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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

Processing  
Section

FEB 26 2016

SEC FILE NUMBER
8-17264

Washington DC

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 01/01/2015 AND ENDING 12/31/2015  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: CROWN CAPITAL SECURITIES, L.P.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

725 Town and Country Road, STE 530

(No. and Street)

Orange,

California

92868

(City)

(State)

(Zip Code)

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

Darol K. Paulsen

714 547-9481

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Bates Coughtry Reiss LLP

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

2601 Saturn Street, STE 210

Brea,

California

92821-6702

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

Certified Public Accountant

Public Accountant

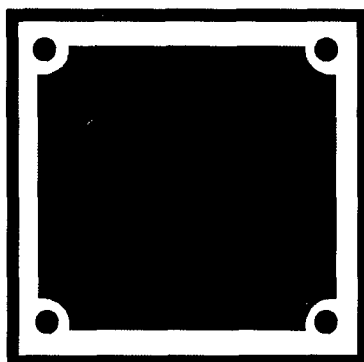
Accountant not resident in United States or any of its possessions.

**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)

SEC 1410 (06-02)

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**CROWN  
CAPITAL  
SECURITIES, L.P.**

**Annual Reports  
December 31, 2015  
(SEC File No. 8-17264)**

OATH OR AFFIRMATION

I, Darol K. Paulsen, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Crown Capital Securities, L.P., 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:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



Signature

C.E.O.

Title

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Notary Public

*\* See attached Calif Jurat - M.J.*

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.
- N/A  (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital.
- Exempt  (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- Exempt  (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- Exempt  (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.
- N/A  (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  (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).

**CALIFORNIA JURAT WITH AFFIANT STATEMENT**

**GOVERNMENT CODE § 8202**

- See Attached Document (Notary to cross out lines 1-6 below)
- See Statement Below (Lines 1-6 to be completed only by document signer[s], not Notary)

1 \_\_\_\_\_

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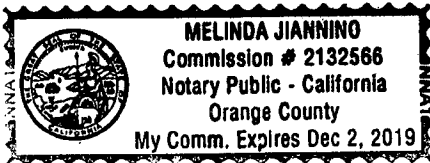
6 \_\_\_\_\_

Signature of Document Signer No. 1 \_\_\_\_\_ Signature of Document Signer No. 2 (if any) \_\_\_\_\_

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California  
 County of Orange

Subscribed and sworn to ~~(or affirmed)~~ before me  
 on this 22nd day of February, 2016  
 by \_\_\_\_\_  
Date Month Year



(1) Dard K. Paulsen  
 (and (2) \_\_\_\_\_),  
Name(s) of Signer(s)

proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Signature Melinda Giannino  
Signature of Notary Public

*Seal*  
 Place Notary Seal Above

**OPTIONAL**

*Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.*

**Description of Attached Document**

Title or Type of Document: \_\_\_\_\_ Document Date: \_\_\_\_\_

Number of Pages: \_\_\_\_\_ Signer(s) Other Than Named Above: \_\_\_\_\_

CROWN CAPITAL SECURITIES, L.P.

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**Bates  
Coughtry  
Reiss  
LLP**

Serving Growing  
Companies Since 1967

David L. Bates  
Wayne R. Coughtry  
(1936 - 1997)  
Stephen P. Janowicz\*  
Kenneth J. Lickhus\*  
Jeffrey P. Reiss

.....  
Brian D. Bates  
Steve Bertolucci  
Robyn R. Bjorklund  
Kathy Evans  
Lori Henderson  
Debra L. Howe  
Shawn B. LaBurn  
Louis H. Lopez  
Judith A. Pappe  
(1946 - 2005)

\*Professional Corporation

**Report of Independent Registered Public Accounting Firm**

**To the Partners and Management  
of Crown Capital Securities, L.P.**

**We have audited the accompanying statement of financial condition of Crown Capital Securities, L.P. (a Delaware Limited Partnership) as of December 31, 2015 and the related statements of income, changes in partners' capital, and cash flows for the year then ended that are filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934, and the related notes to the financial statements and supplementary information. Crown Capital Securities', L.P. management is responsible for these financial statements. Our responsibility is to express an opinion on these financial statements 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 financial statements are free of material misstatement. The Partnership 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 Partnership'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 financial statements, 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 Crown Capital Securities, L.P. as of December 31, 2015, 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.**

**The supplemental information contained in Schedules I, II, III, IV and V has been subjected to audit procedures performed in conjunction with the audit of Crown Capital Securities, L.P.'s financial statements. The supplemental information is the responsibility of Crown Capital Securities', L.P. management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with Rule 17a-5 of the Securities Exchange Act of 1934. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.**

*Bates Coughtry Reiss LLP*

**Brea, California  
February 25, 2016**

**CROWN CAPITAL SECURITIES, L.P.**  
**STATEMENT OF FINANCIAL CONDITION**  
December 31, 2015

ASSETS

**CURRENT ASSETS:**

Cash & cash equivalents	\$ 4,707,441
Commissions receivable	2,342,161
Prepaid Commissions	48,404
Prepaid insurance	<u>151,243</u>
Total current assets	7,249,249

Property & equipment, net of \$4,000 accumulated depreciation 32,000

**OTHER ASSETS:**

Commission advance	2,000
Deposit - Pershing, LLC	50,000
Deposit - National Financial Services, LLC	25,000
Deposits - Other	7,994
Investments	<u>226</u>

Total assets \$ 7,366,469

LIABILITIES AND PARTNERS' CAPITAL

**CURRENT LIABILITIES:**

Commissions payable	\$ 2,857,586
Accrued expenses	<u>599,285</u>
Total current liabilities	3,456,871

**OTHER LIABILITIES**

Conference deposits	225,882
Deferred Revenue	53,782
Contingency reserve	<u>160,277</u>
Total liabilities	<u>3,896,812</u>

**COMMITMENTS**

**PARTNERS' CAPITAL**

3,469,657

Total liabilities and partners' capital \$ 7,366,469

The accompanying notes are an integral part of the financial statements.

**CROWN CAPITAL SECURITIES, L.P.**  
**STATEMENT OF INCOME**  
**As of December 31, 2015**

<b>REVENUE:</b>	
TSA and Variable annuities	\$ 13,503,730
Mutual funds & 12B-1	7,326,631
RIA and asset management	10,695,896
Limited partnerships	7,183,585
Securities	1,775,076
Marketing fees	200,595
Reimbursements - insurance	1,087,202
Reimbursements - net exchange	71,253
Reimbursements - albridge	107,855
Other Income	94,742
Interest income	296
Total revenue	<u>42,046,861</u>
<b>EXPENSES:</b>	
Automobile expenses	27,475
Advertising, printing & postage	120,673
Bank charges	6,297
Commission expense	35,365,498
Contract service fees - personnel	2,199,478
Contract service fees - facilities & equipment	327,975
Conferences and seminars	127,374
Computer services	257,658
Computer image processing	29,344
Dues and subscriptions	305,980
Insurance -various	847,170
Interest	16,889
Office supplies and expenses	85,694
Penalties	30,285
Professional fees	591,234
Recruitment	14,751
Tax, license and permits	445,449
Travel, meals and entertainment	64,875
Settlements & contingencies	305,114
Total expenses	<u>41,169,213</u>
<b>NET INCOME</b>	<u>\$ 877,648</u>

The accompanying notes are an integral part of the financial statements.



**CROWN CAPITAL SECURITIES, L.P.**  
**STATEMENT OF CHANGES IN PARTNERS' CAPITAL**  
**As of December 31, 2015**

	<u>General Partner</u>	<u>Limited Partners</u>	<u>Total</u>
Beginning Partners' Capital	\$ 2,392,914	\$ 1,161,095	\$ 3,554,009
Net Income	590,920	286,728	877,648
Distributions from prior year earnings to Partners	<u>(647,715)</u>	<u>(314,285)</u>	<u>(962,000)</u>
Ending Balance at December 31, 2015	<u>\$ 2,336,119</u>	<u>\$ 1,133,538</u>	<u>\$ 3,469,657</u>

The accompanying notes are an integral part of the financial statements.

**CROWN CAPITAL SECURITIES, L.P.**  
**STATEMENT OF CASH FLOWS**  
**for the Year Ended December 31, 2015**  
**Increase (Decrease) in Cash and Cash Equivalents**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Net income \$ 877,648

**Adjustments to reconcile net income to net cash provided by operating activities:**

Contingency reduction provision \$ (474,642)  
 Depreciation Expense 4,000

**Changes in operating assets and liabilities:**

Decrease in commissions receivable 492,119  
 Increase in prepaid commissions (48,404)  
 Increase in prepaid expenses (20,865)  
 Decrease in other receivable 65,415  
 Decrease in deposits 16  
 Increase in accrued expenses 430,999  
 Decrease in commissions payable (550,522)  
 Increase in conference deposits 113,326  
 Increase in deferred revenue 53,782

Total adjustments 65,224

Net cash provided by operating activities 942,872

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Capital Expenditures (36,000)

Net cash used for investment activities (36,000)

**CASH FLOWS FROM FINANCING ACTIVITIES:**

Distributions of prior year earnings to partners' (962,000)

Net cash used for financing activities (962,000)

Net Decrease in Cash and Cash Equivalents (55,128)

Cash and Cash Equivalents at Beginning of Year 4,762,569

Cash and Cash Equivalents at End of Year \$ 4,707,441

The accompanying notes are an integral part to the financial statements.

CROWN CAPITAL SECURITIES, L.P.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2015

**NOTE 1 – NATURE OF OPERATIONS and SIGNIFICANT ACCOUNTING POLICIES**

- A. Crown Capital Securities, L.P., (the "Partnership") was formed on January 4, 1999 in the State of Delaware. Effective June 1, 1999, the Partnership purchased the broker-dealer license from Eric Equities, Inc. The Partnership is a licensed Broker-Dealer and is also a Registered Investment Advisor with the Securities and Exchange Commission ("SEC"). The Partnership is a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC").

The Partnership operates as an introducing (non-carrying) broker-dealer that clears customers' securities transactions with clearing broker-dealers Pershing, LLC or National Financial Services, LLC on a fully disclosed basis. The clearing broker-dealers carry the customers' accounts and maintain records pertaining thereto. The Partnership also maintains business relations with various Mutual Funds and Insurance Companies. The Partnership provides advisory fee services and hosts seminars and conferences. As of December 31, 2015 the Partnership is registered in fifty states and in Washington, D.C. and has independent registered representatives throughout the United States.

- B. The Partnership has entered into an expense reimbursement service agreement with Consolidated Brokerage Services, Inc. (a California corporation), where Consolidated Brokerage Services, Inc. provides professional and administrative personnel and various office services for the Partnership. In addition to the expense reimbursements, the Partnership pays a monthly processing fee to Consolidated Brokerage Services, Inc., as indicated in Note 6.
- C. 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.
- D. All transactions are recorded using the accrual method of accounting.
- E. Management has reviewed the December 31, 2015 commission receivable balance of \$2,342,161. All significant receivables have been collected within 45 days following the close of the year. As such, no allowance for bad debts has been included in the financial statements. Approximately \$21,749 of the commissions receivable as of December 31, 2015 were held in various brokerage escrow accounts with Pershing LLC and NFS LLC which serves as the Partnership's clearing broker-dealers for securities and which maintain custodial accounts of the Partnership's customers.
- F. Commissions are reflected as income when earned on a trade-date basis and commissions due to broker-dealer sales representatives are recorded as an expense on that same basis. Payments received in advance for services to be performed in a subsequent period are recorded as deferred revenue until earned.
- G. Advertising costs are expensed as incurred. Advertising expense for the year ended December 31, 2015 is \$48,461.
- H. The Statement of Cash Flows is prepared on the cash and cash equivalent basis using the indirect method. For purposes of the Statement of Cash Flows, the Partnership considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

CROWN CAPITAL SECURITIES, L.P.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2015

**NOTE 1 – NATURE OF OPERATIONS and SIGNIFICANT ACCOUNTING POLICIES (continued)**

- I. The Partnership's financial instruments are cash and cash equivalents, commissions receivable, and commissions payable which approximate their estimated fair values based on their short-term nature.
- J. Property and equipment is stated at cost, net of accumulated depreciation. Current property consists of capitalized website application costs. The current year depreciation was \$4,000 calculated using the straight-line method over the estimated useful life of three years beginning with the date the website became operational.
- K. The Partnership's investment's recorded value of \$226 has been reported at cost basis which approximates its estimated fair value as of December 31, 2015.
- L. The Partnership implements FASB ASC 740, Income Taxes (formerly SFAS Financial Interpretation No. 48, Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109), which changes the framework for accounting for uncertainty in income taxes. Management has considered its tax positions and believes that the positions taken by the Partnership are more-likely-than-not to be sustained upon examination.

The federal and state income tax returns of the Partnership are subject to examination by the IRS for three years after the tax returns are filed and for state authorities the examination period is four year after the tax returns are filed. The Partnership is no longer subject to a federal examination for the years before 2011 and for state examination for the years before 2010.

All material tax effects of the Partnership's income or loss are passed through to the partners individually.

- M. The Partnership's management has evaluated subsequent events through February 25, 2016, the date that the financial statements were available to be issued.

**NOTE 2 – CASH AND CASH EQUIVALENTS**

As of December 31, 2015 cash and cash equivalents consist of:

Cash in Union Bank of California	\$ 4,707,441
Certificates of Deposit: None	-
Total	<u>\$ 4,707,441</u>

**NOTE 3 – CONFERENCE DEPOSITS**

The net conference deposits of \$225,882 at December 31, 2015 are for attendance fees received for participation in Crown Capital Securities, L.P.'s Marketing Programs that are scheduled to be held during year 2016.

**NOTE 4 – REPURCHASE AGREEMENTS**

The Partnership acts as an agent in selling tax-sheltered annuities for certain insurance companies. In the event of cancellation of any tax-sheltered annuity contracts by the purchasers, the Partnership may incur a liability for return of unearned commissions. However, the number of cancellations experienced by the Partnership to date has been insignificant.

CROWN CAPITAL SECURITIES, L.P.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2015

**NOTE 5 – OPERATING LEASES**

The Partnership leases office space in Orange, California. The lease was amended in June 2014 and expires May 31, 2020. The Partnership also leases some office equipment through September 2015. The following is a schedule by years of the remaining future minimum lease obligation payments for the years ending December 2016 - \$214,103; 2017 - \$241,851; 2018 - \$250,449; 2019 \$259,622 and 2020 - \$107,760.

**NOTE 6 – RELATED PARTY TRANSACTIONS**

The Partnership is reimbursed by their registered representatives for insurance, and other third party online services. For the year ended December 31, 2015 the Partnership was reimbursed \$1,266,310.

Various administrative and office services for the Partnership are performed by Consolidated Brokerage Services, Inc. (CBS) pursuant to a service agreement that requires the monthly reimbursement of operating expenses and a monthly processing fee of \$7,500 to be paid by the Partnership. The individual that is the 100 percent owner of Consolidated Brokerage Services, Inc. also has an ownership interest in Delta Capital Holdings, LLC and Delta Broker Holding, LLC, which are the general and limited partners (respectively) of Crown Capital Securities, L.P. During the year ended December 31, 2015, the Partnership paid \$3,246,148 to Consolidated Brokerage Services, Inc. for the reimbursement of the various general and administrative expenses, and processing fees pursuant to the service agreement.

The Partnership records the service agreement payments by expense categories consisting of: personnel, facilities and equipment, and various other general and administrative expense categories.

The Partnership also has an affiliation agreement with Crown Capital Insurance Agency, L.L.C. (CCIA), where CCIA agrees to provide the Partnership with the exclusive use of the licenses that the Partnership reasonably requires to operate its business as a full-service broker/dealer and investment advisor. In consideration for CCIA providing the use of the licenses, the Partnership shall advance funds to or reimburse CCIA for any and all expenses CCIA incurs with obtaining or maintaining the licenses, or otherwise in connection with the licenses.

During the year ended December 31, 2015, the Partnership paid CCIA \$10,000 as reimbursement for expenses.

**NOTE 7 – STATEMENT OF CASH FLOWS**

**A. Supplemental disclosure of Cash Flow information:**

Cash paid during the year for:

Interest Expense – cash basis	\$ 13,001
State Income & Franchise Tax – cash basis	1,500

Supplemental schedule of noncash investing and financing activities: none.

CROWN CAPITAL SECURITIES, L.P.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2015

**NOTE 8 – CONCENTRATIONS OF CREDIT RISK**

Financial instruments, which potentially expose the Company to concentrations of credit risk, consist primarily of:

**A. Commissions Receivable**

Most of the Partnership's business activity of selling various types of registered securities and investments on a commission basis is done through regulated investment companies located nationwide.

**B. Cash Accounts**

The Partnership maintains its general non-interest earning cash account in Union Bank of California and periodically purchases various short term certificates of deposit from other banks through UnionBanc Investment Services, LLC. Insurance provisions of the Federal Deposit Insurance Corporation ("FDIC") is \$250,000 per account ownership category. As of December 31, 2015 the Partnership's general checking account, before outstanding items, had \$4,560,441 of in excess of the FDIC insurance limit.

**NOTE 9 – NET CAPITAL REQUIREMENTS**

The Partnership is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to allowable net capital, both as defined, shall not exceed 15 to 1. At December 31, 2015, the Partnership had net allowable capital of \$2,981,600 as computed in supplementary schedule I, which was \$2,721,813 in excess of its required minimum net capital of \$259,787. The required minimum net capital is the greater of \$50,000 or \$259,787 as computed at .0666667% of the \$3,896,812 aggregate liabilities indicated on the December 31, 2015 Statement of Financial Condition. The Partnership's liabilities to net capital ratio was 1.31 to 1.

**NOTE 10 – COMMITMENTS AND CONTINGENCIES**

As of December 31, 2015 the Partnership is named as a defendant in six arbitration proceedings and there are two pending complaints. Such matters arise in the course of business and it is common in the broker-dealer industry. The amount sought for compensatory damages, in the aggregate of the minimum range, approximates \$2,402,949 but does not include potential amounts for punitive damages, legal fees and other costs. The Partnership has established a *contingency reserve* of \$160,277 which consists of 6.667% of the aggregate minimum compensatory claims for damages.

FINRA, the Partnership's regulatory authority is investigating certain mutual fund transactions and fees in connection with two of the Partnership's Registered Representatives. FINRA may be considering taking disciplinary sanctions which may include levying fines. Since Management and legal counsel evaluation is unable to determine the outcome or potential fines, a loss contingency has not been accrued in the financial statements.

With regards to the aforementioned issues, the Partnership's management believes it has meritorious defenses and will be vigorously defending itself against the claims with their legal counsel proceeding accordingly. The Partnership maintains liability insurance, and in the event of any excess settlement balance, management expects to be covered by their Errors and Omissions ("E&O") insurance provider.

SUPPLEMENTARY INFORMATION

**CROWN CAPITAL SECURITIES, L.P.**  
**SUPPLEMENTAL SCHEDULES**  
**December 31, 2015**

**SCHEDULE I**

**Part 1 - Computation of net capital**

Total Partners' Capital, at December 31, 2015		\$ 3,469,657
Liabilities subordinated to claims of general creditors		<u>-</u>
Total capital and allowable subordinated liabilities		3,469,657
Less: non-allowable assets		
Commissions receivable, over 30 days and disallowed	\$ (227,365)	
Other receivables	(2,000)	
Property and equipment	(32,000)	
Prepaid insurance	(151,243)	
Prepaid commissions	(48,404)	
Deposits & Investments	<u>(8,220)</u>	
Total non-allowable assets		(469,232)
Less: haircuts and other deductions		
Fidelity bond deductible		<u>(18,825)</u>
Net Capital pursuant to Rule 15c3-1		\$ 2,981,600

**Part 2 - Computation of required minimum net capital**

Minimum net capital		
• 6 2/3 percent of aggregate indebtedness	\$ 259,787	
• Minimum dollar net capital required	<u>\$ 50,000</u>	
• Required Net Capital (greater of above)		\$ <u>259,787</u>
Excess Net Capital		\$ <u>2,721,813</u>
Aggregate indebtedness	\$ 3,896,812	
Ratio of aggregate indebtedness to net capital	1.31 to 1	

**SCHEDULE II – Exemption**

**Computation of the reserve requirement pursuant to Rule 15c3-3:**

The Partnership is exempt from any reserve computation requirements under the exemption provided for in Rule 15c3-3(k)(2)(ii).



**CROWN CAPITAL SECURITIES, L.P.**  
**SUPPLEMENTAL SCHEDULES**  
**December 31, 2015**

**SCHEDULE III - Exemption**

Relating to the possession or control requirements under Rule 15c3-3:

The Partnership clears all transactions with and for customers on a fully disclosed basis with a clearing broker or dealer, and promptly transmits all customer funds and securities to the clearing broker or dealer which carries all of the accounts of such customers and maintains and preserves such books and records pertaining thereto pursuant to the requirements of Rules 17a-3 and 17a-4, as are customarily made and kept by a clearing broker or dealer.

The Partnership is exempt from possession or control requirements under the exemption provided for in Rule 15c3-3(k)(2)(ii).

**SCHEDULE IV - Exemption**

Reconciliation of net capital to the reserve computation pursuant to Rule 17a5(d)(4):

The Partnership is exempt from any reserve requirements under Rule 15c3-3(k)(2)(ii). Accordingly, no computation or reconciliation is required.

**CROWN CAPITAL SECURITIES, L.P.**  
**SUPPLEMENTAL SCHEDULE V**  
**December 31, 2015**

**RECONCILIATION OF THE AUDITED NET CAPITAL TO UNAUDITED FOCUS REPORT**

	Partners' Capital	Non-Allowed Items	Net allowable Capital
Unaudited Fourth Quarter, Focus Report, 12/31/2015	\$ 3,494,216	\$ (403,847)	\$ 3,090,369
Subsequent Adjustments:			
Increase/(Decrease) in Revenue:	(884,371)	-	(884,371)
Decrease/(Increase) in Expenses:	859,812	-	859,812
(Increase)/Decrease in Assets:			
Prepaid Commission Expense - non-allowable	-	(48,404)	(48,404)
Commissions Receivable - non-allowable	-	(4,347)	(4,347)
Property and equipment	-		
Decrease/(Increase) in Other Reductions:		(32,000)	(32,000)
Fidelity Bond Provision	-	541	541
<b>Net Capital, 12/31/15</b>	<u><u>\$ 3,469,657</u></u>	<u><u>\$ (488,057)</u></u>	<u><u>\$ 2,981,600</u></u>

**Bates  
Coughtry  
Reiss  
LLP**

Serving Growing  
Companies Since 1967

David L. Bates  
Wayne R. Coughtry  
(1936 - 1997)  
Stephen P. Janowicz\*  
Kenneth J. Liekhus\*  
Jeffrey P. Reiss

.....  
Brian D. Bates  
Steve Bertolucci  
Robyn R. Bjorklund  
Kathy Evans  
Lori Henderson  
Debra L. Howe  
Shawn B. LaBurn  
Louis H. Lopez  
Judith A. Pappe  
(1946 - 2005)

\*Professional Corporation

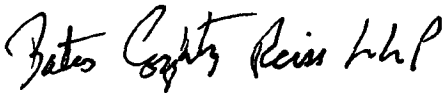
**Report of Independent Registered Public Accounting Firm**

**To the Partners and Management  
of Crown Capital Securities, L.P.**

We have reviewed management's statements, included in the accompanying **Management's Exemption Report – Pursuant to Paragraph (d)(4) of SEC Rule 17a-5**, for the year ended December 31, 2015 in which (1) Crown Capital Securities, L.P. identified the following provisions of 17 C.F.R. §15c3-3(k) under which Crown Capital Securities, L.P. claimed an exemption from 17 C.F.R. §240.15c3-3:(k)(2)(ii) (the "exemption provisions") and (2) Crown Capital Securities, L.P. management stated that Crown Capital Securities, L.P. met the identified exemption provisions throughout the most recent fiscal year without exception. Crown Capital Securities', L.P. 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 Crown Capital Securities, L.P. 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.



Brea, California  
February 25, 2016



**CROWN  
CAPITAL**  
SECURITIES, L.P.

Management's Exemption Report – Pursuant to Paragraph (d)(4) of SEC Rule 17a-5

The Management of Crown Capital Securities, L.P. ("the Partnership") is responsible for compliance with the reporting requirements under Rule 17a-5 of the Securities Exchange Act of 1934, as amended and effective June 1, 2014 and thereafter, for certain broker-dealers' annual reporting.

This report is for the Partnership's most recent fiscal year ended December 31, 2015.

I, Darol K. Paulsen, to the best of my knowledge and belief make these assertions regarding the exemption provision as follows:

Identified Exemption Provision:

The Partnership claims exemption from the requirements of Rule 15c3-3 [17 CFR 240.15c3-3] of the Securities and Exchange Commission under paragraph (k)(2)(ii) [17 CFR 240.15c3-3(k)(2)(ii)].

Definition: (k)(2)(ii) Exemption – Applies to broker-dealers who, as introducing broker-dealers, clear all customer transactions on a fully-disclosed basis with a clearing broker-dealer, and who promptly transmit all customer funds and securities to such clearing broker-dealer. In these arrangements, the clearing broker-dealer carries all of the customer accounts of the introducing broker-dealer and maintains and preserves such books and records related to customer accounts as required by SEC Rules 17a-3 and 17a-4.

Statement Regarding Meeting Exemption Provision:

To the best of my knowledge and belief the Partnership is therefore exempt from rule 15c3-3 because it met the exemption requirement to Rule 15c3-3 [17 CFR 240.15c3-3] of the Securities and Exchange Commission, under paragraph (k)(2)(ii) [17 CFR 240.15c3-3(k)(2)(ii)], throughout the Partnership's most recent fiscal year ended December 31, 2015 without exception.

Crown Capital Securities, L.P.

  
Darol K. Paulsen, Chief Executive Officer

February 23, 2016

**Bates  
Coughtry  
Reiss  
LLP**

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**Independent Accountants' Agreed-Upon Procedures Report on a  
Payments Schedule of Assessment (Form SIPC - 7)**

**To the Partners and Management  
of Crown Capital Securities, L.P.**

David L. Bates  
Wayne R. Coughtry  
(1936 - 1997)  
Stephen P. Janowicz\*  
Kenneth J. Liekhus®  
Jeffrey P. Reiss

.....  
Brian D. Bates  
Steve Bertolucci  
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(1946 - 2005)

\*Professional Corporation

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying Schedule of Assessment and Payments [General Assessment Reconciliation (Form SIPC-7)] to the Securities Investor Protection Corporation (SIPC), for the year ended December 31, 2015, which were agreed to by Crown Capital Securities, L.P. and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., and SIPC solely to assist you and the other specified parties in evaluating Crown Capital Securities, L.P.'s compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). Crown Capital Securities, L.P.'s management is responsible for Crown Capital Securities, L.P.'s compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our findings are as follows:

1. Compared the listed assessment payments in Form SIPC-7, which you prepared, with the respective cash disbursements records entries in the Partnership's "Cash in Bank" Check Register and referenced as check #9178 in the amount of \$24,538 noting no differences;
2. Compared the revenue amounts reported on the audited Form X-17A-5 for the year ended December 31, 2015, as applicable with subsequent adjustments, with the amounts reported in Form SIPC-7 for the year ended December 31, 2015 noting no differences.
3. Compared adjustments/deductions reported in Form SIPC-7 with supporting schedules and working papers consisting of the Profit and Loss Report for December 31, 2015 noting no differences;
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers by comparing amounts shown on the audited Profit and Loss Reports for the year ended December 31, 2015 and also noted the July 28, 2015 check #8815 payment of \$28,504 made with Form SIPC-6 which supports the adjustment made on Line 2B of Form SIPC-7; and
5. Compared the amount of any overpayment applied, which was \$ -0-, to the current assessment with the Form SPIC-7 on which it was originally computed, noting no differences.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

*Beta Loyalty Revis LLP*

Brea, California  
February 25, 2016

**SIPC-7**

(33-REV 7/10)

SECURITIES INVESTOR PROTECTION CORPORATION  
P.O. Box 92185 Washington, D.C. 20090-2185  
202-371-8300

**General Assessment Reconciliation**

**SIPC-7**

(33-REV 7/10)

For the fiscal year ended 12/31/2015

(Read carefully the instructions in your Working Copy before completing this Form)

**TO BE FILED BY ALL SIPC MEMBERS WITH FISCAL YEAR ENDINGS**

1. Name of Member, address, Designated Examining Authority, 1934 Act registration no. and month in which fiscal year ends for purposes of the audit requirement of SEC Rule 17a-5:

22\*22\*\*\*\*\*3243\*\*\*\*\*MIXED AADC 220  
017264 FINRA DEC  
CROWN CAPITAL SECURITIES LP  
725 W TOWN AND COUNTRY RD STE 530  
ORANGE CA 92868-4728

Note: If any of the information shown on the mailing label requires correction, please e-mail any corrections to form@sipc.org and so indicate on the form filed.

Name and telephone number of person to contact respecting this form.

- 2. A. General Assessment (item 2e from page 2) \$ 53042
- B. Less payment made with SIPC-6 filed (exclude interest) ( 28504 )  
7-15-15  
Date Paid
- C. Less prior overpayment applied ( \_\_\_\_\_ )
- D. Assessment balance due or (overpayment) 24538
- E. Interest computed on late payment (see instruction E) for \_\_\_\_\_ days at 20% per annum \_\_\_\_\_
- F. Total assessment balance and interest due (or overpayment carried forward) \$ \_\_\_\_\_
- G. PAID WITH THIS FORM:  
Check enclosed, payable to SIPC  
Total (must be same as F above) \$ 24538
- H. Overpayment carried forward \$( \_\_\_\_\_ )

3. Subsidiaries (S) and predecessors (P) included in this form (give name and 1934 Act registration number):

The SIPC member submitting this form and the person by whom it is executed represent thereby that all information contained herein is true, correct and complete.

Crown Capital Securities LP

(Name of Corporation, Partnership or other organization)

(Authorized Signature)

Dated the 23 day of Feb, 2016.

CEO

(Title)

This form and the assessment payment is due 60 days after the end of the fiscal year. Retain the Working Copy of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.

**SIPC REVIEWER**

Dates:                      Postmarked                      Received                      Reviewed                     

Calculations                      Documentation                      Forward Copy                     

Exceptions:

Disposition of exceptions:

**DETERMINATION OF "SIPC NET OPERATING REVENUES"  
AND GENERAL ASSESSMENT**

Amounts for the fiscal period  
beginning 1/1/2015  
and ending 12/31/2015

Item No.	Eliminate cents
2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)	\$ <u>42046861</u>
2b. Additions:	
(1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above.	_____
(2) Net loss from principal transactions in securities in trading accounts.	_____
(3) Net loss from principal transactions in commodities in trading accounts.	_____
(4) Interest and dividend expense deducted in determining item 2a.	_____
(5) Net loss from management of or participation in the underwriting or distribution of securities.	_____
(6) Expenses other than advertising, printing, registration fees and legal fees deducted in determining net profit from management of or participation in underwriting or distribution of securities.	_____
(7) Net loss from securities in investment accounts.	_____
Total additions	<u>42046861</u>
2c. Deductions:	
(1) Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, from the business of insurance, from investment advisory services rendered to registered investment companies or insurance company separate accounts, and from transactions in security futures products.	<u>20830362</u>
(2) Revenues from commodity transactions.	_____
(3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.	_____
(4) Reimbursements for postage in connection with proxy solicitation.	_____
(5) Net gain from securities in investment accounts.	_____
(6) 100% of commissions and markups earned from transactions in (i) certificates of deposit and (ii) Treasury bills, bankers acceptances or commercial paper that mature nine months or less from issuance date.	_____
(7) Direct expenses of printing advertising and legal fees incurred in connection with other revenue related to the securities business (revenue defined by Section 16(9)(L) of the Act).	_____
(8) Other revenue not related either directly or indirectly to the securities business. (See instruction C):	_____
(Deductions in excess of \$100,000 require documentation)	_____
(9) (i) Total interest and dividend expense (FOCUS Line 22/PART IIA Line 13, Code 4075 plus line 2b(4) above) but not in excess of total interest and dividend income.	\$ _____
(ii) 40% of margin interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960).	\$ _____
Enter the greater of line (i) or (ii)	_____
Total deductions	<u>20830362</u>
2d. SIPC Net Operating Revenues	<u>\$ 21216499</u>
2e. General Assessment @ .0025	<u>\$ 53042</u>
	(to page 1, line 2.A.)