



07007194

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

OMB APPROVAL  
OMB Number: 3235-0123  
Expires: February 28, 2010  
Estimated average burden  
hours per response..... 12.00

12/13

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

SEC FILE NUMBER  
8-23175

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 10/01/06 AND ENDING 9/30/07  
MM/DD/YY MM/DD/YY

RECEIVED  
JAN 9 2007  
SECTION 185

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: WM. V. FRANKEL & CO., INC.

OFFICIAL USE ONLY  
FIRM I.D. NO.

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

30 MONTGOMERY STREET

(No. and Street)

JERSEY CITY

(City)

NJ

(State)

07303

(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\*

SANFORD BECKER & CO., P.C.

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

1430 BROADWAY - 6TH FLOOR

(Address)

NEW YORK

(City)

NY

(State)

10018

(Zip Code)

CHECK ONE:

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

PROCESSED  
MT JAN 09 2008  
THOMSON  
FINANCIAL

**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)

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.

SEC 1410 (06-02)


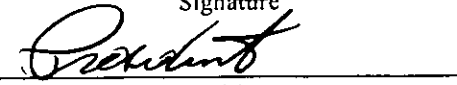
1/8/08

OATH OR AFFIRMATION

I, PATRICK G. QUINN, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of WM . V . FRANKEL & CO., INC., as of SEPTEMBER 30, 2007, 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.*

JOHN R. QUINN  
NOTARY PUBLIC OF NEW JERSEY  
My Commission Expires Nov. 16, 2010

  
Signature  
  
Title

  
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 ~~Changes in 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 15c3-1 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).



WM. V. FRANKEL & CO., INC.

---

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
ON PART II FORM X-17A-5

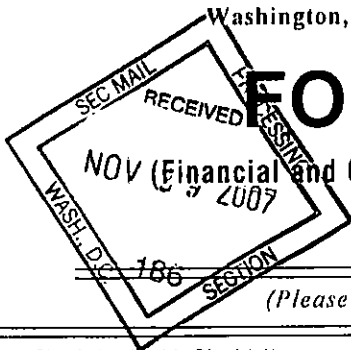
---

YEAR ENDED SEPTEMBER 30, 2007

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

OMB APPROVAL  
OMB Number: 3235-0123  
Expires: February 28, 2010  
Estimated average burden  
hours per response: . . . . . 12.00

Form  
X-17A-5



**FOCUS REPORT**  
(Financial and Operational Combined Uniform Single Report)  
**PART II** 11

(Please read instructions before preparing Form.)

This report is being filed pursuant to (Check Applicable Block(s)):

1) Rule 17a-5(a)  16

2) Rule 17a-5(b)  17

3) Rule 17a-11  18

4) Special request by designated examining authority  19

5) Other  26

NAME OF BROKER-DEALER

WM. V. FRANKEL & CO., INC.

SEC FILE NO.

8-23175 14

FIRM I.D. NO.

12-01895 15

FOR PERIOD BEGINNING (MM/DD/YY)

10/1/06 24

AND ENDING (MM/DD/YY)

9/30/07 25

ADDRESS OF PRINCIPAL PLACE OF BUSINESS (Do Not Use P.O. Box No.)

30 MONTGOMERY STREET 20

(No. and Street)

JERSEY CITY 21

NJ 22

07303 23

(City)

(State)

(Zip Code)

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

PATRICK G. QUINN 30

(Area Code) — Telephone No.

(201) 434-5149 31

NAMES OF SUBSIDIARIES OR AFFILIATES CONSOLIDATED IN THIS REPORT:

OFFICIAL USE

32

33

34

35

36

37

38

39

DOES RESPONDENT CARRY ITS OWN CUSTOMER ACCOUNTS? YES  40 NO  41

CHECK HERE IF RESPONDENT IS FILING AN AUDITED REPORT  42

**EXECUTION:**

The registrant/broker or dealer submitting this Form and its attachments and the person(s) by whom it is executed represent hereby that all information contained therein is true, correct and complete. It is understood that all required items, statements, and schedules are considered integral parts of this Form and that the submission of any amendment represents that all unamended items, statements, and schedules remain true, correct and complete as previously submitted.

Dated the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

Manual signatures of:

1) \_\_\_\_\_  
Principal Executive Officer or Managing Partner

2) \_\_\_\_\_  
Principal Financial Officer or Partner

3) \_\_\_\_\_  
Principal Operations Officer or Partner

**ATTENTION** — Intentional misstatement or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C. 78:f(a))

Persons who 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.

WM. V. FRANKEL & CO., INC.  
SEPTEMBER 30, 2007

CONTENTS

	<u>PAGE</u>
Report of Independent Certified Public Accountants	1
Statement of Financial Condition	2 – 5
Statement of Earnings	6
Statement of Stockholder's Equity	7
Statement of Cash Flows	8
Notes to Financial Statements	9A-9B
SUPPLEMENTARY SUPPORTING SCHEDULES:	
Computation of Net Capital and Aggregate Indebtedness	10 - 11
Computation for Determination of Reserve Requirements For Broker- Dealers Under Rule 15c3-3	12
Information for Possession or Control Requirements Under Rule 15c3-3	13
Reconciliation of Computation of Net Capital Pursuant to Uniform Net Capital Rule 15c3-1 To Corporation's Corresponding Unaudited Form X-17A-5 Part II Filing September 30, 2007	14
Report of Internal Control	15 – 16

SANFORD BECKER & CO., P.C.  
CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS ADVISORS

RICHARD S. BECKER, C.P.A.  
SANFORD E. BECKER, C.P.A.  
GEORGE S. GETZ, C.P.A.

SANFORD BECKER, C.P.A. 1922-1994

1430 BROADWAY  
NEW YORK, N.Y. 10018  
TELEPHONE - (212) 921 - 9000  
FACSIMILE - (212) 354 - 1822

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors  
Wm. V. Frankel & Co., Inc.  
Jersey City, New Jersey

We have audited the accompanying statement of financial condition of Wm. V. Frankel & Co., Inc. as of September 30, 2007 and the related statements of income, changes in stockholder's equity and cash flows for the year then ended, that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. 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 Wm. V. Frankel & Co., Inc. as of September 30, 2007 and the results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in the schedules listed on the accompanying index is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 of the Securities and Exchange Act of 1934. Such information has been subjected to the auditing 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.

New York, New York  
November 13, 2007



# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART II

BROKER OR DEALER

WM V FRANKEL & CO INC

N 2

100

### STATEMENT OF FINANCIAL CONDITION

as of (MM/DD/YY) 9/30/2007

SEC FILE NO. 23175

Consolidated		99
Unconsolidated	<input checked="" type="checkbox"/>	98
		198
		199

#### ASSETS

	Allowable	Non-Allowable	Total
1. Cash .....	\$ 122,276		\$ 122,276
2. Cash segregated in compliance with federal and other regulations .....			
3. Receivable from brokers or dealers and clearing organizations:			
A. Failed to deliver:			
1. Includable in "Formula for Reserve Requirements" .....	220		
2. Other .....	115,824		115,824
B. Securities borrowed:			
1. Includable in "Formula for Reserve Requirements" .....	240		
2. Other .....	250		780
C. Omnibus accounts:			
1. Includable in "Formula for Reserve Requirements" .....	260		
2. Other .....	270		790
D. Clearing organizations:			
1. Includable in "Formula for Reserve Requirements" .....	280		
2. Other .....	76,255		76,255
E. Other .....	300	550	810
4. Receivables from customers:			
A. Securities accounts:			
1. Cash and fully secured accounts .....	310		
2. Partly secured accounts .....	320	560	
3. Unsecured accounts .....		570	
B. Commodity accounts .....	330	580	
C. Allowance for doubtful accounts .....	( 335 )	( 590 )	820
5. Receivables from non-customers:			
A. Cash and fully secured accounts .....	340		
B. Partly secured and unsecured accounts .....	350	600	830
6. Securities purchased under agreements to resell .....	360	605	840
7. Securities and spot commodities owned, at market value:			
A. Bankers acceptances, certificates of deposit and commercial paper .....	370		
B. U.S. and Canadian government obligations .....	380		
C. State and municipal government obligations .....	390		
D. Corporate obligations .....	400		

OMIT PENNIES

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART II

BROKER OR DEALER **WM.V. FRANKEL & CO., INC.**

as of 9/30/07

### STATEMENT OF FINANCIAL CONDITION

		ASSETS			
		Allowable	Non-Allowable	Total	
E. Stocks and warrants	\$ 1,938,840	410			
F. Options		420			
G. Arbitrage		422			
H. Other securities		424			
I. Sport commodities		430		\$ 1,938,840	850
8. Securities owned not readily marketable:					
A. At Cost	\$ 130	440	\$ 610		860
9. Other investments not readily marketable:					
A. At Cost	\$ 140				
B. At estimated fair value		450	620		870
10. Securities borrowed under subordination agreements and partners' individual and capital securities accounts, at market value:					
A. Exempted securities	\$ 150				
B. Other	\$ 160	460	630		880
11. Secured demand notes-market value of collateral:					
A. Exempted securities	\$ 170				
B. Other	\$ 180	470	640		890
12. Memberships in exchanges:					
A. Owned, at market value	\$ 190				
B. Owned at cost			650		
C. Contributed for use of company, at market value			660		900
13. Investment in and receivables from affiliates, subsidiaries and associated partnerships		480	2,224,891	670	2,224,891 910
14. Property, furniture, equipment, leasehold improvements and rights under lease agreements:					
At cost (net of accumulated depreciation and amortization)		490	10,922	680	10,922 920
15. Other Assets:					
A. Dividends and interest receivable		500		690	
B. Free shipments		510		700	
C. Loans and advances		520	10,661	710	
D. Miscellaneous		530		720	10,661 930
16. TOTAL ASSETS	\$ 2,153,195	540	\$ 2,246,464	740	\$ 4,399,659 940

OMIT PENNIES

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS



# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART II

BROKER OR DEALER

WM. V. FRANKEL & CO., INC.

as of 9/30/07

### STATEMENT OF FINANCIAL CONDITION

#### LIABILITIES AND OWNERSHIP EQUITY (continued)

	A.I. Liabilities*	Non-A.I. Liabilities*	Total
<b>Liabilities</b>			
17. Bank loans payable:			
A. Includable in "Formula for Reserve Requirements" .....	\$ 1030	\$ 1240	\$ 1460
B. Other .....	1040	1250	1470
18. Securities sold under repurchase agreement....		1260	1480
19. Payable to brokers or dealers and clearing organizations:			
A. Failed to receive:			
1. Includable in "Formula for Reserve Requirements" .....	1050	1270	1490
2. Other .....	1060	40,749 1280	40,749 1500
B. Securities loaned:			
1. Includable in "Formula for Reserve Requirements" .....	1070		1510
2. Other .....	1080	1290	1520
C. Omnibus accounts:			
1. Includable in "Formula for Reserve Requirements" .....	1090		1530
2. Other .....	1095	1300	1540
D. Clearing organizations:			
1. Includable in "Formula for Reserve Requirements" .....	1100		1550
2. Other .....	1105	1310	1560
E. Other: .....	1110	1320	1570
20. Payable to customers:			
A. Securities accounts-including free credits of ..... \$ 950	1120		1580
B. Commodities accounts .....	1130	1330	1590
21. Payable to non customers:			
A. Securities accounts .....	1140	1340	1600
B. Commodities accounts .....	1150	1350	1610
22. Securities sold not yet purchased at market value-including arbitrage of ..... \$ 960		63,669 1360	63,669 1620
23. Accounts payable and accrued liabilities and expenses:			
A. Drafts payable .....	1160		192,649 1630
B. Accounts payable .....	192,649 1170		1640
C. Income taxes payable .....	1180		1650
D. Deferred income taxes .....		1370	1660
E. Accrued expenses and other liabilities .....	33,429 1190		33,429 1670
F. Other .....	1200	1380	1680

OMIT PENNIES

\*Brokers or Dealers electing the alternative net capital requirement method need not complete these columns.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART II

BROKER OR DEALER **WM. V. FRANKEL & CO., INC.**

as of 9/30/07

### STATEMENT OF FINANCIAL CONDITION

#### LIABILITIES AND OWNERSHIP EQUITY (continued)

	A.I. Liabilities*	Non-A.I. Liabilities*	Total
<b>Liabilities</b>			
24. Notes and mortgages payable:			
A. Unsecured .....	\$ 1210		\$ 1690
B. Secured .....	25 1211	\$ 1390	1700
25. Liabilities subordinated to claims of general creditors:			
A. Cash borrowings:			
1. from outsiders 24 \$ 970			
2. Includes equity subordination (15c3-1(d)) of ..... \$ 980		1400	1710
B. Securities borrowings, at market value from outsiders \$ 990		1410	1720
C. Pursuant to secured demand note collateral agreements:			
1. from outsiders \$ 1000			
2. Includes equity subordination (15c3-1(d)) of ..... \$ 1010		1420	1730
D. Exchange memberships contributed for use of company, at market value .....		26 1430	1740
E. Accounts and other borrowings not qualified for net capital purposes .....			
26. TOTAL LIABILITIES .....	\$ 226,078 1220 1230	\$ 104,418 1440 1450	\$ 330,496 1750 1760
<b>Ownership Equity</b>			
27. Sole Proprietorship .....			\$ 1770
28. Partnership-limited partners .....	\$ 1020		\$ 1780
29. Corporation:			
A. Preferred stock .....			1791
B. Common stock .....		28 400,000	1792
C. Additional paid-in capital .....		1,000,000	1793
D. Retained earnings .....		2,832,605	1794
E. Total .....		4,232,605	1795
F. Less capital stock in treasury .....		( 163,442 )	1796
30. TOTAL OWNERSHIP EQUITY .....			\$ 4,069,163 1800
31. TOTAL LIABILITIES AND OWNERSHIP EQUITY .....			\$ 4,399,659 1810

OMIT PENNIES

\*Brokers or Dealers electing the alternative net capital requirement method need not complete these columns.

WM. V. FRANKEL & CO., INC.

STATEMENT OF EARNINGS

FOR THE YEAR ENDED SEPTEMBER 30, 2007

REVENUE

Principal Transactions - Trading	2,747,285
TOTALS	<u>2,747,285</u>

EXPENSES

Employee Compensation and Benefits	1,452,626
Communications	52,931
Occupancy Expenses	169,526
Clearance Charges	206,350
Promotional Costs	41,018
Other Operating Expenses	<u>1,017,841</u>
TOTALS	<u>2,940,292</u>

<u>Net Income (Loss) Before Federal Income Tax</u>	(193,007)
Federal Income Tax (Note 1)	-
<u>Net (Loss) After Provision for Federal Income Tax</u>	<u><u>(193,007)</u></u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

WM. V. FRANKEL & CO., INC.

STATEMENT OF STOCKHOLDERS' EQUITY  
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	<u>TOTAL</u>	<u>COMMON STOCK</u>	<u>ADDITIONAL PAID-IN CAPITAL</u>	<u>CAPITAL STOCK IN TREASURY</u>	<u>RETAINED EARNINGS</u>
<u>Balance</u> - October 1, 2006	\$ 4,262,170	400,000	1,000,000	(163,442)	3,025,612
Deduct:					
Net Loss	(193,007)				(193,007)
<u>Balance</u> - September 30, 2007	<u>4,069,163</u>	<u>400,000</u>	<u>1,000,000</u>	<u>(163,442)</u>	<u>2,832,605</u>

WM. V. FRANKEL & CO., INC.  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2007  
 INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

CASH FLOWS FROM OPERATING ACTIVITIES

Net Loss For The Year		\$ (193,007)
Adjustments to Reconcile Net Income to Net Cash		
Used for Operations		
Increase in Receivables From Brokers or Dealers	(21,377)	
Decrease in Other Assets	85,451.	
Increase in Payables to Brokers or Dealers	3,366	
Increase in Accounts Payable and Accrued Expenses Payable	<u>171,269</u>	
Total Adjustments		238,709
Net Cash Provided by Operating Activities		45,702

CASH FLOWS FROM INVESTING ACTIVITIES

Increase in Securities Owned (Net)	(184,646)	
Net Cash Used for Investing Activities		<u>(184,646)</u>
Net Decrease in Cash and Cash Equivalents		(138,944)
Cash and Cash Equivalents at Beginning of Year		<u>261,220</u>
Cash and Cash Equivalents at End of Year		<u><u>122,276</u></u>

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2007

(1) Summary of Significant Accounting Policies:

Accounting for securities transactions is on a settlement date basis (normally three business days after trade date).

The corporation and shareholders have elected, effective January 1, 2000, to be treated as a Subchapter S corporation under applicable Federal and New Jersey State law. Accordingly no provision has been made for Federal Corporation Income Tax.

(2) Capital Stock:

Capital Stock consists of the following:

Common Stock without par value

Authorized 2,500 shares

Issued and Outstanding 2,239 shares

(3) Net Capital Requirements:

The Company is subject to the uniform net capital rule (Rule 15c3-1) of the Securities Exchange Act of 1934 which requires that the company maintain a ratio of aggregate indebtedness to net capital as defined, not to exceed 15 to 1. At September 30, 2007 the corporation's net capital was \$1,505,117 whereas the required net capital was \$1,000,000. Total aggregate indebtedness was \$226,078 and the percentage of aggregate indebtedness to net capital was 15% compared to a maximum allowable percentage of 1500%.

(4) General Business:

The corporation was incorporated in the State of New Jersey on June 14, 1978 to succeed to the business of Wm. V. Frankel & Co., Inc., a New York Corporation. Wm. V. Frankel & co., Inc. operates one office in Jersey City, New Jersey. Their primary source of revenues is market making in low priced securities listed as part of the NASD market.

(5) William V. Frankel & Co., Inc. is obligated under the terms of a lease, for its office space, dated May 21, 2007, expiring April 30, 2010.

(6) Rent from and after May 1, 2007 through and including April 30, 2008 annual Base Rent shall equal One Hundred Fourteen Thousand Eight Hundred and 04/100 Dollars (\$114,800.04), payable in equal monthly installments of \$9,566.67. From and after May 1, 2008 through and including April 30, 2009 annual Base Rent shall equal One Hundred Eighteen Thousand Eight Hundred Ninety Nine and 96/100 Dollar (\$118,899.96), payable in equal monthly installments of \$9,908.33. From and after May 1, 2009 through and including April 30, 2010 annual Base Rent shall equal One Hundred Twenty Three Thousand and 00/100 Dollars (\$123,000.00), payable in equal monthly installments of \$10,250.00. Base Rent shall be paid in accordance with the terms of the Lease. Additionally Tenant shall continue to pay the electric energy charge as set forth in the Second Amendment throughout the Renewal Term and Tenant shall continue to pay its

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2007

proportionate share of both annual Operating Expenses and Taxes over the base year set forth in the Second Amendment, i.e. 2003.

- (7) One Time Termination Right. Tenant shall have the right to terminate the Lease effective as of the last day of the twenty fourth (24<sup>th</sup>) month of the Renewal Term upon at least twelve (12) months prior written notice and payment of a termination payment of Twenty Nine Thousand Seven Hundred Twenty Five Dollars (\$29,725.00). The termination payment shall be delivered to Landlord with the notice of termination. Tenant shall surrender the Premises to Landlord in accordance with the terms of the Lease on or prior to that date, or be considered a holder in accordance with the terms of the Lease. Once Tenant elects to terminate the Lease in accordance with the terms hereof, it may not then withdraw such termination.
- (8) The corporation maintains cash in bank accounts which, at times, may exceed federally insured limits.
- (9) Furniture, equipment and leasehold improvements are stated at cost less accumulated depreciation and amortization. Depreciation and amortization are computed using accelerated methods over the estimated useful lives of the related assets.

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART II

BROKER OR DEALER

WM.V. FRANKEL & CO., INC.

as of 9/30/07

### COMPUTATION OF NET CAPITAL

1. Total ownership equity from Statement of Financial Condition - Item 1800 .....	\$	4,069,163	3480
2. Deduct Ownership equity not allowable for Net Capital .....		( )	3490
3. Total ownership equity qualified for Net Capital .....		4,069,163	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 .....	\$	4,069,163	3530
6. Deductions and/or charges:			
A. Total nonallowable assets from			
Statement of Financial Condition (Notes B and C) .....	\$	2,246,464	3540
1. Additional charges for customers' and non-customers' security accounts .....	\$		3550
2. Additional charges for customers' and non-customers' commodity accounts .....			3560
B. Aged fail-to-deliver .....		2,810	3570
1. Number of items .....	29	3450	
C. Aged short security differences-less reserve of .....	\$	3460	3580
number of items .....		3470	30
D. Secured demand note deficiency .....			3590
E. Commodity futures contracts and spot commodities - proprietary capital charges .....			3600
F. Other deductions and/or charges .....			3610
G. Deductions for accounts carried under Rule 15c3-1(a)(6), (a)(7) and (c)(2)(x) .....			3615
H. Total deductions and/or charges .....		( 2,249,274 )	3620
7. Other additions and/or allowable credits (List) .....			3630
8. Net capital before haircuts on securities positions .....	\$	1,819,889	3640
9. Haircuts on securities: (computed, where applicable, pursuant to 15c3-1(f)):			
A. Contractual securities commitments .....	\$		3660
B. Subordinated securities borrowings .....			3670
C. Trading and investment securities:			
1. Bankers' acceptances, certificates of deposit and commercial paper .....	31		3680
2. U.S. and Canadian government obligations .....			3690
3. State and municipal government obligations .....			3700
4. Corporate obligations .....			3710
5. Stocks and warrants .....		314,772	3720
6. Options .....			3730
7. Arbitrage .....			3732
8. Other securities .....	32		3734
D. Undue Concentration .....			3650
E. Other (List) .....			3736
10. Net Capital .....	\$	1,505,117	3750

OMIT PENNIES

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS



# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART II

BROKER OR DEALER **WM. V. FRANKEL & CO., INC**

as of 9/30/07

### COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

**Part A**

11. Minimum net capital required (6 2/3% of line 19) .....	\$	15,071	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) .....	\$	1,000,000	3758
13. Net capital requirement (greater of line 11 or 12) .....	\$	1,000,000	3760
14. Excess net capital (line 10 less 13) .....	\$	505,117	3770
15. Excess net capital at 1000% (line 10 less 10% of line 19) .....	3s\$		3780

### COMPUTATION OF AGGREGATE INDEBTEDNESS

16. Total A.I. liabilities from Statement of Financial Condition .....	\$	226,078	3790
17. Add:			
A. Drafts for immediate credit .....	3d\$		3800
B. Market value of securities borrowed for which no equivalent value is paid or credited .....	\$		3810
C. Other unrecorded amounts (List) .....	\$		3820
18. Deduct: Adjustment based on deposits in Special Reserve Bank Accounts (15c3-1(c)(1)(vii)) .....	\$		3830
19. Total aggregate indebtedness .....	\$	226,078	3838
20. Percentage of aggregate indebtedness to net capital (line 19 + by line 10) .....	%	15%	3840
21. Percentage of aggregate indebtedness to net capital <i>after</i> anticipated capital withdrawals (line 19 + by line 10 less Item 4880 page 25) .....	%		3853

### COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT

**Part B**

22. 2% of combined aggregate debt items as shown in Formula for Reserve Requirements pursuant to Rule 15c3-3 prepared as of date of the net capital computation including both brokers or dealers and consolidated subsidiaries' debits .....	3e\$	N/A	3870
23. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A) .....	\$		3880
24. Net capital requirement (greater of line 22 or 23) .....	\$		3760
25. Excess net capital (line 10 less 24) .....	\$		3910
26. Percentage of Net Capital to Aggregate Debits (line 10 + by line 17 page 8) .....	%		3851
27. Percentage of Net Capital, <i>after</i> anticipated capital withdrawals, to Aggregate Debits (line 10 less item 4880 page 11 + by line 17 page 8) .....	%		3854
28. Net capital in excess of the greater of:			
A. 5% of combines aggregate debit items or \$120,000 .....	\$		3920

### OTHER RATIOS

**Part C**

29. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1(d) .....	%		3860
30. Options deductions/Net Capital ratio (1000% test) total deductions exclusive of liquidating equity under Rule 15c3-1(a)(6), (a)(7) and (c)(2)(x) + Net Capital .....	%		3852

**NOTES:**

- (A) The minimum net capital requirement 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 or 2% of aggregate debits if alternative method is 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.

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART II

BROKER OR DEALER **WM. V. FRANKEL & CO., INC.**

as of 9/30/07

### COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS FOR BROKER-DEALERS UNDER RULE 15c3-3 (See Rule 15c3-3, Exhibit A and Related Notes)

#### CREDIT BALANCES

1. Free credit balances and other credit balances in customers' security accounts (see Note A, Exhibit A, Rule 15c3-3) .....	% <sub>46</sub> \$	4340	
2. Monies borrowed collateralized by securities carried for the accounts of customers (see Note B) .....		4350	
3. Monies payable against customers' securities loaned (see Note C) .....		4360	
4. Customers' securities failed to receive (see Note D) .....		4370	
5. Credit balances in firm accounts which are attributable to principal sales to customers .....		4380	
6. Market value of stock dividends, stock splits and similar distributions receivable outstanding over 30 calendar days .....		4390	
7. **Market value of short security count differences over 30 calendar days old .....		4400	
8. **Market value of short securities and credits (not to be offset by logs or by debits) in all suspense accounts over 30 calendar days .....		4410	
9. Market value of securities which are in transfer in excess of 40 calendar days and have not been confirmed to be in transfer by the transfer agent or the issuer during the 40 days .....		4420	
10. Other (List) .....		4425	
11. TOTAL CREDITS .....	\$		4430

NOT  
APPLICABLE

#### DEBIT BALANCES

12. **Debit balances in customers' cash and margin accounts excluding unsecured accounts and accounts doubtful of collection net of deductions pursuant to Note E, Exhibit A, Rule 15c3-3 .....	\$	4440	
13. Securities borrowed to effectuate short sales by customers and securities borrowed to make delivery on customers' securities failed to deliver .....		4450	
14. Failed to deliver of customers' securities not older than 30 calendar days .....		4460	
15. Margin required and on deposit with Options Clearing Corporation for all option contracts written or purchased in customer accounts (see Note F) .....		4465	
16. Other (List) .....		4469	
17. **Aggregate debit items .....	\$		4470
18. **Less 3% (for alternative method only--see Rule 15c3-1(f)(5)(i)) .....			4471
19. **TOTAL 14c3-3 DEBITS .....	\$		4472

#### RESERVE COMPUTATION

20. Excess of total debits over total credits (line 19 less line 11) .....	% <sub>49</sub> \$	4480	
21. Excess of total credits over total debits (line 11 less line 19) .....		4490	
22. If computation permitted on a monthly basis, enter 105% of excess of total credits over total debits .....		4500	
23. Amount held on deposit in "Reserve Bank Account(s)," including value of qualified securities, at end of reporting period .....		4510	
24. Amount of deposit (or withdrawal) including \$ <span style="border: 1px solid black; padding: 0 5px;">4515</span> value of qualified securities .....			4520
25. New amount in Reserve Bank Account(s) after adding deposit or subtracting withdrawal including \$ <span style="border: 1px solid black; padding: 0 5px;">4525</span> value of qualified securities .....	\$		4530
26. Date of deposit (MMDDYY) .....			4540

#### FREQUENCY OF COMPUTATION

27. Daily  4332 Weekly  4333 Monthly  4334

\*\* In the event the Net Capital Requirement is computed under the alternative method, this "Reserve Formula" shall be prepared in accordance with the requirements of paragraph (f) of Rule 15c3-1.

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART II

BROKER OR DEALER **WM. V. FRANKEL & CO., INC.**

as of 9/30/07

### COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS FOR BROKER-DEALERS UNDER RULE 15c3-3 (continued)

**EXEMPTIVE PROVISIONS**

28. If an exemption from Rule 15c3-3 is claimed, identify below the section upon which such exemption is based (check only one)

A. (k)(1) — \$2,500 capital category as per Rule 15c3-1 .....	\$	4550
B. (k)(2)(A) — "Special Account for the Exclusive Benefit of customers" maintained .....		4560
C. (k)(2)(B) — All customer transactions cleared through another broker-dealer on a fully disclosed basis.		
Name of clearing firm <sup>2</sup> .....	4335	4570
D. (k)(3) — Exempted by order of the Commission .....		4580

#### Information for Possession or Control Requirements Under Rule 15c3-3

State the market valuation and number of items of:

1. Customers' fully paid securities and excess margin securities not in the respondent's possession or control as of the report date (for which instructions to reduce to possession or control had been issued as of the report date) but for which the required action was not taken by respondent within the time frame specified under Rule 15c3-3. Notes A and B .....	\$	NONE	4586
A. Number of items .....		(	4587
2. Customers' fully paid securities and excess margin securities for which instructions to reduce possession or control had not been issued as of the report date, excluding items arising from "temporary lags which result from normal business operations" as permitted under Rule 15c3-3. Notes B, C and D .....	\$	NONE	4588
A. Number of items .....			4589

OMIT PENNIES

3. The system and procedures utilized in complying with the requirement to maintain physical possession or control of customers' fully paid and excess margin securities have been tested and are functioning in a manner adequate to fulfill the requirements of Rule 15c3-3 .....	Yes	4584	No	4585
---	-----	------	----	------

**NOTES**

- A—Do not include in item one customers' fully paid and excess margin securities required by Rule 15c3-3 to be in possession or control but for which no action was required by the respondent as of the report date or required action was taken by respondent with the time frames specified under Rule 15c3-3.
- B—State separately in response to items one and two whether the securities reported in response thereto were subsequently reduced to possession or control by the respondent.
- C—Be sure to include in item two only items not arising from "temporary lags which result from normal business operations" as permitted under Rule 15c3-3.
- D—Item two must be responded to only with report which is filed as of the date selected for the broker's or dealer's annual audit of financial statements, whether or not such date is the end of a calendar quarter. The response to item two should be filed within 60 calendar days after such date, rather than with the remainder of this report. This information may be required on a more frequent basis by the Commission or the designated examining authority in accordance with Rule 17a-5(a)(2)(iv).

WM. V. FRANKEL & CO., INC.

RECONCILIATION OF COMPUTATION OF NET CAPITAL PURSUANT TO

UNIFORM NET CAPITAL RULE 15C3-1 TO CORPORATIONS

CORRESPONDING UNAUDITED FORM X-17A-5 PART II

FILING SEPTEMBER 30, 2007

Net Capital per Computation Pursuant to  
Rule 17A-5

\$ 1,505,117

Net Capital Per Corporation's Unaudited  
Form X-17A-5 Part II Filing

\$ 1,505,117

SANFORD BECKER & CO., P.C.  
CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS ADVISORS

RICHARD S. BECKER, C.P.A.  
SANFORD E. BECKER, C.P.A.  
GEORGE S. GETZ, C.P.A.

SANFORD BECKER, C.P.A. 1922-1994

1430 BROADWAY  
NEW YORK, N.Y. 10018  
TELEPHONE - (212) 921 - 9000  
FACSIMILE - (212) 354 - 1822

REPORT ON INTERNAL CONTROL

Board of Directors  
Wm. V. Frankel & Co., Inc.

In planning and performing our audit of the financial statements of Wm. V. Frankel & Co., Inc., for the year ended September 30, 2007, we considered its internal control structure including procedures for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurances on the internal control structure.

Also, as required by rule 17A-5 (g) (1) of the Securities and Exchange Commission, we have made a study of the practices and procedures (including tests of compliance with such practices and procedures) followed by Wm. V. Frankel & Co., Inc., that we considered relevant to the objectives stated in rule 17A-5 (g), (1) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under rule 17A-3 (a) (11) and the reserve required by rule 15C3-3(e); in making the quarterly securities examinations, counts, verifications and comparisons, and the recordation of differences required by rule 17A-13; 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; and (4) in obtaining and maintaining physical possession or control of all fully paid and excess margin securities of customers as required by rule 15C3-3.

The management of the Company is responsible for establishing and maintaining an internal control structure and practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgements 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 are to provide management with reasonable, but not absolute, assurance that assets for which the Company has responsibility and safeguarded against loss from unauthorized use or disposition and that the transactions are executed in accordance with management's authorization and recorded properly to permit preparation of financial statements in conformity with general accepted accounting principals. Rule 17A-5 (g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

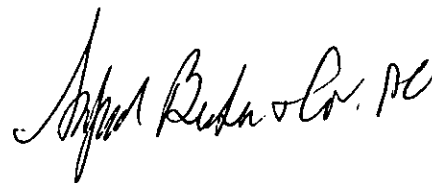
Because of inherent limitations in an internal control structure or the practices and procedures referred to above, errors or irregularities may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

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 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 no matters involving the internal control structure, including procedures 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 indicated 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 September 30, 2007 to meet the Commission's objectives.

This report is intended solely for the use of management, the Securities Exchange Commission, and other regulatory agencies which rely on Rule 17A-5(g) under the Securities Exchange Act of 1934 and should not be used for any other purpose.

New York, New York,  
November 13, 2007



**END**