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UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

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

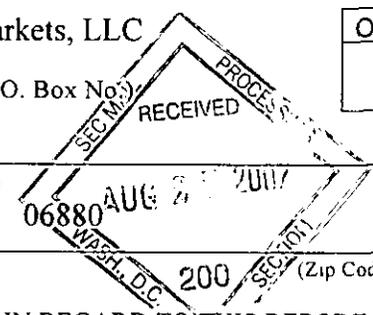
SEC FILE NUMBER 8-49495

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 July 1, 2006 AND ENDING June 30, 2007 MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Westport Capital Markets, LLC ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.) 257 Riverside Avenue Westport CT 06880 (No. and Street) (City) (State) (Zip Code) NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT Jonathan O'Herron 203-222-8932 (Area Code - Telephone Number)



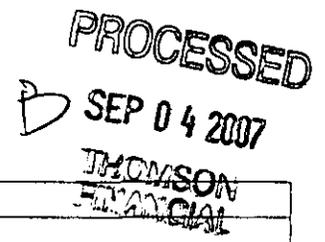
OFFICIAL USE ONLY FIRM I.D. NO.

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report* Alperin, Nebbia & Associates, CPA, PA 375 Passaic Avenue, Suite 200 Fairfield NJ 07004 (Name - if individual, state last, first, middle name) (Address) (City) (State) (Zip Code)

CHECK ONE:

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



FOR OFFICIAL USE ONLY

Handwritten signature

*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)

AFFIRMATION

I, Jonathan O'Herron, Jr., affirm that, to the best of my knowledge and belief, the accompanying financial statements for the year ended June 30, 2007 and supplemental schedules pertaining to Westport Capital Markets, LLC as of June 30, 2007 are true and correct. I further affirm that neither the limited liability company nor any member has any proprietary interest in any account classified solely as that of a customer.

Jonathan O'Herron, Jr. 8/21/07
Date
Managing Member

Subscribed and Sworn to before me

on this 21st day of Aug, 2007.

Thomas Lebow
Notary Public

THOMAS LEBOW
Notary Public - Connecticut
My Commission Expires Nov. 30, 2008

WESTPORT CAPITAL MARKETS, LLC

(S.E.C. NO. 8-49495)

STATEMENT OF FINANCIAL CONDITION
AS OF JUNE 30, 2007

AND

INDEPENDENT AUDITOR'S REPORT

AND

SUPPLEMENTAL REPORT ON INTERNAL CONTROL STRUCTURE

This report is filed as a PUBLIC document
in accordance with Rule 17a-5(e)(3) under
the Securities Exchange Act of 1934.

WESTPORT CAPITAL MARKETS, LLC

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Steven J. Alperin, CPA
Vincent S. Nebbia, CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Westport Capital Markets, LLC
Westport, CT

We have audited the accompanying statement of financial condition of Westport Capital Markets, LLC as of June 30, 2007, that you are filing pursuant to rule 17a-5 under the Securities Exchange Act 1934. This financial statement is the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether 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 statement of financial condition presents fairly, in all material respects, the financial position of Westport Capital Markets, LLC at June 30, 2007 in conformity with generally accepted accounting principles of the United States of America.

ALPERIN, NEBBIA & ASSOCIATES, CPA, PA

*Alperin, Nebbia
& Associates, CPA, PA*

Fairfield, New Jersey
August 22, 2007

WESTPORT CAPITAL MARKETS, LLC
STATEMENT OF FINANCIAL CONDITION
JUNE 30, 2007

ASSETS

Current Assets:

Cash and cash equivalents	\$ 73,921
Due from clearing broker	154,627
Investment in securities, at market value	36,075
Prepaid expenses and other current assets	<u>42,192</u>

Total current assets 306,815

Fixed assets, net of accumulated depreciation of \$34,046 18,848

Total assets \$ 325,663

LIABILITIES AND MEMBERS' EQUITY

Current Liabilities:

Accrued expenses \$ 74,190

Commitments and Contingencies

Members' Equity 251,473

Total liabilities and members' equity \$ 325,663

WESTPORT CAPITAL MARKETS, LLC
NOTES TO STATEMENT OF FINANCIAL CONDITION
JUNE 30, 2007

Note A – Organization and Significant Accounting Policies

Nature of Business

Westport Capital Markets, LLC (the "Company"), is a securities broker-dealer servicing both institutional and retail clients.

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 and the disclosure of contingencies in the financial statements. Actual results could differ from the estimates included in the financial statements.

Revenue Recognition

The Company generates its revenues principally by providing securities trading, investment management and brokerage services. Revenues for these services are transaction based. As a result, the Company's revenues could vary based on the performance of the financial markets.

Non-recognition of commissions arising from unsettled customer transactions is not considered to have a material effect on either the Company's financial statements or net capital computations.

The Company clears all securities transactions through Bear Stearns Securities Corp. (Bear Stearns), on a fully disclosed basis.

Cash and Cash Equivalents

The Company considers all highly liquid debt instruments with three months or less to maturity at the date of purchase to be cash equivalents.

Fixed Assets

Fixed assets include furniture, vehicle and equipment and are depreciated to the extent permitted by Section 179 of the Internal Revenue Code and thereafter on a straight-line basis based on estimated lives of five years. This acceleration of depreciation on a book basis to conform to income tax returns is not considered to have a material effect on either the Company's financial statements or net capital computations.

Income Taxes

Although formed as a limited liability company, the Company has elected corporate status for tax purposes. The Company reports income for tax purposes using substantially the same method as for financial reporting purposes.

Note B – Clearing Broker and Off-Balance Sheet Risk

The Company uses Bear Stearns to clear its securities transactions and to provide custodial and other services for which it pays a fee on a per transaction basis and interest on amounts borrowed. In connection with its clearing agreement, the Company must maintain a minimum deposit with Bear Stearns of \$100,000.

WESTPORT CAPITAL MARKETS, LLC
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

Note B – Clearing Broker and Off-Balance Sheet Risk (continued)

Pursuant further to its clearing agreement, customers' money balances and security positions are carried on Bear Stearn's books. Under certain conditions, the Company has agreed to indemnify Bear Stearns for any related losses, if any, that Bear Stearns may sustain. Both the Company and Bear Stearns monitor collateral on securities transactions to minimize exposure to loss.

Note C – Net Capital Requirements and Subsequent Event

The Company is subject to the Securities and Exchange Commission's Uniform Net Capital Rule (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 June 30, 2007, the Company had net capital of \$200,118, which was \$100,118 in excess of its required net capital of \$100,000. The Company's net capital ratio was 0.3707 to 1.

Note D – Fair Value of Financial Instruments

Financial Accounting Standards Board Statement No. 107. Disclosures About Fair Value of Financial Instruments requires that all entities disclose the fair value of financial instruments, as defined, for both assets and liabilities recognized and not recognized in the statement of financial condition. The Company's financial instruments, as defined, are carried at, or approximate fair value.

Note E – Commitment and Contingencies

In the normal course of business, the Company executes, as agent, transactions on behalf of customers. If the agency transactions do not settle because of failure to perform by either the customer or the counter party, the Company may be obligated to discharge the obligation of the nonperforming party and, as a result, may incur a loss if the market value of the security is different from the contract amount of the transactions. The Company does not anticipate nonperformance by customers or counterparties. The Company has a policy of reviewing, as considered necessary, the credit standing of customers and counter parties with which it conducts business.

Note F – Operating Lease Commitment

The Company entered into a building lease for a term of five years beginning May 2005.

The future minimum rent under this lease is as follows:

For year ended:	
June 30, 2008	\$ 63,196
June 30, 2009	65,453
June 30, 2010	<u>67,710</u>
Total	<u>\$ 196,359</u>

Note G - Subsequent Event and Capital Transactions

In July 2006, an individual contributed funds to the Company in return for a 1% capital interest. In May 2007, the owner of 99% of the outstanding capital of the company entered into an agreement to transfer his remaining interest to this individual. The transaction is still pending awaiting NASD approval.

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Steven J. Alperin, CPA
Vincent S. Nebbia, CPA

Board of Directors
Westport Capital Markets, LLC

In planning and performing our audit of the financial statements of Westport Capital Markets, LLC for the year ended June 30, 2007, we considered its internal control structure, 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 internal control structure.

Also, as required by rule 17a-5(g)(1) of the Securities Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company including 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 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
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 of Governors of the Federal Reserve System

The management of the Company is responsible for establishing and maintaining an internal control structure 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 structure policies and procedures 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 Commission's above-mentioned objectives.

Two of the objectives of an internal control structure 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 accordance 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 any internal control structure or the practices and procedures referred to above, errors or irregularities may nevertheless 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 if changes in conditions or that the effectiveness of their design and operation may deteriorate.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure 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 structure elements does not reduce to a relatively low level the risk that errors or irregularities 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 the following condition involving the accounting system and internal control structure:

The size of the business and resultant limited number of employees imposes practical limitations on the effectiveness of those control policies and procedures that depend on the segregation of duties. Because this condition is inherent in the size of the Company, the specific weaknesses are not described herein and no corrective action has been taken or proposed by the Company.

The foregoing condition was considered in determining the nature, timing, and extent of audit procedures to be performed in our audit of the financial statements for the year ending June 30, 2007, and this report does not affect our report thereon dated August 22, 2007.

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, except for the effect, if any, of the condition indicated in the preceding paragraph, the Company's practices and procedures were adequate at June 30, 2007 to meet the Commission's objectives.

This report is intended solely for the information and use of management, the Securities and Exchange Commission, the National Association of Securities Dealers and other regulatory agencies which may rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers and should not be used for any other purpose.

Alperin, Nebbia & Associates, CPA, PA

*Alperin, Nebbia
& Associates, CPA, PA*

Fairfield, New Jersey
August 22, 2007

END