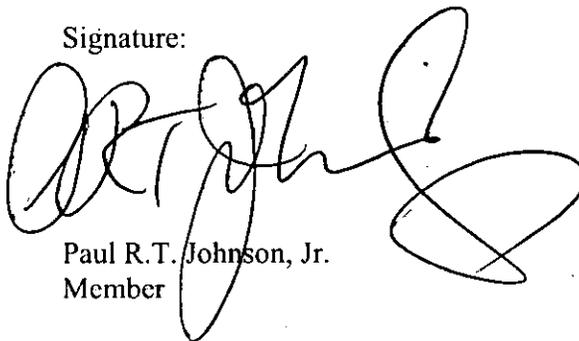
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AFFIRMATION

I, Paul R.T. Johnson, Jr., affirm that, to the best of my knowledge and belief, the accompanying financial statements and supporting schedules pertaining to the firm of Boston Cabot, LLC as of December 31, 2006, are true and correct. I further 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.

Signature:



Paul R.T. Johnson, Jr.
Member



Notary Public

BOSTON CABOT, LLC

CHICAGO, ILLINOIS

FINANCIAL STATEMENTS

DECEMBER 31, 2006

*

BOSTON CABOT, LLC

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This report contains (check all applicable boxes):

- (x) Independent Auditor's Report
- (x) (a) Facing Page
- (x) (b) Statement of Financial Condition
- (x) (c) Statement of Operations
- (x) (d) Statement of Cash Flows
- (x) (e) Statement of Changes in Member's Capital
- () (f) Statement of Changes in Liabilities Subordinated to Claims of General Creditors (Not Applicable)
- (x) Notes to Financial Statements
- (x) (g) Computation of Net Capital for Brokers and Dealers Pursuant to Rule 15c3-1 under the Securities Exchange Act of 1934
- (x) (h) Computation for Determination of Reserve Requirements for Brokers and Dealers Pursuant to Rule 15c3-3 Under the Securities Exchange Act of 1934
- () (i) Information Relating to the Possession or Control Requirements for Brokers and Dealers Pursuant to Rule 15c3-3 Under the Securities Exchange Act of 1934 (Not Applicable)
- () (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 (Not Required)
- () (k) A Reconciliation Between the Audited and Unaudited Statements of Financial Condition With Respect to Methods of Consolidation (Not Applicable)
- (x) (l) An Oath or Affirmation
- () (m) Copy of the SIPC Supplemental Report (Not Required)
- () (n) A Report Describing Any Material Inadequacies Found to Exist or Found to Have Existed Since the Date of the Previous Audit (Supplemental Report on Internal Control) (Not Required)

CTFZ, LLC
ACCOUNTANTS AND AUDITORS
542 SOUTH DEARBORN STREET
CHICAGO, ILLINOIS 60605

INDEPENDENT AUDITOR'S REPORT

To the Members
BOSTON CABOT, LLC

We have audited the accompanying statement of financial condition of BOSTON CABOT, LLC as of December 31, 2006, and the related statements of income, changes in members' equity and cash flows for the year then ended. 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 BOSTON CABOT, LLC as of December 31, 2006, and its results of operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit has been made primarily for the purpose of expressing an opinion on the financial statements taken as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is information required by Rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

CTFZ, LLC

Chicago, Illinois
March 18, 2007

BOSTON CABOT, LLCStatement of Financial Condition
December 31, 2006ASSETS

Cash	\$	310
Amounts receivable from broker-dealers		175,709
Property and equipment net of accumulated depreciation of \$53,778		<u>562</u>
<u>Total Assets</u>	\$	<u>176,581</u>

LIABILITIES AND MEMBERS' EQUITY

Liabilities:		
Accounts payable and accrued liabilities	\$	10,450
Amounts payable to broker-dealers		<u>70,799</u>
<u>Total Liabilities</u>	\$	81,249
Commitments and contingent liabilities (Note 5)		
Members' equity		<u>95,332</u>
<u>Total Liabilities and Members' Equity</u>	\$	<u>176,581</u>

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

BOSTON CABOT, LLCStatement of Income
for the Year ended December 31, 2006

Revenues		
Commission income	\$	14,159
Trading income		68,438
Interest income		6,829
Other income		357
		<hr/>
Total Revenues	\$	89,783
Expenses		
Administrative expenses	\$	3,448
Exchange fees and clearing charges		20,732
Communications expense		996
Depreciation and amortization		5,394
Occupancy expense		6,000
Other operating expenses		122,617
		<hr/>
Total Expenses	\$	159,187
		<hr/>
Net Income	\$	(69,404)
		<hr/>

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

BOSTON CABOT, LLC

Statement of Changes in Members' Equity
for the Year ended December 31, 2006

Members' equity, beginning of year	\$	267,504
Net income (loss) for the year ended December 31, 2006		(69,404)
Member withdrawals		<u>(102,768)</u>
Members' equity, end of year	\$	<u>95,332</u>

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

BOSTON CABOT, LLCStatement of Cash Flows
for the Year ended December 31, 2006

Cash provided by (applied to) operating activities	
Net income	\$ (69,404)
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	5,394
Changes in operating assets and liabilities	
Amounts receivable from broker-dealers	97,904
Payable to brokers and dealers	70,312
Accounts payable and accrued expenses	<u>(1,375)</u>
Net cash provided by operating activities	<u>\$ 102,831</u>
Cash applied to financing activities	
Repayment of short-term borrowings	\$ (5,000)
Withdrawal of member capital	<u>(102,769)</u>
Cash applied to financing activities	<u>\$ (107,769)</u>
Net decrease in cash	\$ (4,938)
Cash and cash equivalents at January 1, 2006	<u>5,248</u>
Cash and cash equivalents at December 31, 2006	<u><u>\$ 310</u></u>
Supplemental disclosure of cash flow information	
Cash paid during the period for interest	<u><u>\$ -</u></u>
Cash paid during the period for taxes	<u><u>\$ -</u></u>

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

Boston Cabot, L.L.C.

Notes to the Financial Statements
December 31, 2006

Note 1 – ORGANIZATION

The Company was organized August 6, 2001. The Company is a broker – dealer and a member of the National Association of Securities Dealers; the Company trades in equity securities and futures contracts. The Company does not carry customer accounts as defined in rule 15c3 – 3 of the Securities Act.

Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition – Securities and futures transactions, commissions and expenses are recorded on trade date.

Mark – to – Market – Securities and futures are recorded at market value on trade date.

Cash and Cash Equivalents – For financial statement purposes, all highly liquid debt instruments with maturity of three months or less at date of acquisition are considered to be cash equivalents.

Depreciation – Depreciation is recorded using accelerated methods over the useful life of the related assets.

Management's Use of Estimates – The preparation of the 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 disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Notes 3 – FAIR VALUE OF FINANCIAL INSTRUMENTS

Substantially all of the Company's assets and liabilities are considered financial instruments as defined by Statement of Financial Accounting Standard No. 107 and, are either already reflected at fair values, or are short-term or replaceable on demand. Therefore, their carrying amounts approximate their fair values.

Boston Cabot, L.L.C.

Notes to the Financial Statements
December 31, 2006

Notes 4 – FINANCIAL INSTRUMENTS WITH OFF-BALANCE-SHEET RISK AND
CONCENTRATIONS OF CREDIT RISK

In the normal course of business, the Company enters into transactions in financial instruments with varying degrees of off-balance-sheet risk. The Company's exposure to risk associated with counterparty nonperformance on the existing financial instruments is limited to the amounts reflected in the statement of financial condition.

Upon occasion the Company may enter into short sale transactions. These transactions may result in off-balance-sheet risk as the Company's ultimate obligation to satisfy its obligation for short sales may exceed the amount recognized in the statement of financial condition.

Note 5 – CAPITAL REQUIREMENTS

The Company will be subject to the capital requirement rules of the Commodity Futures Trading Commission. Company net capital was determined to be \$94,770 under these rules; this amount exceeded the minimum requirement by \$49,770 at December 31, 2006.

Note 6 – TAX STATUS

The Company is taxed as a partnership under the provisions of the Internal Revenue Code. Accordingly, the financial statements do not include a provision for federal income taxes because the Company does not incur federal taxes. Instead, its earnings and losses are included in the member's personal income tax returns and are taxed based on their personal tax strategies.

BOSTON CABOT, LLC

SUPPLEMENTARY INFORMATION

PURSUANT TO RULE 17a-5 OF THE SECURITIES EXCHANGE ACT OF 1934

AS OF DECEMBER 31, 2006

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART IIA**

Broker or Dealer Boston Cabot, LLC	as of 12/31/06
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COMPUTATION OF NET CAPITAL

1. Total ownership equity (from Statement of Financial Condition - Item 1800)		\$	95,332	3480
2. Deduct: Ownership equity not allowable for net capital				3490
3. Total ownership equity qualified for net capital			95,332	3500
4. Add				
A. Liabilities subordinated to claims of general creditors allowable in computation of net capital				3520
B. Other (deductions) or allowable credits (List)				3525
5. Total capital and allowable subordinated liabilities		\$	95,332	3530
6. Deductions and/or charges				
A. Total non-allowable assets from:				
Statement of Financial Condition (Notes B and C)	\$	561	3540	
B. Secured demand note delinquency				3590
C. Commodity futures contracts and spot commodities proprietary capital charges				3600
D. Other deductions and/or charges				3610
7. Other additions and/or allowable credits (list)				561 3620
8. Net capital before haircuts on securities positions				3630
9. Haircuts on securities (computed, where applicable, pursuant to 15c3-1(f)):				94,771 3640
A. Contractual securities commitments				3660
B. Subordinated securities borrowings				3670
C. Trading and investment securities:				
1. Exempted Securities				3735
2. Debt securities				3733
3. Options				3730
4. Other securities				3734
D. Undue concentration				3650
E. Other (list)				3736
10. Net Capital				3740
				94,771 3750

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**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART II**

Broker or Dealer **Boston Cabot, LLC**

as of **12/31/06**

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Part A

11. Minimum net capital required (6-2/3% of line 19)	\$ 5,417	3756
12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	\$ 45,000	3758
13. Net capital requirement (greater of line 11 or 12)	\$ 45,000	3760
14. Excess net capital (line 10 less 13)	\$ 49,770	3770
15. Excess net capital at 1000% (line 10 less 10% of line 19)	86,645	3780

COMPUTATION OF AGGREGATE INDEBTEDNESS

16. Total A.I. Liabilities from Statement of Financial Condition	81,249	3790
17. Add:		
A. Drafts for immediate credit	3800	
B. Market value of securities borrowed for which no equivalent is paid or credited	3810	
C. Other unrecorded amounts (List)	3820	
18. Total aggregate indebtedness	81,250	3840
19. Percentage of aggregate indebtedness to net capital (line 18 / line 10)	86%	3850
20. Percentage of debt to-equity total computed in accordance with Rule 15c3-1(d)		3860

COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT

Part B

21. 2% of combined aggregate debit items as shown in Formula for Reserve Requirement pursuant to Rule 15c3-3 prepared as of the date of the net capital computation including both brokers or dealers and consolidated subsidiaries debits	3870
22. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	3880
23. Net capital requirement (greater of line 22 or 23)	3760
24. Excess net capital (line 10 less 24)	3910
25. Net capital in excess of: 5% of combined aggregate debit items or \$120,000	3920

Notes:

- (A) The minimum net capital requirements should be computed by adding the minimum dollar net capital requirement of the reporting broker dealer and, for each subsidiary to be consolidated, the greater of
1. Minimum dollar net capital requirement, or
 2. 6-2/3% of aggregate indebtedness of 4% of aggregate debits if alternative method used.
- (B) Do not deduct the value of securities borrowed under subordination agreements or secured demand notes covered by subordination agreements not in satisfactory form and the market values of memberships in exchanges contributed for use of company (contra to item 1740) and partners' securities which were included in non-allowable assets.
- (C) For reports filed pursuant to paragraph (d) of Rule 17a-5, respondent should provide a list of material non-allowable assets

BOSTON CABOT, LLC

Reconciliation of Computation of Net Capital
December 31, 2006

There were no material differences between the audited and unaudited computation of net capital under Rule 15C3-1.

BOSTON CABOT, 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

The Company does not clear securities transactions or take possession or control of securities for customers and, therefore, is exempt from the possession or control and reserve requirements of Rule 15c3-3 under the Securities Exchange Act of 1934.

CTFZ, LLC
ACCOUNTANTS AND AUDITORS
542 SOUTH DEARBORN STREET
CHICAGO, ILLINOIS 60605

SUPPLEMENTAL REPORT ON
INTERNAL CONTROL REQUIRED BY SEC RULE 17a-5

To the Members
Boston Cabot, LLC
Chicago, Illinois

In planning and performing our audit of the financial statements of Boston Cabot, LLC (the "Company") for the year ended December 31, 2006 (on which we issued our report dated March 18, 2007), we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the Company's internal control.

Also, as required by Rule 17a-5(g)(1) under the Securities Exchange Act of 1934, we have made a study of the practices and procedures (including tests of compliance with such practices and procedures) followed by the Company that we considered relevant to the objectives stated in Rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of Rule 15c3-3. We did not review the practices and procedures followed by the Company in making quarterly securities examinations, counts, verifications and comparisons, and the recordation of differences required by Rule 17a-13 or in complying with the requirements for prompt payment for securities under Section 8 of Regulation T of the Board of Governors of the Federal Reserve System, because the Company does not carry security accounts for customers or perform custodial functions relating to customer securities.

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 internal control and of the practices and procedures, and to assess whether those 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 acquisition, 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.

To the Members
Boston Cabot, LLC
Chicago, Illinois
Page 2

Because of inherent limitations in any internal control or the practices and procedures referred to above, misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal control or of such practices and procedures to future periods are subject to the risk that they may become inadequate because of changes in conditions or that the degree of compliance with the practices or procedures may deteriorate.

Our consideration of the Company's internal control would not necessarily disclose all matters in the Company's 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 one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by 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, we noted no matters involving the Company's internal control and its operation, including control activities for safeguarding securities, that we consider to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the Commission 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 were adequate at December 31, 2006 to meet the Commission's objectives.

This report is intended solely for the use of the Company's Members, the Securities and Exchange Commission, 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.

OTFZ, LLC

Chicago, Illinois
March 18, 2007

END