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



08032174

MARKET REGULATION

SEC FILE NUMBER
8-067286

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: LIBERTAS CAPITAL INC.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

9536 WILSHIRE BLVD., SUITE 520

(No. and Street)

BEVERLY HILLS

(City)

CA

(State)

90212

(Zip Code)

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

JAMES HARRIS

310 432 2532

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

MOSS ADAMS LLP

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

2030 MAIN STREET, SUITE 1400

(Address)

(City)

PROCESSED

JUL 03 2008

THOMSON REUTERS

CA

(State)

92614

(Zip Code)

CHECK ONE:

Certified Public Accountant

Public Accountant

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

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AND
EXAMINATIONS
04

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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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**LIBERTAS CAPITAL INC.
(A DEVELOPMENT STAGE COMPANY)**

**INDEPENDENT AUDITORS' REPORT AND
STATEMENT OF FINANCIAL CONDITION**

DECEMBER 31, 2007

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INDEPENDENT AUDITORS' REPORT

To the Shareholder
Libertas Capital Inc.
A Development Stage Company

We have audited the accompanying statement of financial condition of Libertas Capital Inc. (a development stage company) (the "Company") as of December 31, 2007. The statement of financial condition is 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 Libertas Capital Inc. (a development stage company) as of December 31, 2007, in conformity with accounting principles generally accepted in the United States of America.

Moss Adams LLP

Irvine, California
March 26, 2008

LIBERTAS CAPITAL INC.
(A DEVELOPMENT STAGE COMPANY)
STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2007

ASSETS

CASH	\$ 142,552
PREPAID EXPENSES	4,388
PROPERTY AND EQUIPMENT, net	278,057
OTHER ASSETS	<u>11,527</u>
	<u>\$ 436,524</u>

STOCKHOLDERS' EQUITY

LIABILITIES

Account Payable	\$ 10,932
Accrued Salaries	56,625
Deferred Rent	<u>64,261</u>

TOTAL LIABILITIES	<u>131,818</u>
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STOCKHOLDERS' EQUITY

Common stock, \$.01 stated value 1,000 shares authorized; 1,000 shares issued and outstanding	10
Additional paid-in capital	1,948,260
Accumulated deficit during the development stage	<u>(1,643,564)</u>

TOTAL STOCKHOLDERS' EQUITY	<u>304,706</u>
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TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 436,524</u>
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LIBERTAS CAPITAL INC.
(A DEVELOPMENT STAGE COMPANY)
NOTES TO FINANCIAL STATEMENTS

Note 1 - Operations and Summary of Significant Accounting Policies

Nature of business - Libertas Capital Inc. (a development stage company) (the "Company"), was established in July 2005 as a California C Corporation and is a 100% owned subsidiary of Libertas Capital Group (the "Parent"). The Company is a broker dealer specializing in private placements and financial advisory services to small and medium-sized businesses in the energy, technology and healthcare sectors. The securities are offered to a limited number of accredited investors pursuant to exemptions from state and federal registration provided by Regulation D under the Securities Act of 1933. The Company is registered with the Securities and Exchange Commission ("SEC") and is a member of the National Association of Securities Dealers, Inc. ("NASD").

Basis of presentation - The Company is in the development stage as of December 31, 2007, as there have been no revenues from planned operations to date. Successful completion of the Company's developmental program and, ultimately, the attainment of profitable operations are dependent upon future events, including future financing, successfully completing product development, and achieving a sufficient level of sales and market demand to become an established operating enterprise. The activities of the Company have been accounted for as set forth in Statement of Financial Accounting Standards ("SFAS") No. 7, *Accounting and Reporting by Development Stage Enterprises*.

The Company is subject to the risks and challenges associated with other companies at a similar stage of development including dependence on its parent for financing, certain key individuals, successful development and marketing of its services, competition from substitute services and larger companies.

Property and equipment - Property and equipment is recorded at cost, net of accumulated depreciation. Depreciation is computed using the straight-line method over estimated useful lives ranging from five to seven years. Repairs and maintenance costs are charged to expense as incurred.

Use of estimates - The preparation of the 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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Income taxes - The Company accounts for income taxes utilizing an asset and liability approach that requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been recognized in the Company's financial statements and tax returns. Measurement of the deferred items is based on enacted tax laws. Valuation allowances are established, when necessary, to reduce future income tax assets to an amount expected to be realized.

LIBERTAS CAPITAL INC.
(A DEVELOPMENT STAGE COMPANY)
NOTES TO FINANCIAL STATEMENTS

Note 2 - Liquidity and Management Plans

As of December 31, 2007, the Company had an accumulated deficit of \$1,643,564.

The Company has responded to these conditions as follows:

Libertas Capital Group has the ability and intent to continue to provide funds to the Company, a wholly-owned subsidiary, to enable the Company to meet its cash flow requirements. The Company was recently approved as an NASD member enabling it to solicit and engage new clients. In keeping with its business plan, the Company is in the process of marketing its services to prospective clients and management believes the revenue opportunities and continued support of the Parent, as necessary, will allow the firm to meet its operating requirements for the foreseeable future.

Note 3 - Concentrations

Financial instruments that potentially subject the Company to concentrations of credit risk include cash deposits in excess of federally insured-limits. The Company seeks to control such credit risk by placing cash with high-quality financial institutions.

Note 4 - Property and Equipment

Property and equipment consist of the following as of December 31, 2007:

Furniture, equipment, and leasehold improvements	\$	236,559
Computer equipment		<u>62,117</u>
		298,676
Less accumulated depreciation		<u>(20,619)</u>
	\$	<u><u>278,057</u></u>

Note 5 - Net Capital Requirements

The Company is subject to the Securities and Exchange Commission's Uniform Net Capital Rule 15c3-1, which requires the maintenance of minimum net capital. The Company is required to maintain net capital of the greater of \$5,000 or 6.67% of aggregate indebtedness. At December 31, 2007, the Company had net capital as follows:

Net capital	<u>\$ 10,684</u>
Excess in net capital	<u>\$ 1,896</u>
Percentage of aggregate indebtedness to net capital	<u>1234%</u>

Note 6 - Commitments and Contingencies

The Company leases office space under a five year, non-cancelable, operating lease.

Future minimum lease payments required under this lease as of December 31, 2007 are as follows:

Year Ending December 31.

2008	\$ 117,296
2009	122,574
2010	128,090
2011	133,854
2012	<u>103,741</u>
	<u>\$ 605,555</u>

Note 7 - Income Taxes

Deferred income taxes reflect the net effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.



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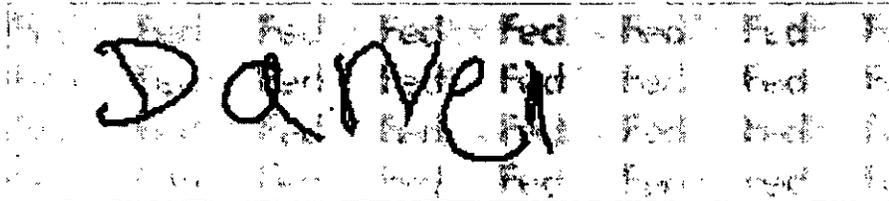
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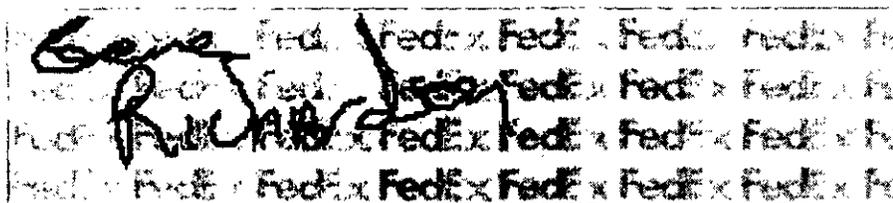
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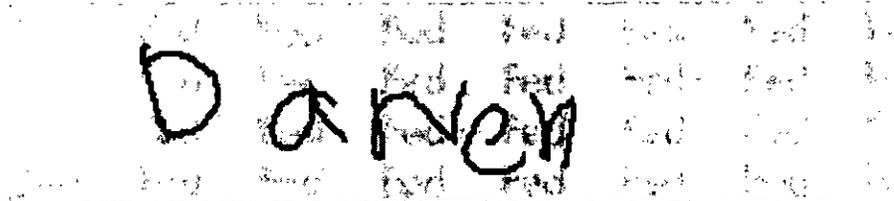
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Cindy Wong
Securities & Exchange Commission
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