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

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SECTION

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

SEC FILE NUMBER  
8-66960

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 April 1, 2006 AND ENDING March 31, 2007  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Triago LLC

OFFICIAL USE ONLY  
FIRM I.D. NO.

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

375 Park Avenue

(No. and Street)

New York,

NY

10152

(City)

(State)

(Zip Code)

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

William Blanchet

(212) 593-4994

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Cornick, Garber & Sandler, LLP

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

825 Third Avenue

New York,

NY

10022

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

**PROCESSED**

JUL 05 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)

SEC 1410 (06-02)

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.

Handwritten signature/initials

OATH OR AFFIRMATION

I, Victor Quiroga, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Triago LLC, as of March 31, 20 07, 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:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



Signature

OPERATING MANAGER

Title

Lauren Karastergiou  
Notary Public

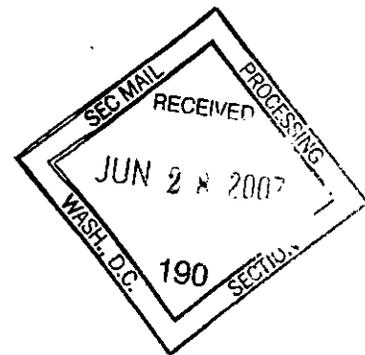
LAUREN KARASTERGIOU  
Notary Public, State of New York  
No. 01KA4705838  
Qualified in New York County  
Commission Expires June 12, 2011

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).

**TRIAGO LLC**  
**FINANCIAL STATEMENTS**  
**AND**  
**INDEPENDENT AUDITORS' REPORT ON**  
**INTERNAL CONTROL STRUCTURE**  
**MARCH 31, 2007**



**Independent Auditors' Report**

**Triago LLC  
New York, New York**

We have audited the accompanying balance sheet of TRIAGO LLC as at March 31, 2007 and the related statements of operations, changes in members' 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 generally accepted auditing standards in the United States. 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 Triago LLC as at March 31, 2007 and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles in the United States.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedule 1 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 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.

*Cornick, Garber & Sandler, LLP*  
CERTIFIED PUBLIC ACCOUNTANTS

**New York, New York  
June 25, 2007**

**TRIAGO LLC****BALANCE SHEET****AS AT MARCH 31, 2007****Current assets:**

Cash	\$ 122,858
Accounts receivable	82,424
Prepaid expenses	33,627
Due from related party	<u>16,244</u>

**Total current assets** 255,153

**Property and equipment** (net of \$28,614 accumulated depreciation)

48,879

**TOTAL**

\$ 304,032

**Current liabilities:**

Accounts payable and accrued expenses	\$ 22,694
Due to affiliates	<u>32,481</u>

**Total current liabilities** 55,175

**Noncurrent rent payable**

26,319

**Total liabilities**

81,494

**MEMBERS' EQUITY**

Members' units - at stated value	1,000
Additional members' contributions	1,925,251
Deficit	<u>(1,703,713)</u>

**Total members' equity** 222,538

**TOTAL**

\$ 304,032

The notes to financial statements are made a part hereof.

**TRIAGO LLC****STATEMENT OF OPERATIONS****FOR THE YEAR ENDED MARCH 31, 2007**

<b>Operating revenues:</b>		
Management advisory fees		\$ 275,000
Termination fees		105,000
Commission income		<u>98,219</u>
<b>Total operating revenues</b>		<b>478,219</b>
<b>Operating expenses:</b>		
Salaries	\$ 510,477	
Rent and real estate taxes	153,431	
Payroll taxes and employee benefits	87,347	
Travel, meals and entertainment	24,468	
Business development	6,201	
Utilities and office maintenance	1,197	
Office supplies and expense	29,480	
Professional and consulting fees	57,114	
Insurance	44,479	
Depreciation	12,439	
Miscellaneous expenses	13,938	
Customer costs	<u>30,266</u>	
		<u>970,837</u>
<b>Operating loss</b>		<b>(492,618)</b>
<b>Other revenue</b>		<u>55,114</u>
<b>NET LOSS</b>		<u><u>\$ (437,504)</u></u>

The notes to financial statements are made a part hereof.

## TRIAGO LLC

## STATEMENT OF CHANGES IN MEMBERS' EQUITY

	Members' Units		Additional Members' Contributions		Total Members' Equity	
	Number	Amount	Contributions		(Deficit)	
Members' Equity - April 1, 2006	1,000	\$ 1,000	\$ 1,398,376	\$ (1,266,209)	\$	133,167
Capital contributions from members			526,875			526,875
Net loss for the year ended March 31, 2007				(437,504)		(437,504)
Members' Equity - March 31, 2007	<u>1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,925,251</u>	<u>\$ (1,703,713)</u>	<u>\$</u>	<u>222,538</u>

The notes to financial statements are made a part hereof.

**TRIAGO LLC****STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED MARCH 31, 2007****INCREASE (DECREASE) IN CASH****Cash flows from operating activities:**Net loss \$ (437,504)Adjustments to reconcile results of operations  
to net cash effect of operating activities:

Depreciation 12,439

Deferred rent (8,739)

Net change in asset and liability accounts:

Prepaid expenses (1,071)

Due from affiliates (63,977)

Due from related party (1,312)

Accounts payable 8,169

Due to affiliates 18,115**Net adjustments** (36,376)**Net cash used for operating activities** (473,880)**Cash flows from investing activities:**

Purchases of property, furniture and equipment (14,432)

**Cash flows from financing activities:**Capital contributions from members 526,875**NET INCREASE IN CASH** 38,563**Cash - April 1, 2006** 84,295**CASH - MARCH 31, 2007** \$ 122,858

The notes to financial statements are made a part hereof.

**TRIAGO LLC****NOTES TO FINANCIAL STATEMENTS****NOTE A - Summary of Significant Accounting Policies****Organization and Business**

Triago LLC (the Company), whose majority member is Triago Management Development S.A.R.L (a French Company), is a limited liability company registered with the Securities and Exchange Commission ("SEC") as a broker-dealer of securities and is a member of the National Association of Securities Dealers (NASD). The Company was organized on November 18, 2002 for the private placement of securities. The Company's services are intended to include providing assistance to clients in raising capital in the primary markets and in managing their positions in the secondary markets. Additionally, the Company provides certain strategic investment services. The Company does not and is not expected to carry or to clear transactions and/or carry customer accounts. The Company is a Delaware Limited Liability Corporation (LLC) registered to do business in the state of New York. Through March 31, 2007 the Company's operations have been funded from capital contributions by its members who have agreed to continue to fund operations through April 30, 2008.

**Use of Estimates**

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

**Net Capital Requirements**

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule 15c3-1, which requires the maintenance of minimum net capital as defined, equal to the greater of \$5,000 or 6 2/3% of aggregate indebtedness, as defined. At March 31, 2007, the Company had net capital of approximately \$41,000, which was approximately \$36,000 in excess of the net required minimum capital of \$5,000. Under certain circumstances, withdrawals of capital may be restricted.

**Rent Expense**

For financial accounting purposes, the Company recognizes scheduled rent increases and rent abatements over the term of the lease using the straight-line method.

**Depreciation**

Depreciation of property and equipment is computed on a straight-line basis.

(Continued)

**TRIAGO LLC**

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE A - Summary of Significant Accounting Policies (Continued)**

**Organization Costs**

Costs incurred in the formation and in organizing the Company have been expensed for financial accounting purposes. For tax purposes, certain of these expenses are capitalized and are amortized over five years. These costs represent legal, regulatory registration costs, temporary office space and services, consulting fees and other expenses incurred in connection with the formation of the Company and the creation of its active trade or business.

**NOTE B - Property and Equipment**

Property and equipment at March 31, 2007 consist of the following:

		<u>Estimated Useful Lives (Years)</u>
Office furniture	\$35,757	7
Telecom equipment	4,996	5
Computer equipment	26,208	5
Computer software	3,888	3
Leasehold improvements	<u>6,644</u>	3
<b>Total</b>	<b>77,493</b>	
Less accumulated depreciation	<u>28,614</u>	
<b>Net</b>	<b><u>\$48,879</u></b>	

**NOTE C - Commitments**

**Lease**

The Company's office facilities are leased pursuant to an operating lease expiring in November 2009. Rent and real estate tax expense aggregated \$153,431 for the year ended March 31, 2007. At March 31, 2007, minimum lease commitments before real estate taxes and building operating expenses escalations due under the lease are as follows.

Year ending March 31:	
2008	\$185,402
2009	185,402
2010	<u>123,601</u>
<b>Total</b>	<b><u>\$494,405</u></b>

(Continued)

**TRIAGO LLC****NOTES TO FINANCIAL STATEMENTS**

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**NOTE C - Commitments (Continued)****Lease (Continued)**

In lieu of a security deposit, the Company has obtained an irrevocable and unconditional letter of credit of \$77,251 guaranteed by Triago Management Development S.A.R.L., the majority member of the Company.

**NOTE D - Income Taxes**

The Company elected, under federal tax regulations, to be taxed as a regular or "C" corporation effective for the fiscal year ended March 31, 2005. As such, the Company is subject to federal, state and local level corporate income taxes based on its taxable income. For the period from its inception to March 31, 2004, the Company was treated as a partnership for income tax purposes.

At March 31, 2007, the Company has available operating loss carryforwards for federal, state and local tax purposes of approximately \$1,550,000, which begin to expire in 2024.

The Company has recorded a valuation allowance of approximately \$785,000, equal to the deferred tax asset resulting primarily from its net operating loss and organization costs which are expensed for financial accounting purposes and amortized over five years upon commencement of operations, for income tax purposes. The valuation allowance is due to the uncertainty of the Company being able to use this benefit to offset future taxable income. The Company will periodically evaluate the likelihood of realizing such asset and will adjust such amount accordingly.

**NOTE E - Exemption from SEC Rule 15c3-3**

The Company is exempt from SEC Rule 15c3-3 under subparagraph (K)(2)(i) and therefore, is not required to maintain a "Special Reserve Bank Account for the Exclusive Benefit of Customers."

**NOTE F - Related Party Transactions**

During the year ended March 31, 2007, \$394,718 was charged to two companies affiliated with the Company's majority member for services provided.

At March 31, 2007, the Company owes \$32,481 to its parent and one of its affiliated companies for expenses paid by them on the Company's behalf and has a receivable balance from them of \$15,350.

(Continued)

**TRIAGO LLC**

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE G - Revenue Concentration**

For the year ended March 31, 2007, commission and placement fee revenues were generated from four customers of which approximately 75% was generated from related entities (Note F).

**SUPPLEMENTARY SCHEDULE**

## SCHEDULE 1

## TRIAGO LLC

COMPUTATION OF NET CAPITAL UNDER RULE  
15c3-1 OF THE SECURITIES AND EXCHANGE COMMISSION

AS AT MARCH 31, 2007

Net Capital:

Total members' equity before nonallowable assets \$ 222,538

Less: Prepaid expenses	\$ 33,627	
Accounts receivable	82,424	
Property and equipment	48,879	
Advances to officer	16,244	
Haircut - foreign currency	23	181,197

Net capital 41,341

Minimum net capital required 5,000

Excess net capital \$ 36,341

Capital Ratio:

Aggregate indebtedness to net capital 1.97 to 1

Reconciliation with Company's computation (included in  
Part II of Form X-17A-5 as of March 31, 2007)

Net capital as reported in Company's Part IIA (unaudited) FOCUS Report	\$ 40,237	
Adjustments to record additional payables	(1,104)	
Balance - March 31, 2007	\$ 41,341	

**To the Members of  
Triago LLC  
375 Park Avenue  
New York, New York 10152**

In planning and performing our audit of the financial statements and supplemental schedule of Triago LLC (the Company) for the year ended March 31, 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 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 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)(II) 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 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 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.

To the Members of  
Triago LLC  
Page Two

Because of inherent limitations in any 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.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and 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, as described in the second paragraph of this report, were adequate at March 31, 2007 to meet the SEC's objectives.

This report is intended solely for the use of the Board of Directors, 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 should not be used by anyone other than these specified parties.

*Cornick, Garber & Sandler, LLP*  
CERTIFIED PUBLIC ACCOUNTANTS

New York, New York  
June 25, 2007

*END*