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OMB Number:	3235-0123
Expires:	January 31, 2007
Estimated average burden hours per response.....	12.00

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

SEC FILE NUMBER
B- 65762

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 01/01/04 AND ENDING 12/31/04  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: ENGROUP SECURITIES, LLC

OFFICIAL USE ONLY
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
10 HIGH STREET, SUITE 620

(No. and Street)

BOSTON,

(City)

MASSACHUSETTS

(State)

02110

(Zip Code)

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

MICHAEL O. BROWN

(404) 303-8840

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

**PROCESSED**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

ROGERS, SOLESKI & ASSOCIATES, LLC

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

**JUN 15 2005**  
**THOMSON FINANCIAL**

464 HILLSIDE AVENUE, SUITE 202, NEEDHAM HEIGHTS, MA

(Address)

(City)

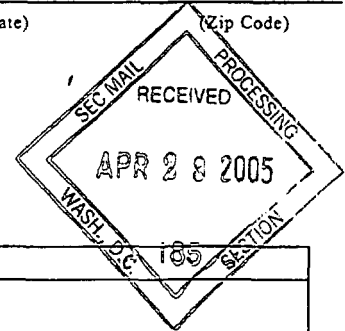
(State)

02494

(Zip Code)

CHECK ONE:

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



<b>FOR OFFICIAL USE ONLY</b>

\*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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*Handwritten signature*

*Handwritten signature*

OATH OR AFFIRMATION

I, MICHAEL G. BROWN, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of ENGROUP SECURITIES, as of DECEMBER 31, 2004, 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:

Michael Brown  
Signature  
FINANCIAL PRINCIPAL  
Title

Baron Ampie  
Notary Public 02/28/05

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 15c3-3 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

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

***EnGroup Securities, LLC***  
***Notes to the Financial Statements***  
***December 31, 2004***

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***1. Nature of Business***

EnGroup Securities, LLC (the "Company") is a investment banking boutique located in Boston, Massachusetts. The Company specializes in mergers and acquisitions and private capital fundraising.

***2. Summary of Significant Accounting Policies***

*Accounting Method*

The financial statements are prepared on the accrual method of accounting in accordance with generally accepted accounting principles.

*Accounts Receivable*

Accounts are charged to bad debt expense as they are deemed uncollectible based on a periodic review of the accounts. At December 31, 2004, management considered all accounts receivable to be collectible.

*Income Taxes*

The Company is a single member LLC and is treated as a disregarded entity by the Internal Revenue Service. The LLC's activities are consolidated with Encapital, Inc. the 100% owner of the Company. Therefore, no provision or liability for Federal or state income taxes is included in these financial statements.

*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 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.

***3. Concentrations***

The Company is 100% owned by Encapital, Inc. and it relies solely on Encapital, Inc. for its management and administrative duties.

***EnGroup Securities, LLC***  
***Notes to the Financial Statements***  
***December 31, 2004***

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***4. Net Capital***

The Company is subject to the Securities & Exchange Commission Uniform Net Capital Rule (SEC Rule 15c3-1), which requires 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. For the year ended December 31, 2004, the Company had net capital of \$8,004, which was in excess of the minimum net capital of \$5,000 and the Company's aggregate indebtedness to net capital ratio was 0.20 to 1.

***5. SEC Reporting Requirements***

The following SEC information is not applicable to the Company:

- Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- Computation for Determination of Reserve Requirement Pursuant to Rule 15c3-3.
- Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- A copy of the SIPC Supplement Report.
- A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

***6. Reconciliation with Company's Computation of Net Capital Included in Part IIA of Form X-17A-5 as of December 31, 2004***

There was no significant difference between net capital reported in Part IIA of Form X-17A-5 and net capital reported in footnote 4.