

SEC
Mail Processing
Section

FEB 24 2012
SECURIT



12010281

MISSION

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	April 30, 2013
Estimated average burden	
Hours per response.....	12.00

WASHINGTON, DC
123

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

SEC FILE NUMBER
8-67048

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 1/01/2011 AND ENDING 12/31/11
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: UltraLat Capital Markets, Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

801 Brickell Avenue, Suite 1020

(No. and Street)

Miami

FL

33131

(City)

(State)

(Zip Code)

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

Steven Singer

(561) 784-8922

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Kaufman Rossin & Co., P.A.

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

2699 S. Bayshore Drive

Miami

Florida

33133

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

FOR OFFICIAL USE ONLY

*Claims for exemption from the requirement that the annual report be covered by the opinion public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17 a-5(e) (2)

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

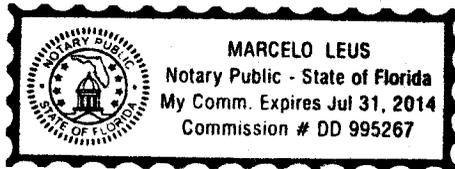
3/1/2012

FLORIDA SHORT-FORM INDIVIDUAL ACKNOWLEDGMENT

F.S. 695.25

State of Florida
County of Miami Dade }

The foregoing instrument was acknowledged before me this 23rd day of FEBRUARY, 2012,
by ALEJANDRO CALLA,
Date Month Year
Name of Person Acknowledging



who is personally known to me or who has produced
KNOWN TO ME
Type of Identification

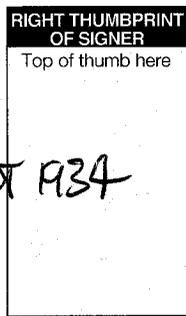
as identification.
_____, Notary Public

[Signature]
Signature of Notary Public
MARCELO LEUS
Name of Notary Typed, Printed or Stamped

Commission No. DD 995267

OPTIONAL

Though the information in this section is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.



Description of Attached Document

Title or Type of Document: ULTIMATE REPORT RULE 17A-5 SEC EXCHANGE ACT 1934

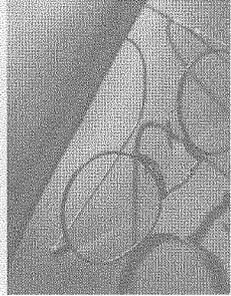
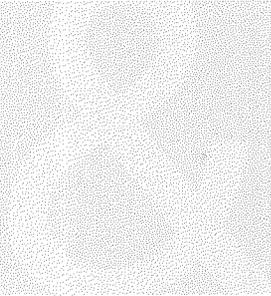
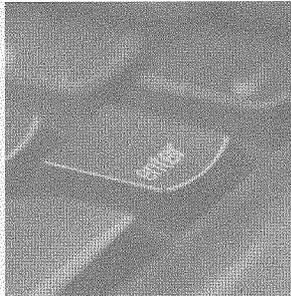
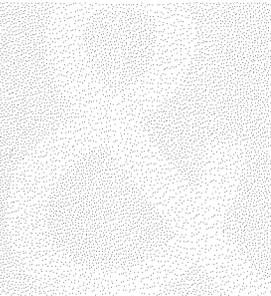
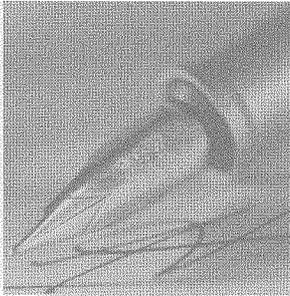
Document Date: 2/15/2012 Number of Pages: 24

Signer(s) Other Than Named Above: _____

ULTRALAT CAPITAL MARKETS, INC.

STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2011



**KAUFMAN
ROSSIN &
CO.** PROFESSIONAL
ASSOCIATION
CERTIFIED PUBLIC ACCOUNTANTS

C O N T E N T S

Page

INDEPENDENT AUDITORS' REPORT

1

STATEMENT OF FINANCIAL CONDITION

2

NOTES TO STATEMENT OF FINANCIAL CONDITION

3 - 9

INDEPENDENT AUDITORS' REPORT

Ultralat Capital Markets, Inc.

We have audited the accompanying statement of financial condition of Ultralat Capital Markets, Inc. as of December 31, 2011. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement 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 statement of financial condition is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial condition. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement of financial condition presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the statement of financial condition referred to above presents fairly, in all material respects, the financial position of Ultralat Capital Markets, Inc. as of December 31, 2011, in conformity with accounting principles generally accepted in the United States of America.



Miami, Florida
February 15, 2012

**KAUFMAN
ROSSIN &
CO.** PROFESSIONAL
ASSOCIATION
CERTIFIED PUBLIC ACCOUNTANTS

ULTRALAT CAPITAL MARKETS, INC.
STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2011

ASSETS

CASH	\$	46,921
SECURITIES OWNED, AT FAIR VALUE (NOTE 3)		124,330
ACCRUED INTEREST RECEIVABLE		721
RECEIVABLE FROM BROKER (NOTE 3)		341,349
DEPOSIT AT BROKER (NOTE 3)		150,000
PROPERTY AND EQUIPMENT, NET (NOTE 4)		1,166,387
OTHER ASSETS (NOTES 5, 6 AND 7)		714,570
	\$	2,544,278

LIABILITIES AND STOCKHOLDERS' EQUITY

LIABILITIES

Accounts payable and accrued liabilities	\$	242,845
Deferred income taxes (Note 6)		49,000
Total liabilities		291,845

LEASE COMMITMENTS (NOTE 5)

STOCKHOLDERS' EQUITY		2,252,433
	\$	2,544,278

See accompanying notes.

ULTRALAT CAPITAL MARKETS, INC.
NOTES TO STATEMENT OF FINANCIAL CONDITION

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Business and Organization

UltraLat Capital Markets, Inc. (the Company), formerly known as UltraLat Securities, Inc., is a member of the Financial Industry Regulatory Authority and is a registered broker dealer. The Company primarily acts in a principal capacity, buying and selling securities on a riskless basis with customers and other dealers primarily within Latin America. The Company is also authorized to buy and sell equities, mutual funds, corporate debt, and U.S. Government debt, for its customers primarily within Latin America, and charge a commission.

The Company is a majority owned subsidiary of Ultraholdings Group, Inc., (the Parent).

Government and Other Regulation

The Company's business is subject to significant regulation by various governmental agencies and self-regulatory organizations. Such regulation includes, among other things, periodic examinations by these regulatory bodies to determine whether the Company is conducting and reporting its operations in accordance with the applicable requirements of these organizations.

Securities Transactions

The Company records all security transactions on the trade-date basis.

Dividend income is recognized on the accrual basis as determined by the ex-dividend date. Interest income is recognized on the accrual basis.

Deposits with Financial Institutions

The Company may, during the ordinary course of business, maintain cash deposits in excess of federally insured limits. The Company does not expect any risk of loss with regard to these deposits.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Valuation of Investments in Securities Fair Value

Fair value is defined as the price that the Company would receive to sell an investment or pay to transfer a liability in a timely transaction with an independent counter-party in the principal market or in the absence of a principal market, the most advantageous market for the investment or liability. A three-tier hierarchy distinguishes between (1) inputs that reflect the assumptions market participants would use in pricing an asset or liability developed based on market data obtained from sources independent of the reporting entity (observable inputs) and (2) inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing an asset or liability developed based on the best information available in the circumstances (unobservable inputs); and establishes a classification of fair value measurements for disclosure purposes. Various inputs are used in determining the value of the Company's investments.

The inputs are summarized in the three broad levels listed below.

- Level 1** - quoted prices in active markets for identical investments
- Level 2** - other significant observable inputs (including quoted prices for similar investments, interest rates, credit risk, etc.)
- Level 3** - significant unobservable inputs (including the Company's own assumptions in determining the fair value of investments)

Corporate Bonds. The fair value of corporate bonds is estimated using recently executed transactions, market price quotations (where observable), bond spreads or credit default swap spreads. The spread data used are for the same maturity as the bond. If the spread data does not reference the issuer, then data that references a comparable issuer is used. When observable price quotations are not available, fair value is determined based on cash flow models with yield curves, bond, or single name credit default swap spreads and recovery rates based on collateral values as key inputs. Corporate bonds are typically categorized in Level 2 of the fair value hierarchy. In instances where significant inputs are unobservable, they are categorized in Level 3 of the hierarchy.

At December 31, 2011, securities owned as reflected in the accompanying Statement of Financial Condition consist of corporate bonds that are categorized as Level 2. There were no transfers between the levels of the fair value hierarchy during the year ended December 31, 2011.

Property and Equipment

Property and equipment is recorded at cost. Expenditures for major betterments and additions are charged to the asset accounts while replacements, maintenance and repairs which do not improve or extend the lives of the respective assets are charged to expense currently.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Depreciation and Amortization

Depreciation of property and equipment is computed using the straight-line method at various rates based upon the estimated useful lives of the assets. The range of estimated useful lives is summarized as follows:

Building	39 years
Furniture and fixtures	7 years
Leasehold improvements	6 years
Office equipment	5 years

Defined Contribution Plan

The Company maintains a 401(k) plan covering substantially all employees, with the Company matching up to 6% of employee payroll deferrals.

Income Taxes

The Company accounts for income taxes under the liability method whereby deferred tax assets and liabilities are provided for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Deferred tax assets, net of a valuation allowance, are recorded when management believes it is more likely than not that the tax benefits will be realized. Realization of the deferred tax assets is dependent upon generating sufficient taxable income in the future. The amount of deferred tax asset considered realizable could change in the near term if estimates of future taxable income are modified.

The Company assesses its tax positions in accordance with "*Accounting for Uncertainties in Income Taxes*" as prescribed by the Accounting Standards Codification, which provides guidance for financial statement recognition and measurement of uncertain tax positions taken or expected to be taken in a tax return for open tax years (generally a period of three years from the later of each return's due date or the date filed) that remain subject to examination by the Company's major tax jurisdictions. Generally, the Company is no longer subject to income tax examinations by major taxing authorities for years before 2008.

The Company assesses its tax positions and determines whether it has any material unrecognized liabilities for uncertain tax positions. The Company records these liabilities to the extent it deems them more likely than not to be incurred. Interest and penalties related to uncertain tax positions, if any, would be classified as a component of income tax expense.

The Company believes that it does not have any significant uncertain tax positions requiring recognition or measurement in the accompanying financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates in the Preparation of Financial Statements

The preparation of 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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the statement of financial condition. Actual results could differ from those estimates.

NOTE 2. NET CAPITAL REQUIREMENTS

As a registered broker-dealer, the Company is subject to the Uniform Net Capital Rule of the Securities and Exchange Commission, which requires that "Net Capital", as defined, shall be at least the greater of \$100,000 or 6-2/3% of "Aggregate Indebtedness", as defined. At December 31, 2011, the Company's "Net Capital" was \$348,189 which exceeded requirements by \$248,189. The ratio of "Aggregate Indebtedness" to "Net Capital" was 0.70 to 1 at December 31, 2011.

NOTE 3. RISK CONCENTRATIONS

Clearing and Depository Concentrations

The clearing and depository operations for the Company's securities transactions are provided by a brokerage firm whose principal office is in Jersey City, New Jersey. The underlying agreement expires in April 2014 and provides for early termination fees ranging from \$150,000 to \$350,000. At December 31, 2011, the deposit at broker, the securities owned and the receivable from broker are held by and due from this brokerage firm.

Other Risk Concentrations

In the normal course of business, the Company's customer activities involve the execution, settlement, and financing of various customer securities transactions. These activities may expose the Company to off-balance sheet risk in the event the customer or other broker is unable to fulfill its contracted obligations and the Company has to purchase or sell the financial instrument underlying the contract at a loss.

NOTE 3. RISK CONCENTRATIONS (Continued)

Other Risk Concentrations (continued)

The Company's customer securities activities are transacted on either a cash or margin basis. In margin transactions, the Company's clearing broker extends credit to its customers, subject to various regulatory and internal margin requirements, collateralized by cash and the securities in the customers' accounts. In connection with these activities, the Company executes customer transactions involving the sale of securities not yet purchased, substantially all of which are transacted on a margin basis subject to individual exchange regulations. Such transactions may expose the Company to significant off-balance-sheet risk in the event margin requirements are not sufficient to fully cover losses that customers may incur. In the event the customer fails to satisfy its obligations, the Company may be required to purchase or sell financial instruments at prevailing market prices to fulfill customer's obligations. The Company seeks to control the risks associated with its customer activities by requiring customers to maintain margin collateral in compliance with various regulatory and internal guidelines. The Company monitors required margin levels daily and pursuant to such guidelines, requires the customer to deposit additional collateral or to reduce positions when necessary.

NOTE 4. PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2011 consisted of the following:

Building	\$ 617,000
Furniture and fixtures	213,912
Office equipment	218,298
Leasehold improvements	300,620
Artwork	19,070
	<hr/> 1,368,900
Less: accumulated depreciation and amortization	202,513
	<hr/> \$ 1,166,387 <hr/>

NOTE 5. LEASE COMMITMENTS

The Company is obligated under a non-cancelable operating lease for its office facility in Miami, Florida, expiring in 2017. The office facility lease is guaranteed by a related party (Note 7). The Company has a security deposit held by the landlord in the amount of \$120,000. This amount is included in other assets in the accompanying Statement of Financial Condition.

The Company is also obligated under anon-cancellable equipment lease expiring in 2012. The approximate minimum annual lease commitments for years subsequent to December 31, 2011 are as follows:

2012	\$	208,000
2013		188,000
2014		179,000
2015		182,000
2016		188,000
2017		47,000
		<hr/>
	\$	992,000

NOTE 6. INCOME TAXES

At December 31, 2011, the net deferred tax liability amounted to \$49,000 which resulted from temporary differences between financial and tax bases related to depreciation and amortization of \$147,000, offset by a net operating loss carryforward of \$98,000.

At December 31, 2011, the Company has a net operating loss carryforward of approximately \$261,100 expiring in 2031.

At December 31, 2011, \$300,000 of income taxes were refundable and are included in other assets in the accompanying Statement of Financial Condition.

NOTE 7. RELATED PARTY TRANSACTIONS

Referral Fee Agreement

The Company has a referral fee agreement with a foreign entity, which is a stockholder of the Parent (Affiliate) that is related to the Company by virtue of common ownership. The Affiliate introduces foreign customers to the Company in exchange for 75% of the gross revenue generated by the Company in the trading accounts of the foreign customers.

Office Lease

The Company's office lease has been guaranteed by the Affiliate. The Affiliate has also provided a letter of credit to the Company's landlord in lieu of a security deposit in the amount of \$10,000.

Loan to Executive

On June 24, 2010, the Company entered into a \$200,000 note receivable from an executive of the Company, repaid February 2012, collateralized by assets of the executive. The note bore interest at a fixed rate of 5%. The \$200,000 outstanding principal balance on the loan at December 31, 2011 is included in other assets in the accompanying Statement of Financial Condition.

Purchase of Real Estate

In June 2011, the Company purchased a floor in an office building in Colombia from the Affiliate for \$617,000.

Stock Compensation

During the year ended December 31, 2011, the Parent transferred 125 owned shares of the Company's common stock to the Company's president. The \$24,293 estimated fair value of the shares is included in additional paid-in capital in the accompanying Statement of Financial Condition.

**KAUFMAN
ROSSIN &
CO.** PROFESSIONAL
ASSOCIATION
CERTIFIED PUBLIC ACCOUNTANTS

Miami:

2699 s. bayshore drive
suite 300
miami, florida 33133

305 858 5600
305 856 3284 fax

Ft. Lauderdale:

200 e. broward blvd.
suite 1310
ft. lauderdale, florida 33301

954 713 7444
954 759 7877 fax

Boca Raton:

225 n.e. mizner blvd.
suite 250
boca raton, florida 33432

561 394 5100
561 750 9781 fax

World Wide Web:

www.kaufmanrossin.com



Mixed Sources
Product group from well-managed
forests, controlled sources and
recycled wood or fiber
www.fsc.org Cert no. BV-COC-080207
© 1996 Forest Stewardship Council



Praxity
MEMBER
GLOBAL ALLIANCE OF
INDEPENDENT FIRMS