



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

BIB 3/10

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

SEC FILE NUMBER  
8- 41742

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:

NEWCAP PARTNERS, INC

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

577 W. CENTURY BL., SUITE 1135

(No. and Street)

LOS ANGELES, CA

(State)

90045

(Zip Code)

(City)

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

THOMAS TURNER 310-645-7900 X22

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

COBY & COBY

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

2811 WILSHIRE BLVD., SUITE 570, SANTA MONICA, CA 90403

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

Certified Public Accountant

Public Accountant

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

PROCESSED

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Section

FEB 29 2008

Washington, DC

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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)

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.

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OATH OR AFFIRMATION

I, THOMAS W. TURNER, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of NEWLAP PARTNERS, 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:



DJAMILA C. REED  
Notary Public

THOMAS W. TURNER  
Signature  
MANAGING PRINCIPAL  
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 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).

**NewCap Partners, Inc.**

Statement of Financial Condition

December 31, 2007

**NEWCAP PARTNERS, INC.**  
**STATEMENT OF FINANCIAL CONDITION**  
December 31, 2007

**ASSETS**

Cash and cash in trust account - Note 2	69,338
Accounts receivable - Note 1	135,678
Prepaid expenses	7,089
Marketable securities - Note 3	137,325
Preoperty and equipment - at cost less accumulated depreciation - Note 1 and 4	10,318
Deposits	<u>3,657</u>
	<u>\$ 363,405</u>

**LIABILITIES AND STOCKHOLDERS' EQUITY**

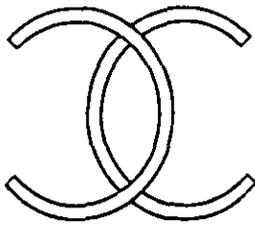
**LIABILITIES**

Accounts payable	10,309
Franchise tax payable	<u>1,645</u>
	<u>11,954</u>

**COMMITMENTS AND CONTINGENCIES - Note 6**

**STOCKHOLDERS' EQUITY**

Common stock - no par value	
Authorized - 500,000 shares	134,890
Outstanding - 256,335 shares	169,236
Retained earnings	
Accumulated other comprehensive income	
Unrealized holding gain on securities - Note 3	<u>47,325</u>
Total Stockholders' Equity	<u>351,451</u>
	<u>\$ 363,405</u>



Corby and Corby

AN ACCOUNTANCY CORPORATION

2811 WILSHIRE BLVD.  
SUITE 570  
SANTA MONICA, CA 90403  
(310) 829-0074  
FAX (310) 829-3854

THOMAS B. CORBY, CPA  
RANDOLPH P. CORBY, CPA

February 26, 2008

Board of Directors  
NewCap Partners, Inc.  
5777 West Century Blvd.  
Suite 1135  
Los Angeles CA 90045

In planning and performing our audit of the financial statements of NewCap Partners, Inc. as of and for the year ended December 31, 2007 in accordance with auditing standard generally accepted in the United States of America, we considered the Company's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities and the Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company including consideration of control activities for safeguarding securities. This study included tests of such practices and procedures that we considered relevant to the objectives stated in Rule 17a-5(g) in making the periodic computation of aggregate indebtedness 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 relation to customer securities, 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 the differences required by Rule 17a-13 or 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.

The 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 preparation of financial statements in conformity 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 and 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.

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.

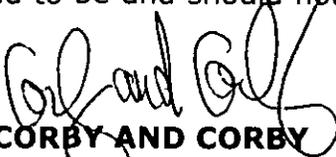
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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.

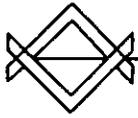
We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that 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 December 31, 2007, to meet the SEC's objectives.

This report is intend solely for the information and use of the Board of Directors, management, the Securities and Exchange Commission, the National Association of Securities Dealers, the California Department of Corporations, 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 intend to be and should not be used by anyone other than these specified parties.

  
**CORBY AND CORBY**  
An Accountancy Corporation

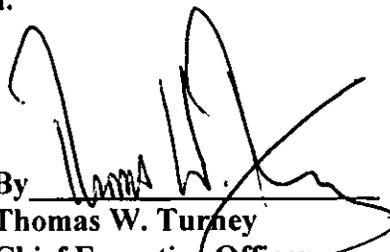
Santa Monica CA  
February 26, 2008



## Annual Compliance and Supervision Certification

The undersigned is the Chief Executive Officer of NewCap Partners, Inc. (the "Member"). As required by NASD Rule 3013(b), the undersigned makes the following certification:

1. The Member has in place processes to:
  - (a) establish, maintain and review policies and procedures reasonably designed to achieve compliance with applicable NASD rules, MSRB rules and federal securities laws and regulations;
  - (b) modify such policies and procedures as business, regulatory and legislative changes and events dictate; and
  - (c) test the effectiveness of such policies and procedures on a periodic basis, the timing and extent of which is reasonably designed to ensure continuing compliance with NASD rules, MSRB rules and federal securities laws and regulations.
2. The undersigned chief executive officer has conducted one or more meetings with the chief compliance officer in the preceding 12 months, the subject of which satisfy the obligations set forth in IM-3013.
3. The Member's processes, with respect to paragraph 1 above, are evidenced in a report reviewed by the chief executive officer, chief compliance officer and such other officers as the Member may deem necessary to make this certification, and submitted to the Member's board of directors.
4. The undersigned chief executive officer has consulted with the chief compliance officer and other officers as applicable (referenced in paragraph 2 above) and such other employees, outside consultants, lawyers and accountants to the extent deemed appropriate in order to attest to the statements made in this certification.

By   
Thomas W. Turney  
Chief Executive Officer

**END**