

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

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

SEC FILE NUMBER
8-65488

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: Liberty Pacific Securities, LLC

OFFICIAL USE ONLY
FIRM I.D. NO.

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

1109 First Avenue, Suite 212

(No. and Street)

Seattle

WA

98101

(City)

(State)

(Zip Code)

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

Donald Alber

(206) 628-9143

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Spicer Jeffries LLP

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

5251 S. Quebec Street, Suite 200

Greenwood Village

CO

80111

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

PROCESSED
3 JUL 12 2007
THOMSON
FINANCIAL

SECTION 18b

FOR OFFICIAL USE ONLY

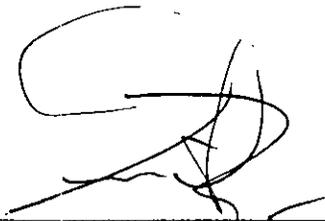
*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

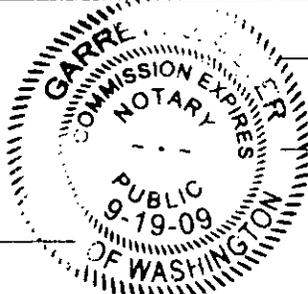
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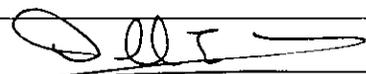
OATH OR AFFIRMATION

I, Donald Alber, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Liberty Pacific 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





Signature

Chief Financial Officer

Title

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 of Partners' or Sole Proprietors' Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital (including reconciliation of X-17A-5 Part II filing with this Rule 17a-5(d) report, if applicable).
- (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 15c3-3 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.
- (o) Independent Auditors' Report on Internal Accounting Control.

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

LIBERTY PACIFIC SECURITIES, LLC
REPORT PURSUANT TO RULE 17a-5(d)
YEAR ENDED DECEMBER 31, 2006

LIBERTY PACIFIC SECURITIES, LLC

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SPICER JEFFRIES LLP

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INDEPENDENT AUDITORS' REPORT

To the Member of
Liberty Pacific Securities, LLC

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

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The information contained in the supplemental schedule listed in the accompanying index is presented for purposes of additional analysis and is not required for a fair presentation of the financial statements, but is supplementary information required by Rule 17a-5 of the Securities and Exchange Commission. Such information has been subjected to the auditing procedures applied in our audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Spicer Jeffries LLP

Greenwood Village, Colorado
February 20, 2007

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LIBERTY PACIFIC SECURITIES, LLC
STATEMENT OF FINANCIAL CONDITION
YEAR ENDED DECEMBER 31, 2006

ASSETS

Cash	\$	18,616
Securities owned, at estimated fair value		49,747
Other receivable		6,205
Other assets		<u>1,685</u>
<i>Total assets</i>	\$	<u>76,253</u>

LIABILITIES AND MEMBER'S EQUITY

LIABILITIES:

Accounts payable and accrued expenses	\$	10,699
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CONTINGENCIES (Note 4)

MEMBER'S EQUITY (Note 2)		<u>65,554</u>
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<i>Total liabilities and member's equity</i>	\$	<u>76,253</u>
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The accompanying notes are an integral part of this statement.

LIBERTY PACIFIC SECURITIES, LLC

STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2006

REVENUE:

Commissions	\$	294,550
Consulting fees		82,480
Other (Note 4)		<u>105,932</u>

Total revenue 482,962

EXPENSES:

Commissions	280,182
Salaries and benefits	5,157
Professional fees	27,867
Travel and entertainment	14,659
Taxes and licenses	11,600
General and administrative	8,062
Occupancy costs	<u>3,600</u>

Total expenses 351,127

NET INCOME \$ 131,835

The accompanying notes are an integral part of this statement.

LIBERTY PACIFIC SECURITIES, LLC

**STATEMENT OF CHANGES IN MEMBER'S EQUITY
YEAR ENDED DECEMBER 31, 2006**

BALANCES, December 31, 2005	\$ (85,531)
Contributions	19,250
Net income	<u>131,835</u>
BALANCES, December 31, 2006	<u>\$ 65,554</u>

The accompanying notes are an integral part of this statement.

LIBERTY PACIFIC SECURITIES, LLC

**STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2006**

CASH FLOWS FROM OPERATING ACTIVITIES:

Net income	\$ 131,835
Adjustments to reconcile net income to net cash used in operating activities:	
Increase in other receivables	(6,205)
Decrease in accrued settlement expense	(200,000)
Increase in accounts payable and accrued expenses	<u>7,116</u>
<i>Net cash used in operating activities</i>	(67,254)

CASH FLOWS USED IN INVESTING ACTIVITIES:

Decrease in other assets	3,359
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CASH FLOWS PROVIDED BY FINANCING ACTIVITIES:

Member contributions	<u>19,250</u>
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NET DECREASE IN CASH (44,645)

CASH, at beginning of year 63,261

CASH, at end of year \$ 18,616

The accompanying notes are an integral part of this statement.

LIBERTY PACIFIC SECURITIES, LLC

NOTES TO FINANCIAL STATEMENTS

(Continued)

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization of Business

Liberty Pacific Securities, LLC (the "Company") was incorporated in the state of Washington on April 16, 2002, and was approved as a securities broker-dealer registered with the Securities and Exchange Commission ("SEC") in November 2002. The Company is a wholly owned subsidiary of Liberty Pacific Capital, LLC.

15c3-3 Exemption

The Company, under Rule 15c3-3(k)(2)(i), is exempt from the possession or control requirements of Rule 15c3-3 of the Securities and Exchange Commission. The Company does not carry or clear customer accounts.

Valuation of Securities

The Company has an investment in securities of a private company which are valued at estimated fair value as determined by management.

Income Taxes

The Company is not considered a separate taxable entity for tax purposes. All income is reported on the sole member's tax return.

Revenue Recognition

Investment banking revenues include fees arising from securities offerings in which the Company acts as an agent. Investment banking management fees are recorded upon completion of private placements.

Use of Estimates

The preparation of 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 those estimates.

LIBERTY PACIFIC SECURITIES, LLC

NOTES TO FINANCIAL STATEMENTS

(Continued)

NOTE 2 - NET CAPITAL REQUIREMENTS

Pursuant to the net capital provisions of Rule 15c3-1 of the Securities Exchange Act of 1934, the Company is required to maintain a minimum net capital, as defined under such provisions. At December 31, 2006, the Company had a net capital and net capital requirements of \$7,917 and \$5,000, respectively. The Company's net capital ratio (aggregate indebtedness to net capital) was 1.35 to 1. According to Rule 15c3-1, the Company's net capital ratio shall not exceed 15 to 1.

NOTE 3 - RELATED PARTY TRANSACTIONS

The Company's parent, Liberty Pacific Capital, LLC, provides office facilities and administrative services for Liberty Pacific Securities, LLC. Liberty Pacific Securities, LLC reimburses its parent for the operating expenses.

NOTE 4 - FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND CONTINGENCIES

The Company's financial instruments, including cash, other assets, payables and accrued expenses are carried at amounts that approximate fair value, due to the short term nature of those instruments. Securities owned are valued as described in Note 1.

The Company is engaged in various trading and brokerage activities in which counterparties primarily include broker-dealers, banks and other financial institutions. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counterparty with which it conducts business.

During March 2005, the Company settled a lawsuit for \$250,000, which the Company, its parent, and an individual were jointly and severally liable. The Company paid \$50,000 against this liability in 2005 and in January 2006 entered into an amendment to the settlement agreement whereby the Company paid and additional \$66,666 against the liability and was released from any and all further liability by the Claimants under the settlement. The Company's parent and an individual remain jointly and severally liable for the balance of the settlement. During the year ending December 31, 2006, the Company reversed \$95,000 of accrued legal fees which is included in other income in the statement of operations.

SUPPLEMENTARY INFORMATION

LIBERTY PACIFIC SECURITIES, LLC

COMPUTATION OF NET CAPITAL
PURSUANT TO UNIFORM NET CAPITAL RULE 15c3-1
DECEMBER 31, 2006

CREDIT:

Member's equity \$ 65,554

DEBITS:

Nonallowable assets:

Non-marketable securities 49,747

Other receivable 6,205

Other assets 1,685

Total debits 57,637

NET CAPITAL 7,917

Minimum requirements of 6-2/3% of aggregate indebtedness of
\$10,699 or \$5,000, whichever is greater 5,000

Excess net capital \$ 2,917

AGGREGATE INDEBTEDNESS:

Accounts payable and accrued expenses \$ 10,699

RATIO OF AGGREGATE INDEBTEDNESS TO NET CAPITAL 1.35 to 1

LIBERTY PACIFIC SECURITIES, LLC

**RECONCILIATION OF THE COMPUTATION OF NET CAPITAL PURSUANT TO
UNIFORM NET CAPITAL RULE 15c3-1 INCLUDED IN THE COMPANY'S
CORRESPONDING UNAUDITED FORM X-17A-5 PART II FILING WITH COMPUTATION
INCLUDED IN THE REPORT PURSUANT TO RULE 17a-5(d)
DECEMBER 31, 2006**

NET CAPITAL PER COMPANY'S UNAUDITED FORM X-17A-5 PART II FILING	\$	15,662
Adjustments:		
Increase in income		6,205
Increase in expenses		(7,708)
Increase in non-allowable assets		<u>(6,242)</u>
NET CAPITAL PER REPORT PURSUANT TO RULE 17a-5(d)	\$	<u>7,917</u>



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**INDEPENDENT AUDITORS' REPORT ON
INTERNAL ACCOUNTING CONTROL REQUIRED BY SEC RULE 17a-5**

To the Member of
Liberty Pacific Securities, LLC

In planning and performing our audit of the financial statements and supplementary information of Liberty Pacific Securities, LLC (the "Company") for the year ended December 31, 2006, 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 assurance on the internal control structure.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission ("SEC"), we have made a study of the practices and procedures (including tests of compliance with such practices and procedures) followed by Liberty Pacific Securities, LLC that we considered relevant to the objectives stated in Rule 17a-5(g), (i) in making the periodic computations of aggregate indebtedness and net capital under Rule 17a-3(a)(11) and the procedures for determining compliance with the exemptive provisions of Rule 15c3-3; and (ii) for safeguarding the occasional receipt of securities and cash until promptly transmitted to the Company's clearing brokers. We did not review the practices and procedures followed by the Company in making the quarterly securities examinations, counts, verifications and comparisons, and the recordation of differences required by Rule 17a-13 or 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, 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 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 SEC'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 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.

Because of inherent limitations in any internal control structure or the practices and procedures referred to above, errors 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. This report recognizes that it is not practicable in an organization the size of Liberty Pacific Securities, LLC to achieve all the divisions of duties and cross-checks generally included in a system of internal accounting control and that alternatively greater reliance must be placed on surveillance by management.

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 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 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 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.

In addition, our review indicated that Liberty Pacific Securities, LLC was in compliance with the conditions of exemption from Rule 15c3-3 pursuant to paragraph k(2)(i) as of December 31, 2006, and no facts came to our attention to indicate that such conditions had not been complied with during the year.

This report is intended solely for the information and use of the Member, management, the Securities and Exchange Commission, the New York Stock Exchange, Inc., the National Association of Securities Dealers, Inc., and other regulatory agencies which rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 and should not be used by anyone other than these specified parties.

Spicer Jeffries LLP

Greenwood Village, Colorado
February 20, 2007

END