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

SEC FILE NUMBER
B-44553

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 1/1/07 AND ENDING 12/31/07
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: PARAMOUNT Bio CAPITAL, Inc.
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
787 SEVENTH AVENUE

OFFICIAL USE ONLY
FIRM I.D. NO.

New York (City) New York (State) 10019 (Zip Code)
(No. and Street)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
BASIL CHRISTAKOS 212 554-4364
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

EISNER LLP
(Name - if individual, state last, first, middle name)
750 THIRD AVENUE (Address) New York (City) NY (State) SEC 10017 (Zip Code)
Washington, DC Section

CHECK ONE:

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

PROCESSED
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THOMSON REUTERS

MAY 05 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)

5/29

OATH OR AFFIRMATION

I, BASIL CHRISTAKOS, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of PARAMOUNT BIO CAPITAL, 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]
Notary Public

[Signature] 5/2/2008
Signature
CHIEF COMPLIANCE OFFICER / FINOP
Title

SAMANTHA A. BLAKE
Notary Public, State of New York
No. 01BL6072567
Qualified in Richmond County
Commission Expires April 8, 2010

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).



Paramount BioCapital, Inc.
787 Seventh Avenue, 48th Floor
New York, NY 10019
telephone: 212 554 4300
facsimile: 212 554 4490

May 2, 2008

Ms. Denise Barbarin
FINRA
One Liberty Plaza
New York, NY 10006

Re: Paramount BioCapital, Inc. - Annual Filing of Audited Financial Statements for
the Period Ending December 31, 2007

Dear Ms. Barbarin:

Pursuant to our conversation regarding the filing of our annual audited financial statements for the period ending December 31, 2007, please be advised that Paramount BioCapital, Inc. relied upon an exemption from Rule 15c3-3 based upon Section (k) (2) (ii) of the rule.

Should you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "B. Christakos".

Basil Christakos
Chief Compliance Officer/ FINOP

END