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

Washington, DC
101

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities and Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 1/1/2007 AND ENDING 12/31/2007
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER DEALER:

Ruane, Cunniff & Goldfarb LLC

OFFICIAL USE ONLY

129966

FIRM ID. NO.

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

767 Fifth Avenue, Suite 4701

(No. and Street)

New York

(City)

NY

(State)

10153-4798

(Zip Code)

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

Joseph Quinones, Jr.

(212) 832-5280

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Briggs, Bunting & Dougherty, LLP

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

Two Penn Center Plaza, Suite 820

(Address)

Philadelphia

(City)

PA

(State)

19102-1732

(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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**THOMSON
FINANCIAL**

FOR OFFICIAL USE ONLY

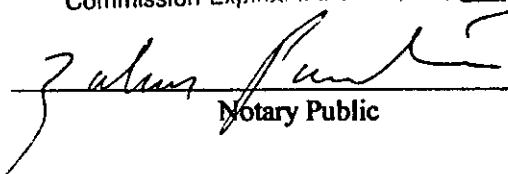
*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

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5/5/08

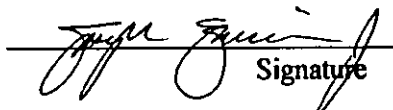
OATH OR AFFIRMATION

I, Joseph Quinones, Jr., swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Ruane, Cunniff & Goldfarb LLC, as of December 31, 20 07, 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:

ZAHRA PAULTRE
Notary Public, State of New York
No. 01PA0004783
Qualified in Queens County
Commission Expires March 30, 2010



Notary Public



Signature

Treasurer

Title

This report** contains (check all applicable boxes):

- ☒ (a) Facing page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Cash Flows.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's 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.
- ☒ (o) Independent Auditor's Report on Internal Control

****For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).**

RUANE, CUNNIFF & GOLDFARB LLC

**FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULES
PURSUANT TO RULE 17a-5 OF
THE SECURITIES EXCHANGE ACT OF 1934 AND
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL**

YEAR ENDED DECEMBER 31, 2007

Ruane, Cunniff & Goldfarb LLC

**767 Fifth Avenue, Suite 4701
New York, New York 10153**

February 19, 2008

Board of Directors
New York Stock Exchange, Inc.
c/o Data Control Section
20 Broad Street, 22nd Floor
New York, New York 10005

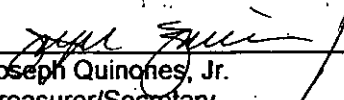
Gentlemen:

WE, THE UNDERSIGNED, members or allied members of Ruane, Cunniff & Goldfarb LLC (Member Organization) have caused an audit to be made in accordance with prescribed regulations and have arranged for the preparation of a Focus report Part III based upon such audit.

WE HEREBY CERTIFY THAT, to the best of our knowledge and belief, the accompanying Focus Report Part III prepared as of December 31, 2007, represents a true and correct financial statement of our organization and that the Report will promptly be made available to those members and allied members whose signatures do not appear below.

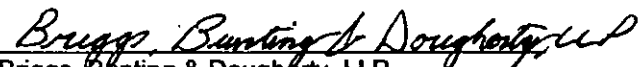


Robert D. Goldfarb
President



Joseph Quinones, Jr.
Treasurer/Secretary

We hereby attest that the accompanying Focus Report Part III as of December 31, 2007 has been audited by us.



Briggs, Bunting & Dougherty, LLP



INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors and Members
Ruane, Cunniff & Goldfarb LLC**

We have audited the statement of financial condition of Ruane, Cunniff & Goldfarb LLC (a wholly owned subsidiary of Ruane, Cunniff & Goldfarb Inc.) as of December 31, 2007, and the related statements of income, changes in member's equity, and cash flows for the year then ended that you are filing pursuant to rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are 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 Ruane, Cunniff & Goldfarb LLC as of December 31, 2007, and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedule I 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 audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Briggs, Bunting & Dougherty, LLP

**Philadelphia, Pennsylvania
February 19, 2008**

RUANE, CUNNIFF & GOLDFARB LLC

STATEMENT OF FINANCIAL CONDITION

December 31, 2007

ASSETS

Cash and cash equivalents	\$ 165,477
Securities owned, at market value <i>(Note 2)</i>	2,414,042
Due from clearing broker	<u>298,375</u>
Total assets	<u>\$2,877,894</u>

LIABILITIES AND MEMBER'S EQUITY

LIABILITIES

Accrued expenses	\$ 63,349
Due to Parent	<u>65,200</u>
Total liabilities	128,549

MEMBER'S EQUITY

Total liabilities and member's equity	<u>\$2,877,894</u>
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See accompanying notes

RUANE, CUNNIFF & GOLDFARB LLC

STATEMENT OF INCOME

Year ended December 31, 2007

REVENUE

Commissions	\$4,969,582
Net gain on investments in securities	99,110
Interest and dividends	<u>95,422</u>
Total revenue	<u>5,164,114</u>

EXPENSES

Salaries and employee benefits	2,265,796
Floor brokerage, exchange and clearance fees	1,457,205
Communications and data processing	172,901
Occupancy	132,000
Payroll and other taxes	47,017
Other operating expenses	<u>85,560</u>
Total expenses	<u>4,160,479</u>

Income before income taxes	1,003,635
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INCOME TAXES (Note 3)	<u>65,200</u>
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NET INCOME	<u>\$ 938,435</u>
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See accompanying notes

RUANE, CUNNIFF & GOLDFARB LLC

STATEMENT OF CHANGES IN MEMBER'S EQUITY

Year ended December 31, 2007

BALANCE, beginning of year	\$1,810,910
Net income	<u>938,435</u>
BALANCE, end of year	<u>\$2,749,345</u>

See accompanying notes

RUANE, CUNNIFF & GOLDFARB LLC

STATEMENT OF CASH FLOWS

Year ended December 31, 2007

CASH FLOWS FROM OPERATING ACTIVITIES

<i>Net income</i>	\$ 938,435
<i>Adjustments to reconcile net income to net cash provided by operating activities</i>	
Unrealized gain on securities owned	(99,110)
(Increase) decrease in Due from clearing broker	(255,151)
Increase (decrease) in Accrued expenses	(117,009)
Due to Parent	<u>15,200</u>
Net cash provided by operating activities	<u>482,365</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of investment securities, net	<u>(521,037)</u>
Net decrease in cash	(38,672)

CASH AND CASH EQUIVALENTS

Beginning of year	<u>204,149</u>
End of year	<u>\$ 165,477</u>

RUANE, CUNNIFF & GOLDFARB LLC

NOTES TO FINANCIAL STATEMENTS

December 31, 2007

(1) NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

Ruane, Cuniff & Goldfarb LLC (the "**Company**") is a limited liability company formed on December 3, 2003, pursuant to the Laws of the State of Delaware to engage in the general business of a broker or dealer in securities, and commenced operations on January 1, 2004. The Company is a wholly owned subsidiary of Ruane, Cuniff & Goldfarb Inc. (the "**Parent**"), a registered investment adviser under the Investment Advisers Act of 1940.

The Company operates under the provisions of Paragraph (k)(2)(ii) of Rule 15c3-3 of the Securities and Exchange Commission and, accordingly, is exempt from the remaining provisions of that rule. Essentially, the requirements of Paragraph (k)(2)(ii) provide that the Company clear all transactions on behalf of customers on a fully disclosed basis with a clearing broker/dealer, and promptly transmit all customer funds and securities to the clearing broker/dealer. The clearing broker/dealer carries all of the accounts of the customers and maintains and preserves all related books and records as are customarily kept by the clearing broker/dealer.

Cash and Cash Equivalents

Cash equivalents include money market instruments and other highly-liquid investments. Cash equivalents are stated at cost which approximates market value.

Revenue Recognition

Security transactions and the related commission revenues and expenses are recorded on a settlement date basis, generally the third business day following the transaction date. Commission income recorded on a trade date basis would not be materially different.

Investments

Investments in securities include short-term U.S. Government obligations valued at amortized cost, investments in mutual funds valued at the funds' quoted net asset value and investments in equity securities valued at the closing price. The Company recognizes realized and unrealized appreciation or depreciation in income.

Income Taxes

Current income taxes are provided for taxable earnings at the appropriate statutory rate applicable to such earnings.

Accounting Estimates

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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

RUANE, CUNIFF & GOLDFARB LLC

NOTES TO FINANCIAL STATEMENTS

December 31, 2007

(2) SECURITIES OWNED

Securities owned at quoted market value as of December 31, 2007 are summarized as follows:

Short-term U.S. Government obligations	\$2,095,060
Investment in equity securities	262,297
Investment in money market funds	<u>56,685</u>
	<u>\$2,414,042</u>

(3) INCOME TAXES

The Company is a single member limited liability company. As such, its taxable income is included in its Parent's taxable income. The Parent, with the consent of its stockholders, has elected to be taxed under sections of federal and state income tax law, which provide that, in lieu of corporation income taxes, the stockholders separately account for their pro rata share of the Parent's items of income, deductions, losses and credits. As a result of this election, no Federal income taxes have been recognized by the Parent. The Parent is subject to New York State "S" corporation minimum franchise tax. The Parent is also subject to New York City General Corporation income tax since S Corporation status is not recognized for purposes of this tax. The Company has been allocated its share of tax expense to the extent that the Company's income increases the Parent's tax liability.

(4) MEMBER'S EQUITY

Capital Contributions

The initial capital of the Company was \$500,000, all of which was contributed by the Parent. The Company may accept additional contributions or loans from other persons upon written consent of the Parent.

Withdrawals

Members may withdraw all or any part of the capital upon written consent of the Parent and if such withdrawal is in compliance with requirements of regulatory authorities. During the year ended December 31, 2007, the Parent did not withdraw any capital.

(5) COMMITMENTS AND CONTINGENCIES

The Company has employment agreements with several of its executive officers. The agreements provide for compensation based on a designated percentage of commissions earned by the Company related to clients introduced by the officer. Upon voluntary termination, disability or death of such officer, the Company is obligated to pay the former officer a percentage of the monthly payment that would normally be paid under the contract. Payments will continue at an annually declining percentage until the seventh anniversary of the commencement of such payments. In October 2005, one of the executive officers passed away and the Company commenced making payments which are included in the Statement of Income under the caption Salaries and employee benefits.

In as much as the amount of the Company's liability under these contracts cannot be reasonably estimated, no accrual has been recorded during the current period of service.

Further, in the normal course of business the Company enters into contracts that contain a variety of representations and warranties and which provide general indemnifications. The Company's maximum exposure under these arrangements is unknown as this would involve further claims that may be made against the Company that have not yet occurred. However, based on experience, the Company expects the risk of loss to be remote.

RUANE, CUNIFF & GOLDFARB LLC

NOTES TO FINANCIAL STATEMENTS

December 31, 2007

(6) NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission uniform net capital rule (Rule 15c3-1), which requires the maintenance of a minimum amount of net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. Rule 15c3-1 also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1. At December 31, 2007, the Company had net capital of \$2,567,383 which was \$2,467,383 in excess of its required net capital of \$100,000. The Company's ratio of aggregate indebtedness to net capital was 0.05 to 1 at December 31, 2007.

(7) RELATED PARTY TRANSACTIONS

Rent for office space, charges for employees' salaries and benefits, equipment usage and other administrative expenses are paid to the Parent at agreed-upon rates.

(8) FINANCIAL INSTRUMENTS WITH OFF-BALANCE-SHEET CREDIT RISK

As discussed in Note 1, the Company's customers' securities transactions are introduced on a fully disclosed basis with its clearing broker/dealer. The clearing broker/dealer carries all of the accounts of the customers of the Company and is responsible for custody, collection of and payment of funds, and receipt and delivery of securities relative to customer transactions. Off-balance-sheet risk exists with respect to these transactions due to the possibility that customers may be unable to fulfill their contractual commitments wherein the clearing broker/dealer may charge any losses it incurs to the Company. The Company seeks to minimize this risk through procedures designed to monitor the credit worthiness of its customers and to ensure that customer transactions are processed properly by the clearing broker/dealer.

In addition, the Company maintains certain cash and securities accounts with the clearing broker/dealer. As a result, the Company is exposed to credit risk in the event of insolvency or other failure of the clearing broker/dealer to meet its obligations. The Company manages this risk by dealing with a major financial institution and monitoring its credit worthiness.

RUANE, CUNNIFF & GOLDFARB LLC**COMPUTATION OF AGGREGATE INDEBTEDNESS AND NET CAPITAL PURSUANT TO RULE 15c3-1**

December 31, 2007	Schedule I
Total member's equity from statement of financial condition	\$2,749,345
Less: Excess insurance deductible	<u>138,000</u>
Net capital before haircuts on securities	2,611,345
Haircut on securities	<u>43,962</u>
Net capital	<u>\$2,567,383</u>
Total aggregate indebtedness	<u>\$ 128,549</u>
Computation of basic net capital requirement	
Minimum net capital required (greater of \$100,000 or 6-2/3% of aggregate indebtedness)	<u>\$ 100,000</u>
Net capital in excess of minimum requirement	<u>\$2,467,383</u>
Ratio of aggregate indebtedness to net capital	<u>0.05 to 1</u>

Note: There were no material differences between the above computation and that included in the Company's corresponding unaudited Form X-17A-5 Part IIA Filing.

RUANE, CUNNIFF & GOLDFARB LLC

OTHER INFORMATION

December 31, 2007

1. Computation for determination of reserve requirements under Rule 15c3-3

The Company operates under the exemptive provision of paragraph (k)(2)(ii) of SEC Rule 15c3-3. All customer transactions clear through other broker-dealers on a fully disclosed basis. The name of the clearing firm is Pershing LLC.

2. Information relating to the possession or control requirements under SEC Rule 15c3-3

The Company has complied with the exemptive requirements of SEC Rule 15c3-3 and did not maintain possession or control of any customer funds or securities as of December 31, 2007.



REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON INTERNAL CONTROL REQUIRED BY SEC RULE 17a-5

**To the Member of
Ruane, Cunniff & Goldfarb LLC**

In planning and performing our audit of the financial statements of Ruane, Cunniff & Goldfarb LLC (the "**Company**"), as of and for the year ended December 31, 2007 in accordance with auditing standards 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 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 computations of aggregate indebtedness (or aggregate debits) 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 relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications and comparisons and recordation of differences required by Rule 17a-13;
2. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

The management of the Company is responsible for establishing and maintaining effective 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 the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. 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, errors and fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that controls may become inadequate because of changes in conditions or that the effectiveness of their design 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 accounting principles generally accepted in the United States of America 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 the Company's 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 intended solely for the information and use of management, the SEC, 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 intended to be and should not be used by anyone other than these specified parties.



Philadelphia, Pennsylvania
February 19, 2008

END