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

SEC FILE NUMBER
8- 234/2

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 01/01/07 AND ENDING 12/31/07
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Regency Securities, Inc OFFICIAL USE ONLY
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
20 CORPORATE PARK #160
(No. and Street)
IRVINE CA 92606
(City) (State) (Zip Code)

OFFICIAL USE ONLY
FIRM I.D. NO.

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
LARRY F. BELTRAMO 949-752-3117
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

LAI, JERRY T.
(Name - if individual, state last, first, middle name)
20 CORPORATE PARK #135 IRVINE, CA 92606
(Address)

CHECK ONE:

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

PROCESSED
MAR 21 2008
THOMSON
FINANCIAL

SECURITIES AND EXCHANGE COMMISSION
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BRANCH OF REGISTRATIONS
AND
EXAMINATIONS
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*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, LARRY F. BELTRAMO, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Regency Securities, Inc, as of December 31, 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:

[Signature]
Signature
President
Title

[Signature]
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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REGENCY SECURITIES, INC.

Financial Statements

Years ended December 31, 2007 and December 31, 2006



JERRY T. LAI, CPA, MBA

AN ACCOUNTANCY CORPORATION

20 CORPORATE PARK, SUITE 135, IRVINE, CA 92606
TEL: (949) 250-8891 FAX: (949) 250-8896

MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS, CALIFORNIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholder
Regency Securities, Inc.
Irvine, California

I have audited the accompanying balance sheets of Regency Securities, Inc. (a California corporation), as of December 31, 2007 and 2006, and the related statements of income (loss) and retained earnings and cash flows for the years then ended. These statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards in the United States of America. Those standards require that I 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 amount 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. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Regency Securities, Inc., as of December 31, 2007 and 2006, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

My examination was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in the statements of changes in stockholder's equity, computation of basic net capital requirement, computation of net capital and reconciliation of computation of net capital 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 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the examination of the basic financial statements and, in my opinion, is fairly stated in all material respect in relation to the basic financial statements taken as a whole.

JERRY T. LAI, CPA, MBA

Irvine, California

February 21, 2008

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REGENCY SECURITIES, INC.

BALANCE SHEETS

ASSETS

December 31,

Current assets:	<u>2007</u>	<u>2006</u>
Cash	\$ 15,239	\$ 15,519
Interest receivable	41	34
Commissions and asset management fee receivable	10,626	18,157
Prepaid taxes	<u>4</u>	<u>-</u>
Total current assets	25,910	33,710
Property and Equipment, net	<u>87</u>	<u>512</u>
Total assets	\$ <u>25,997</u>	\$ <u>34,222</u>

LIABILITIES AND STOCKHOLDER'S EQUITY

Current liabilities:		
Accrued expenses	\$ 56	\$ 56
Commissions payable	<u>9,032</u>	<u>15,469</u>
Total liabilities	<u>9,088</u>	<u>15,525</u>
Stockholder's equity:		
Common stock-par value of \$10, authorized 2,000 shares; issued and outstanding 1,000 shares	10,000	10,000
Retained earnings	<u>6,909</u>	<u>8,697</u>
Total stockholder's equity	<u>16,909</u>	<u>18,697</u>
Total liabilities and stockholder's equity	\$ <u>25,997</u>	\$ <u>34,222</u>

See notes to financial statements.

REGENCY SECURITIES, INC.

STATEMENTS OF INCOME AND RETAINED EARNINGS

For the years ended
December 31,

	<u>2007</u>	<u>2006</u>
REVENUES:		
Solicitor's fee income	\$ 2,222,882	\$ 1,518,266
Commission income	691,070	860,838
Registration fees	35,000	-
Administration fee income	240	240
Interest income	<u>2,077</u>	<u>321</u>
	<u>2,951,269</u>	<u>2,379,665</u>
 EXPENSES:		
Commission expense	2,592,881	2,163,776
Other operating expenses	<u>159,863</u>	<u>159,489</u>
	<u>2,752,744</u>	<u>2,323,265</u>
 INCOME BEFORE INCOME TAXES	198,525	56,400
 Income taxes	<u>313</u>	<u>2,474</u>
 NET INCOME	198,212	53,926
 RETAINED EARNINGS, BEGINNING OF YEAR	8,697	8,371
 Paid-in Capital	-	42,000
Dividends	<u>(200,000)</u>	<u>(95,600)</u>
 RETAINED EARNINGS, END OF YEAR	\$ <u>6,909</u>	\$ <u>8,697</u>

See notes to financial statements.

REGENCY SECURITIES, INC.

STATEMENTS OF CASH FLOWS

For the years ended
December 31,

	<u>2007</u>	<u>2006</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 198,212	\$ 53,926
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	426	426
(Increase) Decrease in:		
Interest receivable	(7)	(9)
Fee receivable	7,531	(420)
Prepaid taxes	(4)	-
Increase (Decrease) in:		
Accrued expenses	-	(77)
Commissions payable	<u>(6,438)</u>	<u>56</u>
Net cash provided in operating activities	199,720	53,902
CASH FLOWS FROM INVESTING ACTIVITIES		
Paid-in Capital	<u>-</u>	<u>42,000</u>
Net cash provided by investing activities	-	42,000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	<u>(200,000)</u>	<u>(95,600)</u>
Net cash used by Financing activities	(200,000)	(95,600)
NET INCREASE (DECREASE) IN CASH	(280)	302
CASH AT BEGINNING OF PERIOD	<u>15,519</u>	<u>15,217</u>
CASH AT END OF PERIOD	\$ <u><u>15,239</u></u>	\$ <u><u>15,519</u></u>
SUPPLEMENTAL DISCLOSURES		
Income taxes paid	\$ 313	\$ 2,474

See notes to financial statements.

REGENCY SECURITIES, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2007

1. Organization:

Regency Securities, Inc. (the Company) was incorporated on December 1, 1978 under the laws of the state of California. The Company is an introductory firm that only deals in investment company shares such as mutual funds, variable annuities and variable life. As an introductory firm the Company does not hold securities for its clients nor do any other organizations hold securities on behalf of the Company.

The Company conducts operations as a broker-dealer.

2. Summary of Accounting Policies:

- A. **Basis of Accounting:** The accompanying financial statements are prepared on the accrual basis of accounting.
- B. **Revenue Recognition:** The nature of income is generated from doing business in the retail sales of redeemable investment company shares and variable contracts on a subscription or application basis only. Securities transactions (and related commission revenue and expense) are recorded on a settlement date basis, generally the third business day following the transaction date.
- C. **Depreciation:** Property and equipment are stated at cost. Depreciation of property and equipment is calculated on the straight-line method over the estimated useful lives of the assets, generally ranging from three to five years.
- D. **Income Taxes:** The company has elected under the Internal Revenue Code to be an S corporation. In lieu of corporation income taxes, the shareholder of an S corporation is taxed on his proportionate share of the Company's taxable income. Therefore, no provision or liability for federal income taxes has been included in these financial statements. The California Franchise tax was paid in the amount of \$313 and \$2,474 for 2007 and 2006 respectively.
- E. **Use of Estimates:** Management of the Company has made estimates relating to the reporting of assets at the balance date and reporting of income during the period to prepare these financial statements in conformity with generally accepted accounting principles. Actual results could differ from those estimates even though the differences should be insignificant. No bad debt expense incurred in 2007 or 2006.

REGENCY SECURITIES, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2007

2. Property and Equipment:

Property and equipment at December 31, 2007 and 2006 is summarized as follows:

	<u>2007</u>	<u>2006</u>
Computer	\$ 2,088	\$ 2,088
Office equipment	40	40
	<u>2,128</u>	<u>2,128</u>
Less accumulated depreciation	<u>(2,041)</u>	<u>(1,616)</u>
	<u>\$ 87</u>	<u>\$ 512</u>

3. Commitments:

Operating Leases: In July 1996, the Company entered into an operating lease for its corporate office. On December 31, 2007, future minimum payments under this non-cancelable lease agreement for the year ending December 31, 2008 were \$ 9,009.

4. Related Party Transactions:

The following transactions occurred between the Company and the sole shareholder:

	<u>2007</u>	<u>2006</u>
Salary paid for office administration	\$ 84,000	\$ 84,000
Commission paid for stock sales	<u>10,000</u>	<u>9,000</u>
	<u>\$ 94,000</u>	<u>\$ 93,000</u>

5. Net Capital Requirements:

Under Rule 15c3-1(a)(2) of the Securities and Exchange Commission, the Company is required to maintain net capital of \$5,000. Under Rule 15c3-1(a)(1) of the Securities and Exchange Commission, aggregate indebtedness must not exceed net capital, as those terms are defined, by a ratio of more than 15 to 1. The Company was in compliance with these requirements. Specifically, at December 31, 2007 the Company had excess net capital of \$11,822 and indebtedness of \$9,088, and at December 31, 2006 the Company had excess net capital of \$13,185 and indebtedness of \$15,525.

6. Common Stock:

On March 1, 1983, the stockholders and board of directors authorized and approved the recapitalization of the Company. The Company decreased the par value of its stock from

REGENCY SECURITIES, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2007

\$20.00 to \$10.00 per share. This decrease in capital was within the rules set by the Securities and Exchange Commission.

7. Information Relating to Possession or Control Requirements Under Rule 15c3-3:

The Company is exempt from the Rule 15c3-3 as it relates to possession and control requirements under the (k)(1) exemptive provision.

8. Information Relating to a Computation for Determining SEC Rule 15c3-3 Reserve Requirement.

The Company is exempt from the Rule 15c3-3 as it relates to the computation for determining Reserve Requirement under the (k)(1) exemptive provision.

9. The Corporation contributed in the amount of \$10,000 to the sole shareholder/employee's SEP IRA account in 2007.

REGENCY SECURITIES, INC.

STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY

	For the years ended December 31,	
	<u>2007</u>	<u>2006</u>
Common Stock	\$ <u>10,000</u>	\$ <u>10,000</u>
Retained earnings, beginning of year	\$ 8,697	\$ 8,371
Net income	198,212	53,926
Paid-in Capital	-	42,000
Dividends	<u>(200,000)</u>	<u>(95,600)</u>
Retained earnings, end of year	\$ <u>6,909</u>	\$ <u>8,697</u>

See notes to financial statements.

REGENCY SECURITIES, INC.

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

	December 31,	
	<u>2007</u>	<u>2006</u>
Minimum net capital required		
6 2/3% of aggregate indebtedness of \$9,088 (2007); \$15,525 (2006)	\$ <u>606</u>	\$ <u>1,036</u>
Minimum dollar net capital requirement of broker-dealer	\$ <u>5,000</u>	\$ <u>5,000</u>
Net capital requirement	\$ <u>5,000</u>	\$ <u>5,000</u>
Excess net capital		
\$16,909-\$5,000-\$87 (2007); \$18,697-\$5,000-\$512 (2006)	\$ <u>11,822</u>	\$ <u>13,185</u>

See notes to financial statements.

REGENCY SECURITIES, INC.

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

	December 31,	
	<u>2007</u>	<u>2006</u>
Total ownership equity	\$ 16,909	\$ 18,697
Less non-allowable assets	<u>(128)</u>	<u>(546)</u>
Total capital	<u>16,781</u>	<u>18,151</u>
Net capital before haircuts on securities positions	<u>16,781</u>	<u>18,151</u>
Net capital	\$ <u>16,781</u>	\$ <u>18,151</u>

See notes to financial statements.

REGENCY SECURITIES, INC.

RECONCILIATION OF COMPUTATION OF NET CAPITAL

	December 31,	
	<u>2007</u>	<u>2006</u>
Net capital per FOCUS part IIA report	\$ 16,823	\$ 18,185
Less:		
Interest receivable	(41)	(34)
Rounding	<u>(1)</u>	<u>-</u>
Net capital reported under Rule 15c3-1	\$ <u>16,781</u>	\$ <u>18,151</u>

END

See notes to financial statements.