

**BWK TRINITY CAPITAL SECURITIES, LLC**

**FINANCIAL STATEMENTS AND  
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM  
PURSUANT TO RULE 17A-5**

**DECEMBER 31, 2016  
(CONFIDENTIAL)**

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

OMB APPROVAL

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

SEC File Number  
8-65334

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 1/1/16 and ending 12/31/16

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:  
BWK Trinity Capital Securities, LLC

Official Use Only

Firm ID No.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS (Do not use P.O. Box No.):  
11755 Wilshire Blvd., Suite 2450

(No. and Street)

Los Angeles

(City)

CA

(State)

90025

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS  
REPORT: Kevin Burke (310) 268-8330

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*  
DeMarco Sciacotta Wilkens & Dunleavy, LLP

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

9645 Lincolnway Lane, Suite #214A

(No. and Street)

Frankfort

(City)

Illinois

(State)

60423

(Zip Code)

CHECK ONE:

- ☒ Certified Public Accountant  
☐ Public Accountant  
☐ Accountant, not resident in United States or any of its possessions

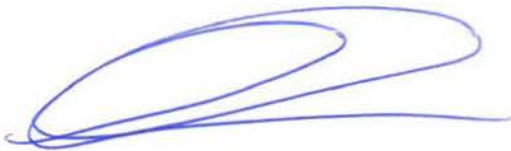
FOR OFFICAL USE ONLY

\*Claims for exemption from the requirement that the annual report 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)

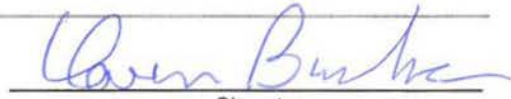
## OATH OR AFFIRMATION

I, **Kevin Burke**, swear (or affirm) that, to the best of my knowledge and belief, the accompanying financial statement and supporting schedules pertaining to the firm of BWK Trinity Capital Securities LLC, as of December 31, 2016, 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.

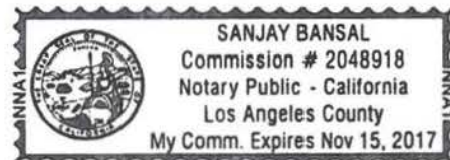


Notary Public



Signature

Managing Director, CCO  
Title



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

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Cash Flows.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c-3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c-3-3.
- ☐ (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 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) Exemption Report

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

**BWK TRINITY CAPITAL SECURITIES, LLC**

**December 31, 2016**

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II - Computation for Determination of Reserve Requirements under Rule 15c3-3

III - Information Relating to Possession or Control Requirements under Rule 15c3-3

Report of Independent Registered Public Accounting Firm

- Exemption Report



## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Member of  
BWK Trinity Capital Securities, LLC

We have audited the accompanying financial statements of BWK Trinity Capital Securities, LLC (the Company), which comprise the statement of financial condition as of December 31, 2016, and the related statements of operations and changes in member's equity 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. The Company's 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 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 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 BWK Trinity Capital Securities, LLC as of December 31, 2016, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

As discussed in Notes 1 and 2 to the financial statements, the Company is economically dependent on its Parent. Our opinion is not modified with respect to that matter.

The Supplementary Information has been subjected to audit procedures performed in conjunction with the audit of BWK Trinity Capital Securities, LLC's financial statements. The Supplementary Information is the responsibility of BWK Trinity Capital Securities, LLC's management. Our audit procedures included determining whether the Supplementary 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 Supplementary Information. In forming our opinion on the Supplementary Information, we evaluated whether the Supplementary 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 Supplementary Information is fairly stated, in all material respects, in relation to the financial statements as a whole.

*DeMarco Sciacotta Wilkens & Dunleavy LLP*

Frankfort, Illinois  
February 14, 2017

BWK TRINITY CAPITAL SECURITIES, LLC

STATEMENT OF FINANCIAL CONDITION  
DECEMBER 31, 2016

ASSETS

Cash	\$ 14,005
Prepaid Expenses	<u>3,195</u>
Total Assets	<u>\$ 17,200</u>

LIABILITIES AND MEMBER'S EQUITY

Liabilities:	
Accounts Payable and Accrued Expenses	\$ 1,500
Member's Equity	<u>15,700</u>
Total Liabilities and Member's Equity	<u>\$ 17,200</u>

The accompanying notes are an integral part of these financial statements

BWK TRINITY CAPITAL SECURITIES, LLC

STATEMENT OF OPERATIONS AND CHANGES IN MEMBER'S EQUITY  
YEAR ENDED DECEMBER 31, 2016

Revenues - Investment Banking Fees	<u>\$ -</u>
Operating Expenses:	
Professional And Consulting Fees	24,331
Regulatory Fees	6,733
Management Fee	6,000
Other Operating Expenses	<u>1,782</u>
Total Operating Expenses	<u>38,846</u>
Net Loss	(38,846)
Member's Equity, Beginning Of Year	19,546
Contributions From Member	<u>35,000</u>
Member's Equity, End Of Year	<u><u>\$ 15,700</u></u>

The accompanying notes are an integral part of these financial statements

BWK TRINITY CAPITAL SECURITIES, LLC

STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2016

Cash Flows from Operating Activities:	
Net Loss	\$ (38,846)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:	
Adjustments:	
Decrease in Prepaid Expenses	2,344
Decrease in Accounts Payable and Accrued Expenses	<u>(1,460)</u>
Net Cash (Used) in Operating Activities	<u>(37,962)</u>
Financing Activities:	
Member Contribution	<u>35,000</u>
Net Cash Provided by Financing Activities	<u>35,000</u>
Net Decrease in Cash	(2,962)
Cash, Beginning of Year	<u>16,967</u>
Cash, End of Year	<u><u>\$ 14,005</u></u>

The accompanying notes are an integral part of these financial statements



# **BWK TRINITY CAPITAL SECURITIES, LLC**

## **NOTES TO FINANCIAL STATEMENTS**

**Year Ended December 31, 2016**

### **Note 1 - Organization and summary of significant accounting policies**

#### **Organization and business activity**

BWK Trinity Capital Securities, LLC (the "Company") was organized in the State of Delaware on March 14, 2002. The Company is a broker-dealer registered with the Securities and Exchange Commission (the "SEC") and is a member of the Financial Industry Regulatory Authority, Inc ("FINRA"). The Company is a single member limited liability company, wholly-owned by Trinity Capital, LLC ("Member").

The Company provides brokerage services in connection with the private placement of securities and is reimbursed for the related direct expenses it incurs. The Company is exempt from the provisions of rule 15c3-3 under the Securities Exchange Act of 1934, in that the Company's activities are limited to those set forth in the conditions for exemption appearing in paragraph (k)(2)(i) of the rule. The Company has not entered into an agreement with a clearing broker as of December 31, 2016 and, accordingly, the Company has not carried customer accounts, taken custody of securities or extended margin credit to its customers.

As a limited liability company, the member's liability is limited based on relevant state law.

The accompanying financial statements have been prepared from the separate records maintained by the Company and, due to certain transactions and agreements with affiliated entities, may not necessarily be indicative of the financial condition that would have existed or the results that would have been obtained from operations had the Company operated as an unaffiliated entity.

The Company's cash is on deposit at one financial institution and the balance at times may exceed the federally insured limit. The Company believes it is not exposed to any significant credit risk to cash.

#### **Use of estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### **Revenue recognition**

Financial advisory fees are recognized during the period in which services are rendered. Investment banking fees are contingent on, and are recognized upon, the successful completion of a project. Warrants received for services rendered are recognized at fair value when received or later to the extent services have not yet been completed. Compensation received from customer agreements not currently earned are reported as deferred revenue. Investment banking and financial advisory fees are generated from services related to a limited number of transactions. Due to the nature of the Company's business, the size of any one transaction may be significant to the Company's operations for the period.

#### **Income taxes**

The Company is a limited liability company and is classified as a disregarded entity for federal income tax purposes. The Company's profits and losses are reportable by the member on its income tax return. As a single member limited liability company, the Company files no income tax returns, except for the State of California. Accordingly, no provision for income taxes has been reflected in the financial statements.

# **BWK TRINITY CAPITAL SECURITIES, LLC**

## **NOTES TO FINANCIAL STATEMENTS**

**Year Ended December 31, 2016**

The Member is no longer subject to examination by tax authorities for federal, state or local income taxes for periods before 2013. The Company accounts for any potential interest or penalties related to possible future liabilities for unrecognized income tax benefits as other expenses.

### **Note 2 - Related-party transactions**

The Company's member performs business advisory services and has the ability to influence the costs allocated to the Company. During the year ended December 31, 2016, the Company was provided services by its member and some costs were incurred by the Company's member on its behalf. In accordance with the expense sharing agreement between the Company and its member, the Company is not charged for services provided by the member, and is released from any liability relating to costs incurred by the member on behalf of the Company. In accordance with the expense sharing agreement, the Company is charged a \$6,000 per year management fee, which is included on the statement of operations. The member may allocate expenses to the Company at its discretion.

### **Note 3 - Net capital requirements**

The Company is subject to the SEC 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. Rule 15c3-1 also provides that equity capital may not be withdrawn or cash distributions paid if the resulting net capital ratio would exceed 10 to 1. At December 31, 2016, the Company had net capital of \$12,505, which was \$7,505 in excess of the required net capital of \$5,000. The Company's aggregate indebtedness to net capital ratio was 0.12 to 1.

BWK TRINITY CAPITAL SECURITIES, LLC

SCHEDULE I  
COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1  
OF THE SECURITIES AND EXCHANGE COMMISSION  
DECEMBER 31, 2016

Net Capital:	
Member's Equity	\$ 15,700
Deduct Nonallowable Assets - Prepaid Expenses	<u>3,195</u>
Net Capital	<u>\$ 12,505</u>
Aggregate Indebtedness - Total Liabilities	<u>\$ 1,500</u>
Computation of Basic Net Capital Requirement:	
Minimum Net Capital Required (Greater of 6-2/3% of Aggregate Indebtedness or \$5,000 Minimum Dollar Net Capital Requirement)	<u>\$ 5,000</u>
Excess Net Capital Over Minimum Net Capital	<u>\$ 7,505</u>
Net Capital Less Greater Of 10% of Aggregate Indebtedness or 120% of \$5,000 Minimum Net Capital Required	<u>\$ 6,505</u>
Ratio of Aggregate Indebtedness to Net Capital	<u>0.12</u>

No material discrepancies exist between the above computation and the computation included in the Company's corresponding unaudited Form X-17A-5 Part IIA filing.

See Report of Independent Registered Public Accounting Firm.

**BWK TRINITY CAPITAL SECURITIES, LLC**

**SCHEDULE II  
COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS  
UNDER RULE 15c-3-3  
FOR THE YEAR ENDED DECEMBER 31, 2016**

The Company is exempt from the Reserve Requirements according to the provisions of Rule 15c3-3(k)(2)(i).

See Report of Independent Registered Public Accounting Firm.

**BWK TRINITY CAPITAL SECURITIES, LLC**

**SCHEDULE III  
INFORMATION RELATING TO POSSESSION OR CONTROL  
REQUIREMENTS UNDER RULE 15c3-3  
FOR THE YEAR ENDED DECEMBER 31, 2016**

The Company is exempt from Rule 15c3-3 as it relates to Possession or Control requirements under the 15c3-3(k)(2)(i) exemptive provision.

See Report of Independent Registered Public Accounting Firm.



## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To Member of  
BWK Trinity Capital Securities, LLC

We have reviewed management's statements, included in the accompanying exemption report, in which (1) BWK Trinity Capital Securities, LLC identified the following provisions of 17 C.F.R. section 15c3-3(k) under which BWK Trinity Capital Securities, LLC claims an exemption from 17 C.F.R. section 240.15c3-3(k)(2)(i) (the "exemption provisions") and (2) BWK Trinity Capital Securities, LLC stated that BWK Trinity Capital Securities, LLC met the identified exemption provisions throughout the year ended December 31, 2016 without exception. BWK Trinity Capital Securities, LLC'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 BWK Trinity Capital Securities, LLC'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 assertions; 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)(i) of Rule 15c3-3 under the Securities Exchange Act of 1934.

*DeMarco Sciacotta Wilkens & Dunleavy LLP*

Frankfort, Illinois  
February 14, 2017

**BWK Trinity Capital Securities, LLC's Exemption Report**

BWK Trinity 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 17 C.F.R. §240.17a-5(d)(1) and (4). To the best of its knowledge and belief, the Company states the following:

The Company is exempt from 17 C.F.R. §240.15c3-3 under section (k)(2)(i) of the rule. The Company has met the identified exemption provisions throughout the most recent fiscal year ended December 31, 2016, without exception. The Company does not carry customer margin accounts nor does it hold customer funds or securities.

BWK Trinity Capital Securities, LLC

I, Kevin T. Burke, swear (or affirm) that, to the best knowledge and belief, this Exemption Report is true and correct.

By:



Title: Managing Director

February 14, 2017