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

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

SEC FILE NUMBER
8- 28301

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: KENSINGTON CAPITAL CORP

OFFICIAL USE ONLY
FIRM I.D. NO.

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

4910 13TH AVENUE

(No. and Street)

BROOKLYN

(City)

NY

(State)

11219

(Zip Code)

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

ABRAM SILVER

718-436-2111

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

RISCHALL NEIL D

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

2294 NOSTRAND AVE SUITE 1003 BROOKLYN

(Address)

(City)

NY

(State)

11210

(Zip Code)

CHECK ONE:

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

PROCESSED

MAR 31 2008

**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)

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.

OATH OR AFFIRMATION

I, ABRAM SILVER, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of KENSINGTON CAPITAL CORP, 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:

N/A

ASB

Signature

FRS

Title

Tammy G Newman
Notary Public

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.

TAMMY G. NEWMAN
Notary Public, State of New York
No. 24-4779838
Qualified in Kings County
Commission Expires 11/30/11

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

KENSINGTON CAPITAL CORP.

FINANCIAL STATEMENTS

DECEMBER 31, 2007

Neil D. Rischall CPA
Certified Public Accountant
2294 Nostrand Avenue Suite 1003
Brooklyn, New York 11210
Phone (718) 692-0510 Fax (718) 732-4504
Email : CPA@post.com

INDEPENDENT AUDITOR'S REPORT

To the Stockholders
KENSINGTON CAPITAL CORP.
Brooklyn, New York

I have audited the accompanying statement of financial condition of KENSINGTON CAPITAL CORP., a New York corporation as of December 31, 2007 and the related statements of income, retained earnings and cash flows for the year then ended that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934 and Regulation 1.16 under the Commodity Exchange Act. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of KENSINGTON CAPITAL CORP., 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.



NEIL D. RISCHALL,
Certified Public Accountant

Brooklyn, NY
February 18, 2008

KENSINGTON CAPITAL CORP.
Statement of Financial Condition
December 31, 2007

ASSETS

Cash	\$ 86,025
Money Market Account	82,894
Prepaid expenses & Other Receivables	32,136
Securities - Long	412,155
Furniture, Fixtures and Equipment, at cost, less accumulated depreciation of \$ 41,040	4,315
TOTAL ASSETS	<u><u>\$ 617,525</u></u>

LIABILITIES AND STOCKHOLDERS EQUITY

Accrued expenses and Payroll Taxes	\$ 24,554
Accrued Salaries	28,444
Due to Broker	211,607
 Total Liabilities	 <u>264,605</u>
 Stockholders' Equity	
Common Stock - no par value; authorized, issued and outstanding, 200 shares	40,000
Additional Paid-in Capital	271,738
Retained Earnings	41,182
 Total Stockholder's Equity	 <u>352,920</u>
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	<u><u>\$ 617,525</u></u>

See Accountants' Report and Notes to Financial Statements

KENSINGTON CAPITAL CORP.
 Statements of Income (Loss)
 For the Year Ended December 31, 2007

INCOME	
Commission Revenue	\$ 650,691
Gain on Securities Trading (Note 9)	77,353
Other Income	35,000
Interest and Dividend Income	5,843
Total Income	768,887
OPERATING EXPENSES	
Salaries - Officers	247,000
Salaries - Other	107,993
Travel	102,349
Legal & Professional Fees	78,117
Commissions	70,300
Insurance	52,848
Payroll Tax & Preparation	27,888
Rent	25,800
Dues & Subscriptions	25,751
Auto Expense	25,049
Advertising and Promotions	12,481
Utilities	8,171
Licenses & Permits	1,082
Donations	6,216
Office	3,875
Postage & Delivery	2,925
Supplies	1,569
Depreciation	1,533
Repairs & Maintenance	550
Interest and Bank Charges	353
Total Operating Expenses	801,850
Operating Loss	(32,963)
Provision for Income Taxes	(12,581)
Net Loss	\$ (45,544)

See Accountants' Report and Notes to Financial Statements

KENSINGTON CAPITAL CORP.
Statements of Changes in Stockholders Equity
For the Year Ended December 31, 2007

	<u>Common Stock</u>	<u>Additional Paid in Capita</u>	<u>Retained Earnings</u>
Beginning of Year	\$ 40,000	271,738	96,726
Net Loss			(45,544)
Less: Shareholders Distributions			(10,000)
End of Year	<u>\$ 40,000</u>	<u>271,738</u>	<u>41,182</u>

See Accountants' Report and Notes to Financial Statements

KENSINGTON CAPITAL CORP.
Statements of Changes in Financial Condition
For the Year Ended December 31, 2007

Cash flows from operating activities

Net Loss	<u>\$ (45,544)</u>
Adjustments to reconcile net income to net cash provided by operating activities	
Depreciation	1,533
Securities	(98,372)
Due to/from Broker	99,882
Prepaid Expenses	2,624
Accrued Expenses & Payroll Taxes	16,989
Accrued Salaries	1,444
Securities Sold-Not Yet Purchased	(578)
Total adjustments	<u>(22,022)</u>
Cash flows from financing activities	
Distributions to Shareholders	(10,000)
Net cash used by financing activities	<u>(10,000)</u>
Net decrease in cash and equivalents	(32,022)
Cash and equivalents, beginning	<u>200,941</u>
Cash and equivalents, beginning	<u><u>\$ 168,919</u></u>

KENSINGTON CAPITAL CORP.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Description of Business

KENSINGTON CAPITAL CORP. (the Company) was organized and commenced operations in June 1982. The Company is a non-clearing broker-dealer and is exempt from provisions of Rule 15c3-3 because all customers' accounts are carried by a clearing broker, on a fully disclosed basis. For financial statement and income tax purposes the Company records income and expenses using the accrual basis of accounting.

Cash and Cash Equivalents:

The Company considers all highly liquid investments with maturities of three months or less at the time of the purchase to be cash equivalents.

Property, Plant and Equipment

Property, plant and equipment are stated at cost. Depreciation is computed on the straight-line method (half-year convention) or modified accelerated cost recovery method over the estimated useful lives. The estimated useful lives of property and equipment are from 3 to 5 years. Expenditures for maintenance and repairs are charged against operations. Renewals and betterments that materially extend the life of the assets are capitalized.

Depreciation:

Depreciation is computed for both financial reporting purposes and federal income tax purposes using the straight-line method or modified accelerated cost recovery method. The effect of this departure from a generally accepted depreciation method has been determined to have no material effect on the financial statements.

Advertising

Advertising costs are expensed as incurred. Advertising expense was \$12,481 for the year ended December 31, 2007.

Provision for Bad Debts

The Company uses the direct write off method for reporting its bad debts.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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. On an ongoing basis, management reviews its estimates based on currently available information. Changes in facts and circumstances may result in revised estimates.

See Accountants' Report.

KENSINGTON CAPITAL CORP.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Concentration of Credit Risk

The Company's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and trade accounts receivable. The Company places its cash and temporary cash investments with high credit quality institutions. Such investments at times may exceed the federal depository insurance limits.

NOTE 2- DUE FROM BROKER

The Company's securities transactions are cleared through Southwest Securities, and all the Company's trading accounts and customer's accounts are carried by Southwest Securities. Southwest Securities remits to the Company all profit on the Company's trading accounts and all commissions due net of clearance charges, trading errors and miscellaneous related charges, at the end of the month.

NOTE 3 - SECURITIES

Securities consist of marketable equity securities at quoted market values.

NOTE 4 - SECURITIES SOLD - NOT YET PURCHASED

Securities Sold-Not Yet Purchased consist of marketable equity securities at quoted market values.

NOTE 5 - FIXED ASSETS

Property, plant and equipment are stated at cost. Expenditures for maintenance and repairs are charged against operations. Renewals and betterments that materially extend the life of the assets are capitalized.

At December 31, 2007, property, plant and equipment are summarized by major classifications as follows:

	<u>Cost</u>	<u>Depreciation</u>	<u>Value</u>
Furniture & Fixtures	\$ 23,980	\$ 23,980	\$ -0-
Computer Equipment	18,555	14,540	4,315
Automobile	<u>2,500</u>	<u>2,500</u>	<u>-0-</u>
Total	\$ <u>45,355</u>	\$ <u>41,040</u>	\$ <u>4,315</u>

Depreciation expense for the year ended December 31, 2007 was \$1,533.

See Accountants' Report.

KENSINGTON CAPITAL CORP.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 6 - PROFIT ON TRADING

This amount includes unrealized gains (losses) on securities, as follows:

Securities	\$ (93,282)
Securities Sold Not Yet Purchased (Short Sales)	0

NOTE 7 - INCOME TAXES

The Company has elected, by unanimous consent of its shareholders to be taxed under the provisions of sub-Chapter S of the Internal Revenue Code. Accordingly, no provisions or liability for Federal income taxes is reflected in the accompanying statements. Instead, the shareholders are liable for individual income taxes on their respective share of the Company's taxable income.

Provision for income taxes consists of the following:

New York State Corporation Tax	\$ 100
New York City Corporation Tax	<u>12,481</u>
Total	\$ 12,581

NOTE 8 - INTERNAL CONTROL

No material inadequacies were found to exist.

NOTE 9 - NET CAPITAL

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1 (and the rule of the "applicable" exchange also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1). The following data has been excerpted from the Company's Focus Report for the year ended:

Net Capital	\$223,365
Required Net Capital	\$100,000
Excess Net Capital	\$123,365
Ratio of Aggregate Indebtedness to Net Capital	118

See Accountants' Report.

KENSINGTON CAPITAL CORP.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 9 - NET CAPITAL (Continued)

The Company is also subject to the Regulation 1.17 under the Commodity Futures Trading Commission (CFTC) which requires that the Company maintain a minimum net capital, as defined, in the amount of \$50,000.

At December 31, 2007, the Company's net capital was \$173,365 in excess of the CFTC's minimum requirement.

NOTE 10 - DISTRIBUTIONS TO SHAREHOLDERS

In accordance with the loan agreements and shareholders' employment agreement, the shareholders are entitled to receive corporation distributions or shareholder/officer bonuses equal to the additional individual income taxes incurred for their proportionate share of the Company's taxable income.

During the twelve (12) months ended December 31, 2007 the Company made \$10,000 in distributions to its' shareholders from retained earnings.

See Accountants' Report.

KENSINGTON CAPITAL CORP.
KENSINGTON CAPITAL CORP.
RECONCILIATION BETWEEN UNAUDITED AND AUDITED FOCUS REPORTS
DECEMBER 31, 2007

There were no material differences between audited and unaudited focus reports.

Neil D. Rischall CPA
Certified Public Accountant
2294 Nostrand Avenue Suite 1003
Brooklyn, New York 11210
Phone (718) 692-0510 Fax (718) 732-4504
Email : CPA@post.com

To the Stockholders
KENSINGTON CAPITAL CORP.
Brooklyn, New York

February 18, 2008

I have examined the accompanying financial statements of KENSINGTON CAPITAL CORP. for the year ended December 31, 2007, and have issued my report thereon dated February 18, 2007. As part of my examination, I made a study and evaluation of the Companies system of internal accounting control to the extent I considered necessary to evaluate the system as required by generally accepted auditing standards. The purpose of my study and evaluation, which included obtaining an understanding of the accounting system, was to determine the nature, timing and extent of the auditing procedures necessary for expressing an opinion on the financial statements.

I also made a study of the practices and procedures followed by the Company under Rule 17a-5(g)(1) and the procedures for determining compliance with the exemptive provisions of Rule 15c3-3. I 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 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 Governor of the Federal Reserve System because the Company does not carry security accounts for customers or perform custodial functions relating to customer securities.

The management of the Company is responsible for establishing and maintaining a system of internal accounting control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of control procedures 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 Commission's above-mentioned objectives. The objectives of a system 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 accordance with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Neil D. Rischall CPA
Certified Public Accountant
2294 Nostrand Ave Suite 1003
Brooklyn, New York 11210
Phone (718) 692-0510 Fax (718) 732-4504
Email CPA@post.com

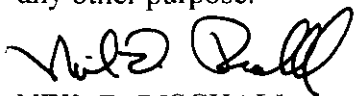
To the Stockholders
KENSINGTON CAPITAL CORP.

Because of inherent limitations in any internal accounting control procedures or the practices and procedures referred to above, errors or irregularities may, nevertheless, 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 degree of compliance with them may deteriorate.

My study and evaluation made for the limited purpose described in the first paragraph would not necessarily disclose all material weaknesses in the system. Accordingly, I do not express an opinion on the system of internal accounting control of KENSINGTON CAPITAL CORP. taken as a whole. However, my study and evaluation disclosed no condition that we believed to be a material weakness.

I understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the Commission 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, I believe that the Company's practices and procedures were adequate at December 31, 2007 to meet the Commission's objectives.

This report is intended solely for the use of management, the Securities and Exchange Commission and the New York Stock Exchange and should not be used for any other purpose.



NEIL D. RISCHALL,
Certified Public Accountant

Brooklyn, NY
February 18, 2008

Neil D. Rischall CPA
Certified Public Accountant
2294 Nostrand Avenue Suite 1003
Brooklyn, New York 11210
Phone (718) 692-0510 Fax (718) 732-4504
Email : CPA@post.com

February 18, 2008

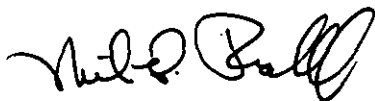
To the Stockholders
Kensington Capital Corp.
4910 13 Avenue
Brooklyn, N.Y. 11219

Gentlemen:

I have examined the accompanying Financial Statements (Focus Report) (Form X-17A-5) of Kensington Capital Corp. as of December 31, 2007.

In connection therewith, I have reviewed the system of internal control, including the procedure for safe-guarding securities. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as I considered necessary in the circumstances, and I have observed the audit requirements prescribed by the Securities and Exchange Commission with respect to such examination.

In my opinion, the accompanying Financial Statements (focus report) (Form X-17A-5) present fairly the financial position of Kensington Capital Corp. as of December 31, 2007 in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year, and in the form required by the Securities and Exchange Commission.



NEIL D. RISCHALL,
Certified Public Accountant

Brooklyn, NY
February 18, 2008

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

OMB APPROVAL
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Form
X-17A-5

FOCUS REPORT
(Financial and Operational Combined Uniform Single Report)
PART IIA 12

(Please read instructions before preparing Form.)

This report is being filed pursuant to (Check Applicable Block(s)):

1) Rule 17a-5(a) 16

2) Rule 17a-5(b) 17

3) Rule 17a-11 18

4) Special request by designated examining authority 19

5) Other 26

NAME OF BROKER-DEALER

KENSINGTON CAPITAL CORP

SEC FILE NO.

8-28301 14

ADDRESS OF PRINCIPAL PLACE OF BUSINESS (Do Not Use P.O. Box No.)

4910 13TH AVE

FIRM I.D. NO.

1742 15

(No. and Street)

FOR PERIOD BEGINNING (MM/DD/YY)

01/01/07 24

BROOKLYN

21

NY

22

11210

23

AND ENDING (MM/DD/YY)

12/31/07 25

(City)

(State)

(Zip Code)

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

(Area Code) — Telephone No.

ABRAM SILVER

30

718-436-2111 31

NAME(S) OF SUBSIDIARIES OR AFFILIATES CONSOLIDATED IN THIS REPORT:

OFFICIAL USE

32

33

34

35

36

37

38

39

DOES RESPONDENT CARRY ITS OWN CUSTOMER ACCOUNTS? YES 40 NO 41

CHECK HERE IF RESPONDENT IS FILING AN AUDITED REPORT 42

EXECUTION:

The registrant/broker or dealer submitting this Form and its attachments and the person(s) by whom it is executed represent hereby that all information contained therein is true, correct and complete. It is understood that all required items, statements, and schedules are considered integral parts of this Form and that the submission of any amendment represents that all unamended items, statements and schedules remain true, correct and complete as previously submitted.

Dated the _____ day of _____ 20 08

Manual signatures of:

1) _____
Principal Executive Officer or Managing Partner

2) _____
Principal Financial Officer or Partner

3) _____
Principal Operations Officer or Partner

ATTENTION — Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C. 78:(a))

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FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART IIA

BROKER OR DEALER 1	KENSINGTON CAPITAL CORP	N 3						100
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STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING AND CERTAIN OTHER BROKERS OR DEALERS

as of (MM/DD/YY) 12/31/07 99

SEC FILE NO. _____ 98

Consolidated 198

Unconsolidated 199

	Allowable		Non-Allowable		Total
1. Cash	\$ <u>86,025</u> 200				\$ <u>86,025</u> 750
2. Receivables from brokers or dealers:					
A. Clearance account	\$ _____ 295				
B. Other	\$ _____ 300		\$ _____ 550		\$ _____ 810
3. Receivable from non-customers	\$ _____ 355		\$ _____ 600		\$ _____ 830
4. Securities and spot commodities owned at market value:					
A. Exempted securities	\$ _____ 418				
B. Debt securities	\$ _____ 419				
C. Options	\$ _____ 420				
D. Other securities	\$ <u>495,049</u> 424				
E. Spot commodities	\$ _____ 430				\$ <u>495,049</u> 850
5. Securities and/or other investments not readily marketable:					
A. At cost $\frac{1}{2}$ \$ _____ 130					
B. At estimated fair value	\$ _____ 440		\$ _____ 610		\$ _____ 860
6. Securities borrowed under subordination agreements and partners' individual and capital securities accounts, at market value:					
A. Exempted securities \$ _____ 150					
B. Other securities \$ _____ 160					
7. Secured demand notes: Market value of collateral:					
A. Exempted securities \$ _____ 170					
B. Other securities \$ _____ 180					
8. Memberships in exchanges:					
A. Owned, at market \$ _____ 190					
B. Owned, at cost			\$ _____ 650		
C. Contributed for use of the company, at market value			\$ _____ 660		\$ _____ 900
9. Investment in and receivables from affiliates, subsidiaries and associated partnerships	\$ _____ 480		\$ _____ 670		\$ _____ 910
10. Property, furniture, equipment, leasehold improvements and rights under lease agreements, at cost-net of accumulated depreciation and amortization	\$ _____ 490		\$ <u>4,315</u> 680		\$ <u>4,315</u> 920
11. Other assets	\$ _____ 535		\$ <u>32,136</u> 735		\$ <u>32,136</u> 930
12. TOTAL ASSETS	\$ <u>581,074</u> 540		\$ <u>36,451</u> 740		\$ <u>617,525</u> 940

OMIT PENNIES

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART IIA

BROKER OR DEALER

KENSINGTON CAPITAL CORP

as of 12/31/07

STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING AND CERTAIN OTHER BROKERS OR DEALERS

LIABILITIES AND OWNERSHIP EQUITY

<u>Liabilities</u>	<u>A.I. Liabilities</u>	<u>Non-A.I. Liabilities</u>	<u>Total</u>
13. Bank loans payable	\$ 1045	\$ 1255	\$ 1470
14. Payable to brokers or dealers:			
A. Clearance account	211,607 1114	1315	211,607 1560
B. Other	1115	1305	1540
15. Payable to non-customers	1155	1355	1610
16. Securities sold not yet purchased, at market value		1360	1620
17. Accounts payable, accrued liabilities, expenses and other	52,998 1205	1385	52,998 1685
18. Notes and mortgages payable:			
A. Unsecured	1210		1690
B. Secured	1211	1390	1700
19. E. Liabilities subordinated to claims of general creditors:			
A. Cash borrowings:		1400	1710
1. from outsiders \$	970		
2. includes equity subordination (15c3-1(d)) of ... \$	980		
B. Securities borrowings, at market value from outsiders \$	990	1410	1720
C. Pursuant to secured demand note collateral agreements		1420	1730
1. from outsiders \$	1000		
2. includes equity subordination (15c3-1(d)) of ... \$	1010		
D. Exchange memberships contributed for use of company, at market value		1430	1740
E. Accounts and other borrowings not qualified for net capital purposes	1220	1440	1750
20. TOTAL LIABILITIES	\$ 264,655 1230	\$ 1450	\$ 264,655 1760
<u>Ownership Equity</u>			
21. Sole Proprietorship			1770
22. Partnership (limited partners)	1020		1780
23. Corporation:			
A. Preferred stock			1791
B. Common stock		40,000	1792
C. Additional paid-in capital		271,738	1793
D. Retained earnings		41,182	1794
E. Total		352,920	1795
F. Less capital stock in treasury			1796
24. TOTAL OWNERSHIP EQUITY		\$ 352,920	1800
25. TOTAL LIABILITIES AND OWNERSHIP EQUITY		\$ 617,575	1810

OMIT PENNIES

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART IIA

BROKER OR DEALER

KENSINGTON CAPITAL CORP

as of 12/31/07

COMPUTATION OF NET CAPITAL

1.	Total ownership equity from Statement of Financial Condition	\$	352,920	3480
2.	Deduct ownership equity not allowable for Net Capital		19 ()	3490
3.	Total ownership equity qualified for Net Capital		352,920	3500
4.	Add:			
A.	Liabilities subordinated to claims of general creditors allowable in computation of net capital			3520
B.	Other (deductions) or allowable credits (List)			3525
5.	Total capital and allowable subordinated liabilities	\$	352,920	3530
6.	Deductions and/or charges:			
A.	Total non-allowable assets from			
Statement of Financial Condition (Notes B and C)	17 \$	36,451	3540	
B.	Secured demand note delinquency			3590
C.	Commodity futures contracts and spot commodities - proprietary capital charges			3600
D.	Other deductions and/or charges			3610
7.	Other additions and/or allowable credits (List)		(36,451)	3620
8.	Net capital before haircuts on securities positions	20 \$	316,469	3640
9.	Haircuts on securities (computed, where applicable, pursuant to 15c3-1(f)):			
A.	Contractual securities commitments	\$		3660
B.	Subordinated securities borrowings			3670
C.	Trading and investment securities:			
1.	Exempted securities	18		3735
2.	Debt securities			3733
3.	Options			3730
4.	Other securities		63,481	3734
D.	Undue Concentration		29,623	3650
E.	Other (List)			3736
10.	Net Capital	\$	223,365	3740

OMIT PENNIES

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART IIA

BROKER OR DEALER

KENSINGTON CAPITAL CORP

as of 12/31/07

COMPUTATION OF NET CAPITAL REQUIREMENT

Part A

11. Minimum net capital required (6 $\frac{2}{3}$ % of line 19)	\$	17,640	3756
12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	\$	100,000	3758
13. Net capital requirement (greater of line 11 or 12)	\$	100,000	3760
14. Excess net capital (line 10 less 13)	\$	123,365	3770
15. Excess net capital at 1000% (line 10 less 10% of line 19)	\$	196,904	3780

COMPUTATION OF AGGREGATE INDEBTEDNESS

16. Total A.I. liabilities from Statement of Financial Condition	\$	264,605	3790
17. Add:			
A. Drafts for immediate credit	\$	3800	
B. Market value of securities borrowed for which no equivalent value is paid or credited	\$	3810	
C. Other unrecorded amounts (List)	\$	3820	
18. Total aggregate indebtedness	\$	264,605	3840
19. Percentage of aggregate indebtedness to net capital (line 18 ÷ by line 10)	%	118	3850
20. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1(d)	%		3860

COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT

Part B

21. 2% of combined aggregate debit items as shown in Formula for Reserve Requirements pursuant to Rule 15c3-3 prepared as of the date of the net capital computation including both brokers or dealers and consolidated subsidiaries' debits	\$		3970
22. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	\$		3880
23. Net capital requirement (greater of line 21 or 22)	\$		3760
24. Excess capital (line 10 less 23)	\$		3910
25. Net capital in excess of the greater of:			
A. 5% of combined aggregate debit items or \$120,000	\$		3920

NOTES:

- (A) The minimum net capital requirement should be computed by adding the minimum dollar net capital requirement of the reporting broker dealer and, for each subsidiary to be consolidated, the greater of:
 1. Minimum dollar net capital requirement, or
 2. 6 $\frac{2}{3}$ % of aggregate indebtedness or 4% of aggregate debits if alternative method is used.
- (B) Do not deduct the value of securities borrowed under subordination agreements or secured demand note covered by subordination agreements not in satisfactory form and the market values of memberships in exchanges contributed for use of company (contra to item 1740) and partners' securities which were included in non-allowable assets.
- (C) For reports filed pursuant to paragraph (d) of Rule 17a-5, respondent should provide a list of material non-allowable assets.

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT PART IIA

BROKER OR DEALER

KENSINGTON CAPITAL CORP

For the period (MMDDYY) from 01/01/07 to 12/31/07

STATEMENT OF CHANGES IN OWNERSHIP EQUITY (SOLE PROPRIETORSHIP, PARTNERSHIP OR CORPORATION)

1. Balance, beginning of period	\$	408,464	4240
A. Net income (loss)		(45,544)	4250
B. Additions (Includes non-conforming capital of	\$	4262	4260
C. Deductions (Includes non-conforming capital of	\$	4272	4270
		(10,000)	4270
2. Balance, end of period (From item 1800)	\$	352,920	4290

STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED TO CLAIMS OF GENERAL CREDITORS

3. Balance, beginning of period	\$	4300	4300
A. Increases		4310	4310
B. Decreases		4320	4320
4. Balance, end of period (From item 3520)	\$	4330	4330

OMIT PENNIES

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART IIA

BROKER OR DEALER

KENSINGTON CAPITAL CORP

For the period (MMDDYY) from 01/01/07 3932 to 12/31/07 3933
 Number of months included in this statement 12 3931

STATEMENT OF INCOME (LOSS)

REVENUE

1. Commissions:			
a. Commissions on transactions in exchange listed equity securities executed on an exchange	\$ <u>650,691</u>	3935	
b. Commissions on listed option transactions	\$	3938	
c. All other securities commissions		3939	
d. Total securities commissions	<u>650,691</u>	3940	
2. Gains or losses on firm securities trading accounts			
a. From market making in options on a national securities exchange		3945	
b. From all other trading	<u>77,353</u>	3949	
c. Total gain (loss)	<u>77,353</u>	3950	
3. Gains or losses on firm securities investment accounts		3952	
4. Profit (loss) from underwriting and selling groups		3955	
5. Revenue from sale of investment company shares		3970	
6. Commodities revenue		3990	
7. Fees for account supervision, investment advisory and administrative services		3975	
8. Other revenue	<u>40,843</u>	3995	
9. Total revenue	\$ <u>768,887</u>	4030	

EXPENSES

10. Salaries and other employment costs for general partners and voting stockholder officers			
11. Other employee compensation and benefits	<u>247,000</u>	4120	
12. Commissions paid to other broker-dealers	<u>107,993</u>	4115	
13. Interest expense		4140	
a. Includes interest on accounts subject to subordination agreements	4070	4075	
14. Regulatory fees and expenses	<u>1,082</u>	4195	
15. Other expenses	<u>488,836</u>	4100	
16. Total expenses	\$ <u>814,431</u>	4200	

NET INCOME

17. Income (loss) before Federal income taxes and items below (Item 9 less Item 16)			
18. Provision for Federal income taxes (for parent only)	<u>(45,544)</u>	4210	
19. Equity in earnings (losses) of unconsolidated subsidiaries not included above		4220	
a. After Federal income taxes of	4338	4222	
20. Extraordinary gains (losses)		4224	
a. After Federal income taxes of	4239	4225	
21. Cumulative effect of changes in accounting principles		4225	
22. Net income (loss) after Federal income taxes and extraordinary items	\$ <u>(45,544)</u>	4230	

MONTHLY INCOME

23. Income (current month only) before provision for Federal income taxes and extraordinary items			
	\$ <u>(31,365)</u>	4211	

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART IIA

BROKER OR DEALER **KENSINGTON CAPITAL CORP** as of **12/31/07**

EXEMPTIVE PROVISION UNDER RULE 15c3-3

24. If an exemption from Rule 15c3-1 is claimed, identify below the section upon which such exemption is based (check one only)

- A. (k)(1) — \$2,500 capital category as per Rule 15c3-1 4550
- B. (k)(2)(A) — "Special Account for the Exclusive Benefit of customers" maintained 4560
- C. (k)(2)(B) — All customer transactions cleared through another broker-dealer on a fully disclosed basis.
 Name of clearing firm: SOUTHWEST SECURITIES INC 4335 4570
- D. (k)(3) — Exempted by order of the Commission (include copy of letter) 4580

Ownership Equity and Subordinated Liabilities maturing or proposed to be withdrawn within the next six months and accruals, (as defined below), which have not been deducted in the computation of Net Capital.

Type of Proposed Withdrawal or Accrual (See below for code)	Name of Lender or Contributor	Insider or Outsider? (In or Out)	Amount to be Withdrawn (cash amount and/or Net Capital Value of Securities)	(MMDDYY) Withdrawal or Maturity Date	Expect to Renew (Yes or No)	
31	4600	4601	4602	4603	4604	4605
32	4610	4611	4612	4613	4614	4615
33	4620	4621	4622	4623	4624	4625
34	4630	4631	4632	4633	4634	4635
35	4640	4641	4642	4643	4644	4645
Total \$ ³⁶				4699		

OMIT PENNIES

Instructions: Detail Listing must include the total of items maturing during the six month period following the report date, regardless of whether or not the capital contribution is expected to be renewed. The schedule must also include proposed capital withdrawals scheduled within the six month period following the report date including the proposed redemption of stock and anticipated accruals which would cause a reduction of Net Capital. These anticipated accruals would include amounts of bonuses, partners' drawing accounts, taxes, and interest on capital, voluntary contributions to pension or profit sharing plans, etc., which have not been deducted in the computation of Net Capital, but which you anticipate will be paid within the next six months.

WITHDRAWAL CODE:	DESCRIPTIONS
1.	Equity Capital
2.	Subordinated Liabilities
3.	Accruals

END