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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

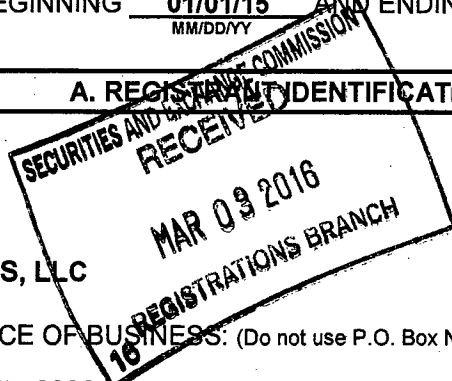


SEC FILE NUMBER  
8-68064

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 01/01/15 AND ENDING 12/31/15  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION



OFFICIAL USE ONLY  
FIRM ID. NO.

NAME OF BROKER-DEALER:

LIQUID CAPITAL SECURITIES, LLC

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

71 S. Wacker Drive; Suite 2300  
(No. and Street)

Chicago  
(City)

Illinois  
(State)

60606  
(Zip Code)

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

Christopher I. Mates

(312) 345-2110  
(Area Code - Telephone No)

Handwritten initials and date 3/15

B. ACCOUNTANT IDENTIFICATION

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

Bradford R. Dooley & Associates  
(Name - if individual, state last, first, middle name)

209 West Jackson Boulevard, Suite 404  
(Address)

Chicago  
(City)

Illinois  
(State)

60606  
(Zip Code)

CHECK ONE:

- Certified Public Accountant
- Public Accountant
- Accountant not resident in 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 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).

Handwritten initials

## OATH OR AFFIRMATION

I, **Christopher I. Mates**, swear (or affirm), to the best of my knowledge and belief, the accompanying financial statements and supporting schedules pertaining to the firm of **Liquid Capital Securities, LLC** as of **December 31, 2015**, 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:

\_\_\_\_\_  
None  
\_\_\_\_\_

  
\_\_\_\_\_  
Signature

\_\_\_\_\_  
Principal  
Title

Sworn and subscribed to me on the

25<sup>th</sup> day of February, 2016

  
\_\_\_\_\_  
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 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 General Creditors.
- (g) Computation of Net Capital for Brokers and Dealers pursuant to Rule 15c3-1.
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or Control Requirements for Brokers and Dealers 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 copy of the Exemption Report.
- (o) Schedule of Segregation Requirements and Funds in Segregation – Customers' Regulated Commodity Futures Accounts Pursuant to CFTC Rule 1.11(d)2(iv).

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

**BRADFORD R. DOOLEY & ASSOCIATES**  
*Accountants and Auditors*  
209 WEST JACKSON BLVD – SUITE 404  
CHICAGO, ILLINOIS 60606

*Member*  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
ILLINOIS CPA SOCIETY

TELEPHONE  
(312) 939-0477

FAX  
(312) 939-8739

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Members  
of Liquid Capital Securities, LLC

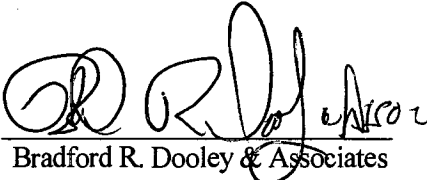
We have audited the accompanying statement of financial condition of Liquid Capital Securities, LLC (an Illinois Limited Liability Company) as of December 31, 2015 that is filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934, and the related notes to the statement of financial condition. Liquid Capital Securities, LLC's management is responsible for this financial statement. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). 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. The company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial position, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement of financial position presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying financial statements have been prepared assuming that Liquid Capital Securities, LLC will continue as a going concern. As discussed in Note 1 to the financial statements, the company has suffered recurring losses from operations and has a net capital deficiency that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

In our opinion, the statement of financial condition referred to above presents fairly, in all material respects, the financial condition of Liquid Capital Securities, LLC as of December 31, 2015 in accordance with accounting principles generally accepted in the United States of America.

Chicago, Illinois  
February 25, 2016

  
Bradford R. Dooley & Associates

Liquid Capital Securities, LLC

Statement of Financial Condition  
December 31, 2015

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**Assets**

Cash and cash equivalents	\$ 111,477
Deposits	-
<b>Total assets</b>	<b>\$ 111,477</b>

**Liabilities and Members' Deficit**

Liabilities	
Due to affiliates	\$ -
Accounts payable and accrued expenses	-
Liabilities subordinated to claims of general creditors	1,000,000
Members' deficit	(888,523)
<b>Total liabilities and members' deficit</b>	<b>\$ 111,477</b>

See Notes to Financial Statements.

## Liquid Capital Securities, LLC

### Notes to Statement of Financial Condition

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#### **Note 1. Organization and Nature of Business**

Liquid Capital Securities, LLC (the Company) is a securities broker-dealer registered with the Securities and Exchange Commission (SEC), and is a member of the Financial Industry Regulatory Authority (FINRA). The Company is exempt from Rule 15c3-3 of the Securities and Exchange Commission under paragraph (k)(2)(ii) of that rule as all customer transactions are cleared through other broker-dealers on a fully disclosed basis.

The Company was organized as a limited liability company on July 23, 2007, in the State of Illinois. The operating agreement provides that the Company will continue until dissolved pursuant to the agreement. On May 7, 2009, the Company was accepted as a member of FINRA. On 1<sup>st</sup> May 2014 Chris and Gregg Siepman agreed to sell Liquid Capital Securities to the Liquid Group for US\$ 745,000

The company has ceased operations since September 2014. The company management intends to restructure the operations of the execution only business to fit in line with the long term strategic objectives of the group. The members intend to contribute additional capital and extend the existing subordinated borrowing agreement to maintain regulatory capital requirements.

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

**Accounting policies:** The Company follows the accounting standards set by the Financial Accounting Standards Board (FASB). The FASB sets generally accepted accounting principles (GAAP) that the Company follows to ensure consistent reporting of financial condition, results of operations, and cash flows.

**Use of estimates:** The preparation of financial statements in conformity with GAAP 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.

**Cash and cash equivalents:** Cash and cash equivalents include highly liquid instruments with original maturities of three months or less at the date of acquisition. The Company places its cash and cash equivalents with financial institutions and, at times, cash held in these bank accounts may exceed the Federal Deposit Insurance Corporation limit. However, the Company does not believe it is exposed to significant credit risk.

**Fair value of financial instruments:** Financial instrument transactions are recorded on trade date and reflected at fair value.

**Revenue Recognition:** Brokerage and execution revenue and related expenses are recorded on a trade-date basis

**Interest:** Interest income and expense is recognized on an accrual basis.

## Liquid Capital Securities, LLC

### Notes to Statement of Financial Condition

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#### **Note 2. Summary of Significant Accounting Policies (Continued)**

**Foreign exchange translation:** Assets and liabilities denominated in foreign currencies are translated at year-end rates of exchange. Income and expense items are translated at month-end rates. Gains or losses resulting from foreign currency translations are included in other expense on the statement of operations.

**Income taxes:** As a limited liability company, the Company is not subject to federal income taxes. The Company's members separately account for their pro rata share of the Company's items of income, deductions, losses and credits. Therefore, these financial statements do not include any provision for federal income taxes.

FASB guidance requires the evaluation of income tax positions taken or expected to be taken in the course of preparing the Company's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained "when challenged" or "when examined" by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax benefit or expense and liability in the current year. For the year ended December 31, 2015, management has determined that there are no material uncertain income tax positions.

The Company is generally not subject to examination by U.S. federal and state tax authorities for tax years before 2012.

#### **Note 3. Liabilities Subordinated to Claims of General Creditors**

The Company has two subordinated borrowing agreements with the two Members in the aggregate original amount of \$1,000,000. The subordinated borrowings provide for no interest and are scheduled to mature on April 30, 2018.

To the extent that such borrowing is required for the Company's continued compliance with minimum net capital requirements, it may not be repaid (see Note 6).

#### **Note 4. Related-Party Transactions**

Liquid Capital Markets, LLC (LCM), an affiliated entity by common ownership was refunded \$50,043 which was not repaid to the company. This amount was written off as bad debt expense during the year ended December 31, 2015. The amount was written off as LCM was liquidated in 2015 and was not in a position to repay its debt.

#### **Note 5. Commitments, Contingencies and Subsequent Events**

In the normal course of business, the Company enters into contracts that contain a variety of representations and warranties that provide indemnifications under certain circumstances. The Company's maximum exposure under these arrangements is unknown and the risk of loss is remote, as it would require claims that may be made against the Company that have not occurred.

## Liquid Capital Securities, LLC

### Notes to Statement of Financial Condition

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#### **Note 6. Net Capital Requirements**

The Company is subject to the SEC 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 if the resulting net capital ratio would exceed 10 to 1. At December 31, 2015, the company had Net Capital of \$111,477, which is above the required minimum of \$5,000.

#### **Note 7. Subsequent Events**

In accordance with the provisions set forth in FASB ASC Topic 855, *Subsequent Events*, management has evaluated subsequent events through the date the financial statements were issued. Management has determined that there are no material events that would require adjustment to or disclosure in the Company's financial statements.

# **Liquid Capital Securities, LLC**

Review of Exemption Report  
December 31, 2015



**BRADFORD R. DOOLEY & ASSOCIATES**

*Accountants and Auditors*

209 WEST JACKSON BLVD – SUITE 404  
CHICAGO, ILLINOIS 60606

*Member*  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
ILLINOIS CPA SOCIETY

TELEPHONE  
(312) 939-0477  
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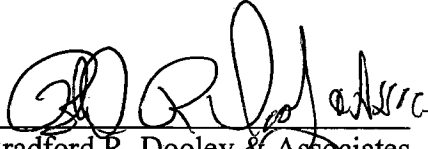
**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Members  
of Liquid Capital Securities, LLC

We have reviewed management's statements, included in the accompanying exemption report of Liquid Capital Securities, LLC (the "Company"), in which (1) the Company identified the following provisions of 17 C.F.R. § 15c3-3(k) under which the Company claimed an exemption from 17 C.F.R. § 240.15c3-3: (2)(ii) (the "exemption provisions") and (2) the Company stated that the Company met the identified exemption provisions throughout the most recent fiscal year without exception. The Company's management is responsible for compliance with the exemption provisions and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about the Company's compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in paragraph (k)(2)(ii) of Rule 15c3-3 under the Securities Exchange Act of 1934.

  
Bradford R. Dooley & Associates

Chicago, Illinois  
February 25, 2016

**LIQUID CAPITAL SECURITIES, LLC  
71 SOUTH WACKER DRIVE  
SUITE 2300  
CHICAGO, IL 60606**

**Rule 15c3-3 Exemption Report**

Liquid Capital Securities, LLC (the "Company") is a registered broker-dealer subject to Rule 17a-5 promulgated by the Securities and Exchange Commission (17 C.F.R § 240.17a-5, "Reports to be made by certain brokers and dealers"). This Exemption Report was prepared as required by 17C.F.R. § 240.17a-5(d)(1) and (4). To the best of its knowledge and belief, the Company states the following:

- (1) The Company claimed an exemption from 17 C.F.R. § 240.15c3-3 under the following provisions of 17 C.F.R. § 240.15c3-3 (k)(2)(ii).
- (2) The Company met the identified exemption provisions in 17 C.F.R. § 240.15c3-3(k)(2)(ii) throughout the most recent fiscal year without exception.

LCS is not currently operating as a broker dealer, it has no employees. LCS does not have customers and does not hold customer monies or securities. While LCS is assessing appropriate course of action for selling or unwinding the broker dealer, the owner has terminated LCS' relationships with its clearing brokers(s).

I, Christopher I. Mates, affirm that, to the best of my knowledge and belief, this Exemption Report is true and correct.

By:



Title: Principal

Date: February 25, 2016