

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

ANNUAL REPORTS  
FORM X-17A-5  
PART III

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Information Required Pursuant to Rules 17a-5, 17a-12, and 18a-7 under the Securities Exchange Act of 1934

FILING FOR THE PERIOD BEGINNING 07/01/2022 AND ENDING 06/30/2023  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF FIRM: Harken Capital Securities, LLC

TYPE OF REGISTRANT (check all applicable boxes):

- ☒ Broker-dealer ☐ Security-based swap dealer ☐ Major security-based swap participant  
☐ Check here if respondent is also an OTC derivatives dealer

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use a P.O. box no.)

16 Ann Vinal Road

(No. and Street)

Scituate

MA

02066

(City)

(State)

(Zip Code)

PERSON TO CONTACT WITH REGARD TO THIS FILING

Donald Nelson

617-899-2048

don@harkencapital.com

(Name)

(Area Code – Telephone Number)

(Email Address)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose reports are contained in this filing\*

Larry D. Liberfarb, P.C.

(Name – if individual, state last, first, and middle name)

11 Vanderbilt Avenue, Suite 220 Norwood

MA

02062

(Address)

(City)

(State)

(Zip Code)

01/10/2006

2560

(Date of Registration with PCAOB)(if applicable)

(PCAOB Registration Number, if applicable)

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\* Claims for exemption from the requirement that the annual reports be covered by the reports of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis of the exemption. See 17 CFR 240.17a-5(e)(1)(ii), if applicable.

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, Donald Nelson, swear (or affirm) that, to the best of my knowledge and belief, the financial report pertaining to the firm of Harken Capital Securities, LLC, as of 6/30, 2023, is true and correct. I further swear (or affirm) that neither the company nor any partner, officer, director, or equivalent person, as the case may be, has any proprietary interest in any account classified solely as that of a customer.

State of: Massachusetts

County of: Norfolk

The foregoing document was acknowledged

before me 22 day of Oct, 2023

Signature: [Signature]

Title: Managing Director, CEO

[Signature]  
Notary Public

Syed Zaidi, Notary Public

My Commission Expires 06/15/29

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

- ☒ (a) Statement of financial condition.
- ☐ (b) Notes to consolidated statement of financial condition.
- ☒ (c) Statement of income (loss) or, if there is other comprehensive income in the period(s) presented, a statement of comprehensive income (as defined in § 210.1-02 of Regulation S-X).
- ☒ (d) Statement of cash flows.
- ☒ (e) Statement of changes in stockholders' or partners' or sole proprietor's equity.
- ☐ (f) Statement of changes in liabilities subordinated to claims of creditors.
- ☒ (g) Notes to consolidated financial statements.
- ☒ (h) Computation of net capital under 17 CFR 240.15c3-1 or 17 CFR 240.18a-1, as applicable.
- ☐ (i) Computation of tangible net worth under 17 CFR 240.18a-2.
- ☐ (j) Computation for determination of customer reserve requirements pursuant to Exhibit A to 17 CFR 240.15c3-3.
- ☐ (k) Computation for determination of security-based swap reserve requirements pursuant to Exhibit B to 17 CFR 240.15c3-3 or Exhibit A to 17 CFR 240.18a-4, as applicable.
- ☐ (l) Computation for Determination of PAB Requirements under Exhibit A to § 240.15c3-3.
- ☐ (m) Information relating to possession or control requirements for customers under 17 CFR 240.15c3-3.
- ☐ (n) Information relating to possession or control requirements for security-based swap customers under 17 CFR 240.15c3-3(p)(2) or 17 CFR 240.18a-4, as applicable.
- ☒ (o) Reconciliations, including appropriate explanations, of the FOCUS Report with computation of net capital or tangible net worth under 17 CFR 240.15c3-1, 17 CFR 240.18a-1, or 17 CFR 240.18a-2, as applicable, and the reserve requirements under 17 CFR 240.15c3-3 or 17 CFR 240.18a-4, as applicable, if material differences exist, or a statement that no material differences exist.
- ☐ (p) Summary of financial data for subsidiaries not consolidated in the statement of financial condition.
- ☒ (q) Oath or affirmation in accordance with 17 CFR 240.17a-5, 17 CFR 240.17a-12, or 17 CFR 240.18a-7, as applicable.
- ☐ (r) Compliance report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☒ (s) Exemption report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☐ (t) Independent public accountant's report based on an examination of the statement of financial condition.
- ☒ (u) Independent public accountant's report based on an examination of the financial report or financial statements under 17 CFR 240.17a-5, 17 CFR 240.18a-7, or 17 CFR 240.17a-12, as applicable.
- ☐ (v) Independent public accountant's report based on an examination of certain statements in the compliance report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☒ (w) Independent public accountant's report based on a review of the exemption report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☐ (x) Supplemental reports on applying agreed-upon procedures, in accordance with 17 CFR 240.15c3-1e or 17 CFR 240.17a-12, as applicable.
- ☐ (y) Report describing any material inadequacies found to exist or found to have existed since the date of the previous audit, or a statement that no material inadequacies exist, under 17 CFR 240.17a-12(k).
- ☐ (z) Other: \_\_\_\_\_

\*\*To request confidential treatment of certain portions of this filing, see 17 CFR 240.17a-5(e)(3) or 17 CFR 240.18a-7(d)(2), as applicable.

**HARKEN CAPITAL SECURITIES LLC**  
**REPORTS PURSUANT TO RULES 17a-5(d)**  
**YEAR ENDED JUNE 30, 2023**

# LARRY D. LIBERFARB, P.C.

CERTIFIED PUBLIC ACCOUNTANTS  
AND FINANCIAL ADVISORS

11 Vanderbilt Avenue, Suite 220, Norwood, Massachusetts 02062  
Tel. (781) 255-8800 Fax (781) 255-9217  
E-Mail: Info@Liberfarb.com

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Members of  
of Harken Capital Securities LLC

### **Opinion on the Financial Statements**

We have audited the accompanying statement of financial condition of Harken Capital Securities LLC as of June 30, 2023, the related statements of operations, changes in member's equity, and cash flows for the year then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of Harken Capital Securities LLC as of June 30, 2023, 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.

### **Basis for Opinion**

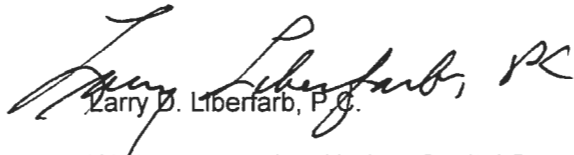
These financial statements are the responsibility of Harken Capital Securities LLC's management. Our responsibility is to express an opinion on Harken Capital Securities LLC's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to Harken Capital Securities LLC in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

### **Auditor's Report on Supplemental Information**

The computation of aggregate indebtedness and net capital pursuant to SEC Rule 15c3-1 and computation for determination of reserve and information relating to possession and control requirements for broker dealers under Rule 15c3-3 have been subjected to audit procedures performed in conjunction with the audit of Harken Capital Securities LLC's financial statements. The supplemental information is the responsibility of Harken Capital Securities LLC's 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 17 C.F.R. §240.17a-5. In our opinion, the computation of aggregate indebtedness and net capital pursuant to SEC Rule 15c3-1 and computation for determination of reserve

and information relating to possession and control requirements for broker dealers under Rule 15c3-3 is fairly stated, in all material respects, in relation to the financial statements as a whole.



Larry D. Liberfarb, P.C.

We have served as Harken Capital Securities LLC's auditor since 2012.

Norwood, Massachusetts

August 16, 2023

**HARKEN CAPITAL SECURITIES LLC**  
**STATEMENT OF FINANCIAL CONDITION**

**JUNE 30, 2023**

**ASSETS**

Cash	\$ 39,024
Receivables from non-customers	2,168,003
Other assets	<u>1,993</u>
<i><b>Total assets</b></i>	<u><b>\$ 2,209,020</b></u>

**LIABILITIES AND MEMBERS' EQUITY**

**LIABILITIES:**

Accounts payable and accrued expenses	<u>\$ -</u>
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**MEMBERS' EQUITY:**

Members' capital	<u>2,209,020</u>
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<i><b>Total liabilities and members' equity</b></i>	<u><b>\$ 2,209,020</b></u>
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The accompanying notes are an integral part of this statement.

**HARKEN CAPITAL SECURITIES LLC**

**STATEMENT OF OPERATIONS**

**FOR THE YEAR ENDED JUNE 30, 2023**

**REVENUES:**

Success fees	\$ 1,479,500
Retainers	273,548
Reimbursed expenses	1,897
Other income	114
<i><b>Total income</b></i>	<u>1,755,059</u>

**EXPENSES:**

Compensation	835,672
Guaranteed payments to members	1,830,050
General operating	45,636
Marketing	80
Professional services	187,789
Regulatory	14,684
Rent	4,966
Technology and communication	20,613
Taxes	76,254
<i><b>Total expenses</b></i>	<u>3,015,744</u>

**NET LOSS**

**\$(1,260,685)**

The accompanying notes are an integral part of this statement.

**HARKEN CAPITAL SECURITIES LLC**  
**STATEMENT OF CHANGES IN MEMBERS' EQUITY**  
**FOR THE YEAR ENDED JUNE 30, 2023**

<b>BALANCE, July 1, 2022</b>	<b>\$ 3,419,705</b>
Contributions	50,000
Net loss	<u>(1,260,685)</u>
<b>BALANCE, June 30, 2023</b>	<b><u>\$ 2,209,020</u></b>

The accompanying notes are an integral part of this statement.



**HARKEN CAPITAL SECURITIES LLC**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED JUNE 30, 2023**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Net income (loss) \$ (1,260,685)

Adjustments to reconcile net income to net cash used by  
operating activities:

Decrease in other assets 2,074

Decrease in receivables from non-customers 1,222,694

*Net cash used for operating activities* (35,917)

**CASH FLOWS FROM FINANCING ACTIVITIES:**

Contributions from members 50,000

*Net cash from financing activities* 50,000

**NET INCREASE IN CASH** 14,083

**CASH, at beginning of year** 24,941

**CASH, at end of year** \$ 39,024

The accompanying notes are an integral part of this statement.

**HARKEN CAPITAL SECURITIES LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Operations:**

The Company was organized in the State of Massachusetts on March 8, 2012 as a limited liability company. The Company is a broker-dealer registered with the Securities and Exchange Commission (SEC) and is a member of the Financial Industry Regulatory Authority, Inc. (FINRA). The Company identified the provision of Footnote 74 under which the Company is not required to claim an exemption from 17 C.F.R. 240.15c3-3. The Company markets financial products for its clients.

**Revenue Recognition:**

The Company complies with ASC Topic 606 Revenue from Contracts with Customers (ASC Topic 606). The revenue recognition guidance requires that an entity recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance requires an entity to follow a five-step model to (a) identify the contract(s) with a customer, (b) identify the performance obligations in the contract, (c) determine the transactions price (d) allocate the transaction price to the performance obligation in the contract, and (e) recognize revenue when (or as) the entity satisfies a performance obligation.

The Company is involved in raising funds for clients (private placements). During the early stages of the private placement they receive retainer fees and upon completion of the engagement they receive success fees.

**Accounts Receivable:**

Accounts receivables are stated at the amount management expects to collect. Management provides for probable uncollectable amounts through a charge to earnings and a credit to an allowance based on the assessment of the current status of individual accounts. At June 30, 2023 management feels that all receivables are collectable.

**Cash and Cash Equivalents:**

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

**HARKEN CAPITAL SECURITIES LLC**  
**NOTES TO FINANCIAL STATEMENTS, CONTINUED**  
**JUNE 30, 2023**

**NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Income Taxes:**

The Company does not record a provision for income taxes because the partners report their share of the partnership's income or loss on their income tax returns. The financial statements reflect the partnership's transactions without adjustment, if any, required for income tax purposes.

**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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates

**NOTE 2 – NET CAPITAL REQUIREMENTS**

The Company 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 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 if the resulting net capital ratio would exceed 10 to 1). At June 30, 2023, the Company had net capital of \$39,024, which was \$34,024 in excess of its required net capital of \$5,000. The Company's aggregate indebtedness to net capital ratio was .00 to 1.

**NOTE 3 - OPERATING LEASE**

The Company has elected, for all underlying classes of assets, to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement.

**NOTE 4 – CONCENTRATION OF CREDIT RISK**

Cash held in banks sometimes exceeds the Federal Deposit Insurance Corporation's (FDIC) insurance coverage of \$250,000, and as a result there may be a concentration of credit risk related to the amount in excess of FDIC insurance coverage.

The Company has three customers which represents 87% of accounts receivable at June 30, 2023. Of these customers, one also represents 76% of revenue for fiscal year 2023.

**HARKEN CAPITAL SECURITIES LLC**  
**NOTES TO FINANCIAL STATEMENTS, CONTINUED**  
**JUNE 30, 2023**

**NOTE 5 – COMMITMENTS AND CONTINGENCIES**

The Company at June 30, 2023 has no unfulfilled contract, commitments, or contingencies.

**NOTE 6 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through August 16, 2023, the date on which the financial statements were available to be issued. There were no subsequent events that require adjustment or disclosure in the financial statements.

## **SUPPLEMENTARY INFORMATION**

**SCHEDULE I**

**HARKEN CAPITAL SECURITIES LLC**

**COMPUTATION OF NET CAPITAL  
UNDER RULE 15c3-1 OF THE SECURITIES EXCHANGE ACT OF 1934**

**JUNE 30, 2023**

**CREDIT:**

Total member's equity	<u>2,209,020</u>
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**DEBITS:**

Nonallowable assets:	
Receivables from non-customers	2,168,003
Other assets	<u>1,993</u>

<i>Total debits</i>	<u>2,169,996</u>
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<b>NET CAPITAL</b>	39,024
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Minimum requirement of 6-2/3% of aggregate indebtedness of \$0 or \$5,000, whichever is greater	<u>5,000</u>
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<i>Excess net capital</i>	<u><u>\$ 34,024</u></u>
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**AGGREGATE INDEBTEDNESS:**

Accounts payable and accrued expenses	<u><u>\$ -</u></u>
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<b>RATIO OF AGGREGATE INDEBTEDNESS TO NET CAPITAL</b>	<u><u>.00 to 1</u></u>
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**NOTE:** There are no material differences between the above computation of net capital and the corresponding computation as submitted by the Company with the unaudited Form X-17A-5 as of June 30, 2023.

See Independent Registered Public Accountants Firm's Report.

# LARRY D. LIBERFARB, P.C.

CERTIFIED PUBLIC ACCOUNTANTS  
AND FINANCIAL ADVISORS

11 Vanderbilt Avenue, Suite 220, Norwood, Massachusetts 02062  
Tel. (781) 255-8800 Fax (781) 255-9217  
E-Mail: Info@Liberfarb.com

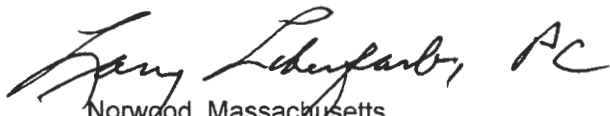
## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Members  
of Harken Capital Securities LLC

We have reviewed management's statement, included in the accompanying Exemption Report, in which (1) Harken Capital Securities LLC identified that it was filing the exemption report solely to be in compliance with 17 C.F.R. 240.17a-5 (d)(1) and (4). Harken Capital Securities LLC does not claim an exemption under paragraph (k) of 17 C.F.R. 240.15c3-3, and is relying on Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. 240.17a-5 because the company limits its business activities exclusively to (1) receiving transaction based compensation for identifying potential merger and acquisition opportunities for clients, referring securities transactions to other broker-dealers, and the Company (1) did not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers (other than money or other compensation received and promptly transmitted in compliance with paragraph (a) or (b)(2) of Rule 15c2-4 and/or funds received and promptly transmitted for effecting transaction on a subscriptions way basis where the funds are payable to the issuer or its agent and not to the Company); (2) did not carry accounts of or for customers; (3) did not carry PAB accounts (as defined by Rule 15c3-3) throughout the most recent fiscal year without exception. Harken Capital Securities LLC's management is responsible for compliance with Footnote 74 of the SEC Release No. 34-70073.

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 Harken Capital Securities LLC's compliance with the exemption provision. 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 upon the Company's business activities contemplated by Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5, and related SEC Staff Frequently Asked Questions.



Norwood, Massachusetts  
August 16, 2023

**HARKEN CAPITAL SECURITIES LLC**  
**EXEMPTION REPORT**  
**REQUIREMENT FOR BROKER/DEALERS UNDER**  
**RULE 17a-5 OF THE SECURITIES EXCHANGE ACT OF 1934**

**June 30, 2023**

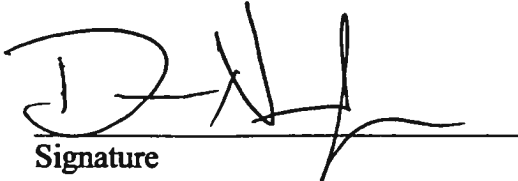
Harken Capital Securities, LLC (the "Company") is a registered broker-dealer subject to Rule 17a-5 promulgated by the Securities and Exchange Commission (17 C.F.R. §240.17a-5, "Reports to be made by certain brokers and dealers"). This Exemption Report was prepared as required by 17 C.F.R. §240.17a-5(d)(1)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

To the best of its knowledge and belief, the Company states the following:

(1) The Company does not claim an exemption under paragraph (k) of 17 C.F.R. § 240.15c3-3, and

(2) The Company is filing this Exemption Report relying on Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5 because the Company limits its business activities exclusively to: (1) receiving transaction-based compensation for identifying potential merger and acquisition opportunities for clients, referring securities transactions to other broker-dealers, or providing technology or platform services, and the Company (1) did not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers, (other than money or other consideration received and promptly transmitted in compliance with paragraph (a) or (b)(2) of Rule 15c2-4 and/or funds received and promptly transmitted for effecting transactions via subscriptions on a subscription way basis where the funds are payable to the issuer or its agent and not to the Company); (2) did not carry accounts of or for customers; and (3) did not carry PAB accounts (as defined in Rule 15c3-3) throughout the most recent fiscal year without exception.

I, Donald Nelson, swear (or affirm) that, to my best knowledge and belief, this Exemption Report is true and correct.



Signature

Managing Director, CEO  
Title

See Report of Independent Registered Public Accounting Firm.