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

MAY 14 2007

SEC FILE NUMBER  
8- 52532

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 01/01/06 AND ENDING 12/31/06  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: J. Giordano Securities, LLC  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
1234 Summer Street

OFFICIAL USE ONLY  
FIRM I.D. NO.

(No. and Street)  
Stamford CT 06905  
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
David Kronenberg 203-975-5262  
(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*  
Reynolds & Rowella, LLP

(Name - if individual, state last, first, middle name)  
51 Locust Avenue New Canaan CT 06840  
(Address) (City) (State) (Zip Code)

CHECK ONE:

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

**PROCESSED**  
**JUN 13 2007**  
**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)

*Handwritten signature*

OATH OR AFFIRMATION

I, James Giordano, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of J. Giordano Securities, LLC, as of December 31, 2006, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

Notary Public  
State of Connecticut  
County of Fairfield

Subscribed and sworn to before me  
this 27th day of FEBRUARY, 2007

Hrisstiana Tchobanova

H. Tchobanova  
My Commission Expires 06/30/2011

[Handwritten Signature]  
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.
- (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).

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*Partners:*

Thomas F. Reynolds, CPA  
Frank A. Rowella, Jr., CPA  
Steven I. Risbridger, CPA  
Scott D. Crane, CPA  
Ben Maini, CPA

*Principal,*

Richard J. Proctor, CPA, CVA, CGFM

INDEPENDENT AUDITOR'S REPORT

To the Member  
J. Giordano Securities, LLC  
Stamford, Connecticut

We have audited the accompanying statement of financial condition of J. Giordano Securities, LLC (a Delaware limited liability company) as of December 31, 2006, that you are filing pursuant to rule 17a-5 under the Securities Exchange Act of 1934. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement 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 statement is 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 statement referred to above presents fairly, in all material respects, the financial position of J. Giordano Securities, LLC as of December 31, 2006, 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 statement taken as a whole. The information contained in Schedules 1 and 2 on pages xi and xii is presented for purposes of additional analysis and is not a required part of the basic financial statement, but is supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statement and, in our opinion, is fairly stated in all material respects in relation to the basic financial statement taken as a whole.

*Reynolds & Rowella, LLP*

Reynolds & Rowella, LLP

New Canaan, Connecticut  
February 13, 2007

J. GIORDANO SECURITIES, LLC  
STATEMENT OF FINANCIAL CONDITION  
DECEMBER 31, 2006

ASSETS

Cash	\$ 310,013
Receivable from clearing broker	1,010,647
Securities owned, at market value	447,556
Property and equipment, net	1,301,225
Receivables from affiliate	32,382
Other assets	<u>702,370</u>
 TOTAL ASSETS	 <u><u>\$ 3,804,193</u></u>

LIABILITIES AND MEMBER'S CAPITAL

LIABILITIES	
Mortgage payable	\$ 734,545
Securities sold not yet purchased	15,015
Accrued expenses and other liabilities	<u>1,237,574</u>
 TOTAL LIABILITIES	 1,987,134
 MEMBER'S CAPITAL	 <u>1,817,059</u>
 TOTAL LIABILITIES AND MEMBER'S CAPITAL	 <u><u>\$ 3,804,193</u></u>

See notes to financial statement

J. GIORDANO SECURITIES, LLC  
NOTES TO FINANCIAL STATEMENT  
DECEMBER 31, 2006

NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

J. Giordano Securities, LLC, (the "Company") is a broker-dealer registered with the Securities and Exchange Commission (SEC) and is a member of the National Association of Securities Dealers (NASD). The Company is a limited liability company formed in the State of Delaware. It is a single-member LLC owned by Giordano & Company, Inc.

The clearing and depository operations for the Company's customer and proprietary transactions are performed by its clearing broker pursuant to a clearance agreement.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America 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 these estimates.

Property and Equipment, Net

Property and equipment is stated at cost and includes expenditures for major items. Maintenance, repairs and minor replacements are expensed. Depreciation is calculated under the straight-line method based on expected useful lives of 3 to 39.5 years.

Income Taxes

The Company is organized as a Limited Liability Company. As a flow-through entity, Federal and state income taxes are the responsibility of the member. Therefore, the Company does not record a provision for income taxes as the member reports the Company's income or loss on its income tax returns.

Securities Transactions/Revenue Recognition

The Company records securities transactions and related revenues and expenses on a trade date basis.

Commissions and investment banking fees are recorded as revenue at the date of closing of the deals.

Marketable securities are valued at market value as determined by reference to the closing prices in relevant markets.

J. GIORDANO SECURITIES, LLC  
NOTES TO FINANCIAL STATEMENT  
DECEMBER 31, 2006

NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Statement of Cash Flows

For purposes of the Statement of Cash Flows, the Company has defined cash equivalents as highly liquid investments, with original maturities of less than three months that are not held for sale in the ordinary course of business.

Concentration of Credit Risk

The Company maintains its cash balances in accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes there is little or no exposure to any significant credit risk.

NOTE 2 – SECURITIES OWNED

Marketable securities owned, consist of trading and investment securities at market values in the form of corporate stock which had a value of \$447,556 at December 31, 2006.

Included in other assets is \$37,379 in non-marketable securities.

NOTE 3 – PROPERTY AND EQUIPMENT, NET

Property and equipment consist of the following at December 31, 2006:

Condominium and improvements	\$1,315,026
Furniture and fixtures	112,496
Computers and other equipment	384,788
Artwork	<u>47,167</u>
	1,859,477
Accumulated depreciation	<u>(558,252)</u>
Property and equipment, net	<u>\$1,301,225</u>

NOTE 4 – COMMITMENTS AND CONTINGENCIES

The Company is committed on two non-cancelable operating leases for office space through August, 2008. The minimum annual lease payments are:

<u>Year Ended</u>	
2007	\$163,890
2008	<u>6,300</u>
	<u>\$170,190</u>

Rent expense charged to operations for the year ended December 31, 2006 was \$263,085.

J. GIORDANO SECURITIES, LLC  
NOTES TO FINANCIAL STATEMENT  
DECEMBER 31, 2006

NOTE 5 – NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC 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 December 31, 2006, the Company had net capital of \$559,172, which exceeded the minimum requirement of \$100,000 by \$459,172.

NOTE 6 – RELATED PARTY TRANSACTIONS

The Company is managed by and pays management fees to related parties. During the year ended December 31, 2006, the Company incurred \$989,853 in such management fees.

The Company also advanced money to an affiliate. At December 31, 2006 the Company is owed \$32,382 from an affiliate.

NOTE 7 – MORTGAGE PAYABLE

The Company has a mortgage payable in an original amount of \$862,500 at July 29, 2004, payable in minimum monthly principal payments of \$3,594 through August 1, 2024, plus interest at LIBOR plus 200 basis points, 6.29% at December 31, 2005. The loan is collateralized by the office condominium.

Future principal maturities debt are as follows:

2007	\$ 43,125
2008	43,125
2009	43,125
2010	43,125
2011	43,125
Thereafter	<u>518,920</u>
	<u>\$734,545</u>

NOTE 8 – 401(k) RETIREMENT PLAN

Under a 401(k) retirement plan adopted effective September 28, 2004, eligible employees may elect to defer up to one hundred percent of their salary, subject to Internal Revenue Code limits. The Company may make a matching discretionary amount equal to a percentage of the participant's deferrals which vest over a six-year period. The Company has made no contribution for 2006.



J. GIORDANO SECURITIES, LLC  
NOTES TO FINANCIAL STATEMENT  
DECEMBER 31, 2006

NOTE 9 – OFF-BALANCE SHEET RISK

Pursuant to a clearance agreement, the Company introduces all of its securities transactions to its clearing broker on a fully-disclosed basis. Therefore, all of the customers' money balances and long and short security positions are carried on the books of the clearing broker. Under certain conditions, as defined in the clearance agreement, the Company has agreed to indemnify the clearing broker for losses, if any, which the clearing broker may sustain from carrying securities transactions introduced by the Company. In accordance with industry practice and regulatory requirements, the Company and the clearing broker monitor collateral on the securities transactions introduced by the Company. In addition, the receivable from the clearing broker is pursuant to this clearing agreement and includes a clearing deposit required by the clearing broker.

In the normal course of business, the Company's customer activities involve the execution, settlement, and financing of various customer securities transactions. These activities may expose the Company to off-balance-sheet risk in the event the customer or other broker is unable to fulfill its contracted obligations and the Company has to purchase or sell the financial instrument underlying the contract at a loss. A significant portion of the Company's assets are held by the clearing broker.

The Company is subject to certain inherent risks arising from its activities of selling securities short. The ultimate cost of repurchasing these securities may well exceed the liability reflected in the financial statements. These risks are mitigated to the extent that the Company owns warrants, rights, options or convertible securities that are convertible or exchangeable into the securities that have been sold short.

NOTE 10 – RULE 15c3-3 EXEMPTION

The Company is exempt from the provisions of Rule 15c3-3 under paragraph (k)(2)(ii) in that the Company carries no margin accounts; promptly transmits all customer funds and delivers all securities received; does not otherwise hold funds or securities for, or owe money or securities to customers and effectuates all financial transactions on behalf of customers on a fully disclosed basis.

SUPPLEMENTARY INFORMATION

SCHEDULE 1

J. GIORDANO SECURITIES, LLC  
COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1  
OF THE SECURITIES AND EXCHANGE COMMISSION  
AS OF DECEMBER 31, 2006

TOTAL OWNERSHIP EQUITY QUALIFIED FOR NET CAPITAL	\$ 1,817,059
Deductions and/or charges for non-allowable assets:	
Condominium, net	1,122,402
Mortgage payable	(734,545)
Furniture, equipment and leasehold improvements	178,823
Other assets	542,203
Securities not marketable	37,379
	<u>1,146,262</u>
NET CAPITAL BEFORE HAIRCUTS ON SECURITIES POSITIONS	670,797
Haircuts on securities:	
Equities	32,013
Options	68,424
Foreign currency	11,188
	<u>111,625</u>
Net capital	559,172
Minimum net capital required	<u>100,000</u>
Excess net capital	<u>\$ 459,172</u>

STATEMENT PURSUANT TO PARAGRAPH (d)(4) OF RULE 17a-5

There are no material differences between the computation of net capital presented above and the computation of net capital reported in the Company's unaudited Form X-17A-5, Part II-A filing as of December 31, 2006.

SCHEDULE 2

J. GIORDANO SECURITIES, LLC  
COMPUTATION OF AGGREGATE INDEBTEDNESS  
AS OF DECEMBER 31, 2006

AGGREGATE INDEBTEDNESS

Items included in statement of financial condition:

Accounts payable and accrued expenses	<u>\$ 1,237,574</u>
Total aggregate indebtedness	<u>\$ 1,237,574</u>
Excess net capital at 1,000 percent	<u>\$ 435,415</u>
Ratio: Aggregate indebtedness to net capital	<u>2.21 to 1</u>

J. GIORDANO SECURITIES, LLC  
ACCOUNTANT'S SUPPLEMENTARY REPORT ON  
INTERNAL CONTROL  
FOR THE YEAR ENDED DECEMBER 31, 2006

*Partners:*

Thomas F. Reynolds, CPA  
Frank A. Rowella, Jr., CPA  
Steven I. Risbridger, CPA  
Scott D. Crane, CPA  
Ben Maini, CPA

*Principal,*

Richard J. Proctor, CPA, CVA, CGFM

ACCOUNTANT'S SUPPLEMENTARY REPORT  
ON INTERNAL CONTROL

To the Member  
J. Giordano Securities, LLC

In planning and performing our audit of the financial statements and supplemental schedules of J. Giordano Securities, LLC (the "Company"), for the year ended December 31, 2006, we considered its internal control, 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 assurance on the internal control structure.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission the "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 (or aggregate debits) 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 recordation of differences required by rule 17a-13.
2. 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.
3. Obtaining and maintaining physical possession or control of all fully paid and excess margin securities of customers as required by Rule 15c3-3.

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 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 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.

Our 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 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 internal control, 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 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 our study, we believe that the Company's practices and procedures were adequate at December 31, 2006, to meet the SEC's objectives.

This report is intended solely for the information and use of the management, the SEC, 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.

*Reynolds & Rowella, LLP*

Reynolds & Rowella, LLP

New Canaan, Connecticut  
February 13, 2007

x

Reynolds  
& Rowella<sup>LLP</sup>

**END**